INFORMATION MEMORANDUM
August 28, 2003

SG OPTION EUROPE
("SGOE")

EUR 50,000,000
Notes due December 30, 2011
linked to a Basket of 21 Funds
unconditionally and irrevocably guaranteed by Société Générale
(the "Notes")

Issue Price: 107.48%

Risks Factors relating to the Notes are specified on page 3.

The Notes are a 100% capital guaranteed product on the Maturity Date.

Application has been made to list the Notes on the Luxembourg Stock Exchange.

For listing purposes, information has been updated up to February 23, 2004

SGOE (the "Issuer") and Société Générale (the "Guarantor") accept responsibility for the information contained in this Information Memorandum except for the information with respect to the Funds on which the Notes are indexed. To the best of the knowledge and belief of the Issuer and the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum, except as mentioned above, is in accordance with the facts and does not omit anything likely to affect the import of such information. The information included herein with respect to the Units is extracted from publicly available information. The Issuer and the Guarantor accept responsibility for reproducing the Prospectus purposed by the Funds, but they accept no further or other responsibility in respect of such information.

In connection with the issue and sale of the Notes, no person is authorised to give any information or to make any representation not contained in this Information Memorandum and the Issuer nor the Purchaser named in "Purchase and Sale" hereof accept any responsibility for any information not contained herein. Neither the delivery of this document nor any sale made hereunder shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer or in any other information contained herein since the date hereof.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 and are subject to certain tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The distribution of this Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Information Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Information Memorandum in any jurisdiction where action is required.

On January 21, 2003, the European Union Council of Economics and Finance Ministers ("ECOFIN") committed itself to adopt the draft Directive on the taxation of savings. It is proposed that twelve Member States of the European Union will implement automatic exchange of information concerning interest income derived from savings by individuals who are residents in another Member State from January 1, 2004. However, instead of implementing the automatic exchange of information (except if the individual opts for the exchange of information), for a transitional period, Austria, Belgium and Luxembourg will operate a withholding tax on such interest (at a rate of 15% from January 1, 2004, increased to 20% as of January 1, 2007 and 35% as of January 1, 2010) and share the revenue with the country of residence (handing over 75% and keeping 25%).

During the meeting of January 21, 2003, the Council also agreed that the European Community should, on the basis of unanimity, enter into an agreement with Switzerland whereby (among other matters) Switzerland shall apply (i) the same withholding tax rates as per Austria, Belgium and Luxembourg and (ii) the same revenue sharing applicable within the Community (75/25). The proposed Directive, which is expected to come into force on January 1, 2004, is not yet final and may be subject to further amendment and/or clarification.

For a further description of certain restrictions of offerings and sales of the Notes and distribution of this document, see "Purchase and Sale".

In this Information Memorandum, references to "Euro", "euro" or "EUR" are to the lawful currency of participating member states in the European Economic and Monetary Union.

RISKS FACTORS

The Notes are linked to the performance of a Basket of 21 Funds.

Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in a particular issue of Notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation. Certain issues of Notes are not an appropriate investment for investors who are unsophisticated with respect to the applicable interest rate indices, currencies, other indices or formulas, or redemption or other rights or options. Investors should also have sufficient financial resources to bear the risks of an investment in Notes. As the Basket of 21 Funds (the « Fund ») herein is underlying the Notes, this Information Memorandum should be read in conjunction with the Prospectus (as defined in the Terms and Conditions of the Notes) of the Funds.

Investors should note that the Notes are principal guaranteed only at maturity. Any early termination or early redemption of the Notes may attract losses as determined by Société Générale and investors should note that they may not have returned to them the principal amount invested. Investors should further note that at maturity, apart from the principal amount being returned to them, there is no guarantee that the past performance of the Funds is indicative of the likely future performance. Investors should further note that at maturity, apart from the principal amount being returned to them, there is no guarantee that the past performance of the Funds is indicative of the likely future performance.

The Issuer and Société Générale expect to enter into hedging transactions in order to hedge the Issuer's obligations under the Notes. Should any conflicts of interest arise between (i) the responsibilities of Société Générale as Calculation Agent for the Notes and (ii) the responsibilities of Société Générale as counterparty to the above mentioned hedging transactions, the Issuer and Société Générale hereby represent that such conflicts of interest will be resolved in a manner which respects the interests of the holders of the Notes.

Table of Contents

PURCHASE AND SALE **5**

LEGAL /TAXATION **6**

GENERAL INFORMATION **7**

TERMS AND CONDITIONS OF THE NOTES **10**

PURCHASE AND SALE

Pursuant to a Master Purchase Agreement dated June 15, 2001 as supplemented on December 20, 2001 and a Supplemental Purchase Agreement dated August 28, 2003 (together the "Purchase Agreement") between the Issuer and Société Générale, and subject to satisfaction of certain conditions, Société Générale (the "Purchaser") has agreed to purchase the Notes at an issue price of 107.48% of the principal amount. The Issuer has agreed to bear certain costs in connection with the issue of the Notes.

No action has been or will be taken by the Issuer or the Purchaser that would permit a public offering of the Notes or possession or distribution of any offering material in relation to the Notes in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Notes, or distribution of any offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Purchaser.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Purchaser has agreed that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time, or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (as defined in the Terms and Conditions) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Purchaser has represented, warranted and agreed that:

(i) it has not offered or sold and, prior to the expiry of a period of six months from the Issue Date, will not offer or sell any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in any offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of the Guarantor, would not if it was not an authorised person, apply to the Issuer or the Guarantor; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Notes may only be issued, offered or sold, directly or indirectly, in the Republic of France in accordance with articles L 411-1, L 412-1 and L 621-8 of the French *Code Monétaire et Financier*. Where an issue, offer or sale of the Notes is effected as an exception to the public offer rules (*appel public à l'épargne)* in the Republic of France by way of an offer or sale to (i) qualified investors (*investisseurs qualifiés*) and/or (ii) a restricted circle of investors (*cercle restreint d'investisseurs*) all as defined in, and in

accordance with, article L 411-2 of the French *Code Monétaire et Financier* and *décret* N°98-880 dated October 1, 1998, such qualified investors or investors of a restricted circle must be informed that :

- this issue, offer or sale of the Notes does not require an information document to be submitted to the approval of the *Commission des Opérations de Bourse*;

- they can only invest in the Notes for their own account;

- the direct or indirect offer or sale, to the public in the Republic of France, of the Notes so purchased can only be made in accordance with articles L 411-1, L 412-1 and L 621-8 of the French *Code Monétaire et Financier*; and

- if the offer or sale is made to a restricted circle of investors comprising 100 or more of such investors, the latter must provide a certification as to their personal relationship from a professional or family standpoint, with a member of the management of the Issuer.

Each of the Purchaser and the Issuer has represented and agreed that, in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, the Notes to the public in the Republic of France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France, the Information Memorandum or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (*investisseurs qualifiés*) and/or (ii) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in and in accordance with article L 411-2 of the French *Code Monétaire et Financier* and *décret* no. 98-880 dated October 1, 1998.

LEGAL /TAXATION

Potential purchasers who have any doubt or concern regarding their tax and/or legal position on purchase, ownership or transfer of any Note should consult their own appropriate, independent, professionally qualified tax and/or legal advisers.

GENERAL INFORMATION

Authorisations

The issue of the Notes was authorised by a decision dated August 7, 2003 of a Director of the Issuer acting under a delegation of authority granted by a resolution of the Board of Directors of the Issuer passed on December 19, 2002. The Notes are issued pursuant to a Master Paying Agency Agreement dated June 15, 2001 and a Supplemental Paying Agency Agreement dated August 28, 2003 (together the "Paying Agency Agreement") between, *inter alia*, the Issuer, the Guarantor (as defined below) and Société Générale Bank & Trust S.A., as principal paying agent (the "Agent" and together with any additional or successor paying agents, the "Paying Agents").

No consent, approval or authorisation is required under the laws of the Republic of France from any governmental or other regulatory authority in the Republic of France for, or in connection with (i) the Issue of the Notes and the performance by the Issuer of its obligations thereunder and under the Paying Agency Agreement and (ii) the guarantee of the Notes by the Guarantor or, under such laws as presently in effect, for the performance by the Guarantor of its obligations under such guarantee.

Guarantee

The due and punctual payment of any amounts due by the Issuer in respect of the Notes will be unconditionally and irrevocably guaranteed by Société Générale, the "Guarantor", as provided in the deed of guarantee dated February 17, 2003 as more specifically set forth in Condition 5 of the Terms and Conditions of the Notes.

Tax Status of the Notes

Payments by Société Générale in respect of the Notes (constituting "*obligations*" under French law) being issued outside France benefit from the exemption from deduction of tax at source provided for in article 131 *quater* of the *Code Général des Impôts* (French General Tax Code). Accordingly, such payments do not give the right to any tax credit from any French source.

Listing

Application has been made to list the Notes on the Luxembourg Stock Exchange.

In connection with the listing of the Notes on the Luxembourg Stock Exchange, the *statuts* of the Issuer and the Guarantor and the legal notice relating to the issue of the Notes are being lodged with the Trade Register in Luxembourg (*Registre du Commerce et des Sociétés*), where such documents may be examined and copies obtained.

Clearance

The Notes have been accepted for clearance through Clearstream Banking, société anonyme, Luxembourg ("Clearstream") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), with the following reference numbers:

ISIN Code:	XS0175417657
Common Code for Clearstream and Euroclear:	17541765

Litigation

The Issuer is not involved in any litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the present issue nor, to the best of the knowledge and belief of the Issuer, are there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the present issue which would in either case jeopardize its ability to discharge its obligations in respect of the present issue.

At the present time, there are no extraordinary circumstances or disputes that are liable to materially affect the Group's results and financial position, and whose consequencess, estimated at December 31, 2002, have not been taken into account in the Group's Financial Statements.

Adequate provision was set up at the closing of the 2002 Group's financial statement for the consequences of the notifications of tax adjustments which could affect until December 31, 2002 the results of both Société Générale and its subsidiaries included in the consolidated financial statements. Adequate provision was set up as well for the tax adjustments concerning VAT which were notified in December 2002.

On January 19, 2000, High Risk Opportunities Hub Fund Ltd, a hedge fund in receivership, represented by its receivers, brought legal action against Société Générale (and another bank), before the Supreme Court of the State of New York. This fund claimed compensation up to an amount of USD1 billion for direct and indirect damages resulting from its liquidation alleging that the liquidation was caused by the non-execution of undelivered forward USD/RUR contracts. Société Générale considered this allegation to be unjustified. An agreement in principle on a settlement, which remains to be approved by the Court, has been entered into. A prudential provision, which had already been booked in the Group's previous financial statements, covers this amount.

On November 27, 2000, a lawsuit was filed against SG Cowen before the Untied States Court for the district of Massachusetts by the New England Teamsters and Trucking Industry Pension Fund. The lawsuit, which is seeking compensation in the amount of EUR 232 million for the fall in value of securities managed by SG Cowen on behalf of the Pension Fund, is currently being examined. A prudential provision has been booked in the Group's financial statements. SG Cowen has solid arguments with which to contest this charge, notably because the action is based on grievances that fall outside its contractual obligations. An insurance policy covers the risk of the court's decision possibly going against SG Cowen.

At the end of 2001 and in the early 2002, a number of Société Générale managers and executives and the company itself, were placed under investigation in relation to a money laundering case under investigation in Paris.

Like other banks working in France, Société Générale is implicated either because some checks drawn on Société Générale and considered by investigators as corresponding to money laundering transactions were paid by the bank or because they were presented by Société Générale for payment to other French banks, in its capacity as correspondent bank for some foreign banks.

The investigators contest the absence of systematic verification of checks processed, as they have done for other banks previously placed under investigation. However, no evidence suggests that a Société Générale employee or department was knowingly involved in money laundering.

Moreover, no civil action for damages has been brought against either Société Générale or its employees.

The question of the duties of banks with respect to verifying checks concerns all banking institutions in France, as well as the regulatory authorities. At the request of the French Banking Federation, a new regulation was adopted on April 26, 2002 by the Banking and Financial Regulation Committee. This regulation now imposes diligence duties to the banks regarding checks to fight against money laundering and terrorism financing.

In January 2002, Société Générale was informed of a fraud committed by a former employee of the retail brokerage business of SG Cowen Securities, which was sold in October 2000. The employee was

subsequently sentenced for having misappropriated assets that he managed for his successive employers over a number of years. Within this framework, a number of former SG Cowen clients have taken legal action against the different parties involved, including SG Cowen.

Société Générale is co-operating fully with the different legal and regulatory authorities involved in the matter. The necessary steps have been taken vis-à-vis the Group's insurance companies, and a provision of EUR 159 million has been booked by way of precaution, in 2002, to cover the various consequences of this affair.

No Material Adverse Change

There has been no adverse change, material in the context of the issue of the Notes, in the financial position of the Issuer and of the Guarantor and its consolidated subsidiaries (taken as a whole) since December 31, 2002.

Use of Proceeds

The net proceeds from the issue of the Notes (EUR 53,740,000) will be used for general financing purposes of the Société Générale Group.

Availability of documents

The annual financial statements of the Issuer and the annual report of the Guarantor for the year ending 2002 will be made available, free of charge, as well as copies of the *Statuts* of the Issuer and the Guarantor, the Paying Agency Agreement, the Guarantee, the future annual financial statements of the Issuer and the future annual reports of the Guarantor, the future semi-annual financial statements of the Guarantor, the Prospectus of the Funds and any present and future Supplement thereto and the Information Memorandum at the specified office of the Agent in Luxembourg. The Issuer does not publish interim financial statements.

Furthermore, the annual and interim financial statements of the Funds, if any, will be available, at both offices of the Agent in Luxembourg and Société Générale (Tour Société Générale; DEAI/ING 92987 Paris-La Défense-).

TERMS AND CONDITIONS OF THE NOTES

GENERAL DEFINITIONS

"Calculation Agent":
means Société Générale, Paris; the calculations and determinations of the Calculation Agent will be conclusive and binding upon the Issuer and the Noteholders, in the absence of manifest error.

"Clearance Institution"
means Clearstream or Euroclear, as the case may be.

"Conditions":
means, unless the context otherwise requires, the numbered paragraphs below.

"Fund":
means the CARMIGNAC INVESTISSEMENT Fund, the CDC MEDIANES Fund, the CDC EURO SOUVERAINS Fund, the FEDERAL INDICIEL FRANCE Fund, the FEDERAL OBLIGATAIRE Fund, the Fidelity Funds – European Growth Fund, the Fidelity Funds – American Growth Fund, the AGRESSOR Fund, the Templeton EuroMarket Growth Fund, the Franklin Mutual Beacon Fund, the Schroder International Selection Fund Asian Bond, the JPMorgan Fleming Funds – Europe Dynamic Fund, the JPMorgan Fleming Funds – Europe Small Cap Fund, the JPMorgan Fleming Funds – America Equity Fund, the JPMorgan Fleming Funds – US Strategic Value Fund, the JPMorgan Fleming Funds – Asia Equity Fund, the JPMorgan Fleming Investment Funds–GLOBAL HIGH YIELD BOND FUND, the JPMorgan Fleming Investment Funds–EUR GLOBAL BOND FUND, the Schroder International Selection Fund Japanese Equity, the SOCGEN INTERNATIONAL SICAV and the Ulysse Fund. Information on each Fund is set out in the Prospectus attached hereto.

"Issue Date":
means August 28, 2003.

"Issue Price":
means 107.48%.

"Maturity Date"
means December 30, 2011.

"Redemption Amount":
means the amount which shall be due and payable to the Noteholders on the Maturity Date in accordance with Condition 6(b) below.

1. FORM, DENOMINATION AND TITLE

(a) The Notes are in bearer form in the denomination of EUR 100 and in the case of Definitive Notes (as defined below) serially numbered and transferable by delivery.

(b) The Notes are initially represented by a temporary global note (the "**Temporary Global Note**") in bearer form, in the principal amount of EUR 50,000,000 which was deposited with (i) Clearstream and (ii) Euroclear on or about August 28, 2003. Upon deposit of the Temporary Global Note, Euroclear or Clearstream, as the case may be, shall credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which such subscriber subscribed and paid. Not earlier than the day (the "**Exchange Date**") following the expiry of 40 days after August 28, 2003, the Temporary Global Note is exchangeable for a permanent global Note (the "**Permanent Global Note**") in bearer form, in the principal amount of EUR 50,000,000. Exchanges of interests in the Temporary Global Note for interests in the Permanent Global Note will be effected only upon certification as to non-U.S. beneficial ownership. A beneficial owner must exchange his interest in the Temporary Global Note for an interest in the Permanent

Global Note before payments of principal on the Notes can be collected. The Temporary Global Note and the Permanent Global Note are together referred to as the "**Global Notes**". Title to each Global Note will pass by delivery (without prejudice to paragraphs (c) and (d) below). Subject to paragraphs (c) and (d) below, the Issuer and each of the Paying Agents may (to the fullest extent permitted by applicable laws) deem and treat the bearer of a Global Note as the absolute owner thereof (whether or not such Global Note shall be overdue and notwithstanding any notice of ownership or writing on such Global Note or any notice of previous loss or theft of such Global Note) for the purpose of making payment thereof or on account thereof and for all other purposes.

(c) For so long as the Notes are represented by a Global Note, Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as appropriate. Title to the definitive Notes (the "**Definitive Notes**") issued upon notice as described below will pass by delivery. The Issuer and each of the Paying Agents may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Definitive Note as the absolute owner thereof (whether or not such Definitive Note shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for the purpose of making payment thereof or on account thereof and for all other purposes.

(d) For so long as the Notes are represented by a Global Note each person who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular principal amount of Notes (in which regard any Note or other document issued by Euroclear or Clearstream as to the principal amount of the Notes standing on the account of any person shall be conclusive and binding for all purposes) shall be treated by the Issuer, the Paying Agent and the bearer of the relevant Global Notes as a holder of such principal amount of Notes (and the expression "**Noteholder**" and references to "**holding Notes**" and to "**holder of Notes**" shall be construed accordingly) for all purposes other than with respect to the payment of principal on the Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the Permanent Global Note in accordance with and subject to its terms. Any references herein to Euroclear or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer.

(e) Payments of principal on a Permanent Global Note will be made to or to the order of the holder thereof against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification. The Permanent Global Note will only be exchangeable for security-printed Definitive Notes upon not less than 60 days' written notice to the Agent from Euroclear and/or Clearstream (as the case may be) acting on the instructions of any holder of a beneficial interest in the Permanent Global Note or, if the Global Note is held otherwise than on behalf of Euroclear and/or Clearstream, by the bearer of the Global Note, in the event of the occurrence of any of the circumstances described in (i), (ii) or (iii) below or by the Issuer in the event of the occurrence of the circumstance described in (iii) below:

(i) if applicable, an Event of Default (as defined in Condition 14) occurs and is continuing; or

(ii) either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business; or

(iii) on the occasion of the next payment in respect of the Notes, the Issuer would be required to pay additional amounts as referred to in Condition 10 and such payment would not be required were the Notes in definitive form.

Such exchange will be made upon presentation and surrender of the Permanent Global Note by the bearer thereof on any day (other than a Saturday or Sunday) on which banks are open for business in Luxembourg at the office of the Agent.

(f) The Definitive Notes shall be to bearer and shall be issued in the denomination of EUR 100 each serially numbered and shall be endorsed with these Conditions. Title to the Definitive Notes shall pass by delivery.

2. STATUS

The Notes are direct, unconditional and (subject to Condition 3), unsecured and unsubordinated obligations of the Issuer and (subject as aforesaid) rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer (except any such obligations as are preferred by law) and *pari passu* and rateably without any preference or priority among themselves.

3. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding, the Issuer will not create or permit to exist any mortgage, charge, pledge, lien (other than a lien arising solely by operation of law in the ordinary course of business) or other encumbrance upon the whole or any part of its undertaking, assets or revenues to secure any loan or other indebtedness in the form of, or represented by, negotiable securities such as bonds, notes or debentures (*obligations*), certificates of deposit, cash certificates (including without limitations *bons de caisse*), or other negotiable securities issued before, on or after the Issue Date of the Notes unless the Notes shall forthwith be secured equally and rateably therewith.

4. INTEREST

The Notes shall not bear interest.

5. GUARANTEE

The due and punctual payment of any amounts due by the Issuer in respect of the Notes is unconditionally and irrevocably guaranteed by the Guarantor as provided in the deed of guarantee dated February 17, 2003 (the "Guarantee"). The Guarantee constitutes a direct unsecured and general obligation of the Guarantor and ranks equally with all its other existing and future unsecured obligations, including those in respect of deposits, but excluding any debts for the time being preferred by law and any subordinated obligations. In the event of any default by the Issuer in the due and punctual payment of all or any part of such amounts the Guarantor will make such payment on demand and as if such payment or payment were made by the Issuer.

6. PURCHASE AND REDEMPTION

a) Purchase

The Issuer may at any time purchase the Notes at any price in the open market or otherwise. Notes purchased by or on behalf of the Issuer will be surrendered to any Paying Agent for cancellation.

b) Redemption at maturity

Subject to the provisions set forth below and the provisions of Condition 7, each Note will be redeemed by the Issuer on the Maturity Date at its Redemption Amount, as determined by the Calculation Agent in accordance with the following formula:

- either $Basket_{(f)} \times 100\%$, if $Basket_{(f)}$ is greater than $Basket_{(i)}$;
- or $Basket_{(i)} \times 100\%$, if $Basket_{(f)}$ is lower than or equal to $Basket_{(i)}$.

where:

"$Basket_{(f)}$":
means, in respect of the Valuation Date, the value of the Basket, determined by the Calculation Agent in accordance with the following formula :

$$\text{Basket}_{(f)} = \text{Basket}_{(i)} \times \left\{ \sum_{n=1}^{21} \left[w_n \times \left(\frac{NAV_{(f)}}{NAV_{(i)}} \right) \right] \right\} \times (1-F)^8$$

For information purposes, the value of the Basket will be determined by the Calculation Agent weekly and available at the office of the Agent in Luxembourg from the Issue Date to the Maturity Date.

"$\text{Basket}_{(i)}$":
means EUR 100.

"F":
means, 0,015.

"$NAV_{(f)}$":
means, in respect of each Fund_n and of the Valuation Date, the Net Asset Value per Unit of such Fund actually paid to Société Générale by the Fund, as a result of a redemption order given by Société Générale and executed by the Fund, after deduction of any redemption fees or other costs otherwise payable to the Fund by Société Générale on the Valuation Date, all in accordance with the provisions of the Prospectus and subject to adjustment pursuant to Condition 7 and to the definition of Valuation Date.

"$NAV_{(i)}$":
means, in respect of each Fund_n and of the Initial Determination Date, the Net Asset Value per Unit of such Fund actually paid by Société Générale to the Fund, as a result of a subscription order given by Société Générale on the Initial Determination Date and executed by the Fund, including any subscription fees or other costs otherwise payable to the Fund by Société Générale, all in accordance with the provisions of the Prospectus and subject to adjustment pursuant to Condition 7 and to the definition of Initial Determination Date.

"Nominal Amount":
means EUR 100 being the nominal amount of one Note.

"W_n":
means, in respect of each Fund_n, the relevant weight, expressed in percentage, of such Fund in the Basket appearing in the table under the definition "Basket" below.

<u>Additional definitions:</u>

"Basket" :
means, subject to adjustment pursuant to Condition 7, the following basket of Funds :

Fund_n	Name	Bloomberg's page	ISIN Code	Class of Unit	Currency	W_n
Fund_1	CARMIGNAC INVESTISSEMENT	CARINVT FP	FR0000435620		EUR	4%
Fund_2	CDC MEDIANES	CDCMEDI FP	FR0000003170		EUR	4%
Fund_3	CDC EURO SOUVERAINS	EURPPRM FP	FR0000003196	C	EUR	5%
Fund_4	FEDERAL INDICIEL FRANCE	FINDICF FP	FR0000447625		EUR	2%
Fund_5	FEDERAL OBLIGATAIRE	FEDOBLI FP	FR0000447641	C	EUR	6%
Fund_6	Fidelity Funds – European Growth Fund	FIDLEUI LX	LU0048578792	A	EUR	5%
Fund_7	Fidelity Funds – American Growth Fund	FIDFAMG LX	LU0077335932	A	USD	4%
Fund_8	AGRESSOR	ECHAGRE FP	FR0007469598		EUR	5%
Fund_9	Templeton EuroMarket Growth Fund	TEMGROA LX	LU0093666013	A Acc	EUR	6%

$Fund_{10}$	Franklin Mutual Beacon Fund	TEMAMAI LX	LU0070302665	A Acc	USD	7%
$Fund_{11}$	Schroder International Selection Fund Asian Bond	SCHABBA LX	LU0106250763	B Acc	USD	5%
$Fund_{12}$	JPMorgan Fleming Funds – Europe Dynamic Fund	FFEUDAU LX	LU0119063039	A	EUR	7%
$Fund_{13}$	JPMorgan Fleming Funds – Europe Small Cap Fund	FLEFESI LX	LU0117859560	A	EUR	3%
$Fund_{14}$	JPMorgan Fleming Funds – America Equity Fund	FLEFAMI LX	LU0117861202	A	USD	4%
$Fund_{15}$	JPMorgan Fleming Funds – US Strategic Value Fund	FFUSVAU LX	LU0119066727	A	USD	5%
$Fund_{16}$	JPMorgan Fleming Funds – Asia Equity Fund	FLEFEOI LX	LU0117866698	A	USD	5%
$Fund_{17}$	JPMorgan Fleming Investment Funds–GLOBAL HIGH YIELD BOND FUND	JPMGHYA LX	LU0115103029	A	EUR	4%
$Fund_{18}$	JPMorgan Fleming Investment Funds–EUR GLOBAL BOND FUND	JPMINTA LX	LU0115102724	A	EUR	4%
$Fund_{19}$	Schroder International Selection Fund Japanese Equity	SCHJPBA LX	LU0106240376	B Acc	JPY	4%
$Fund_{20}$	SOCGEN INTERNATIONAL SICAV	SOCGISD LX	LU0068578508		USD	6%
$Fund_{21}$	Ulysse	ULYSSEC FP	FR0007475769	C	EUR	5%

For information purpose:

- The CARMIGNAC INVESTISSEMENT Fund was incorporated as a FCP (*Fonds Commun de Placement*) under the Laws of France. Information on the Fund are set out in the relevant Prospectus.

- The CDC MEDIANES Fund was incorporated as a SICAV *(Société d'Investissemet à Capital Variable*) under the Laws of France. Information on the Fund are set out in the relevant Prospectus.

- The CDC EURO SOUVERAINS Fund was incorporated as a SICAV *(Société d'Investissemet à Capital Variable*) under the Laws of France. Information on the Fund are set out in the relevant Prospectus.

- The FEDERAL INDICIEL FRANCE Fund was incorporated as a FCP (*Fonds Commun de Placement*) under the Laws of France. Information on the Fund are set out in the relevant Prospectus.

- The FEDERAL OBLIGATAIRE Fund was incorporated as a FCP (*Fonds Commun de Placement*) under the Laws of France. Information on the Fund are set out in the relevant Prospectus.

- The Fidelity Funds – European Growth Fund, is a compartment of Fidelity Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The Fidelity Funds – American Growth Fund is a compartment of Fidelity Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The AGRESSOR Fund was incorporated as a FCP (*Fonds Commun de Placement*) under the Laws of France. Information on the Fund are set out in the relevant Prospectus.

- The Templeton EuroMarket Growth Fund is a compartment of the Franklin Templeton Investment Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The Franklin Mutual Beacon Fund is a compartment of the Franklin Templeton Investment Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The Schroder International Selection Fund Asian Bondis a compartment of the Schroders Inernational Selection Fund which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The JPMorgan Fleming Funds – Europe Dynamic Fund is a compartment of The JPMorgan Fleming Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The JPMorgan Fleming Funds – Europe Small Cap Fund is a compartment of The JPMorgan Fleming Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The JPMorgan Fleming Funds – America Equity Fund is a compartment of The JPMorgan Fleming Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The JPMorgan Fleming Funds – US Strategic Value Fund is a compartment of The JPMorgan Fleming Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The JPMorgan Fleming Funds – Asia Equity Fund is a compartment of The JPMorgan Fleming Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The JPMorgan Fleming Investment Funds–GLOBAL HIGH YIELD BOND FUND is a compartment of The JPMorgan Fleming Investment Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The JPMorgan Fleming Investment Funds–EUR GLOBAL BOND FUND is a compartment of The JPMorgan Fleming Investment Funds which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The Schroder International Selection Fund Japanese Equity is a compartment of the Schroders Inernational Selection Fund which was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The SOCGEN INTERNATIONAL SICAV was incorporated as SICAV *(Société d'Investissement à Capital Variable)* under the Laws of Grand Duchy of Luxembourg. Information on the Fund are set out in the relevant Prospectus.

- The Ulysse Fund was incorporated as a FCP (*Fonds Commun de Placement*) under the Laws of France. Information on the Fund are set out in the relevant Prospectus.

"Fund_n" or "Fund":
means any of Fund_1 to Fund_{21} (collectively the "Funds"). Information on the Funds are set out in the attached Prospectus. The annual and interim financial statements, if any, of the Funds will be available at both offices of the Agent in Luxembourg and Société Générale.
For Information purposes, data bases on the Net Asset Value per Unit of the Fund(s) shall be available at the office of the Agent in Luxembourg.

"Fund Business Day":
means, in respect of a $Fund_n$, a day, other than a Saturday or a Sunday, on which subscription and redemption orders can be given pursuant to the Prospectus of the relevant Fund.

"Initial Determination Date":
means December 29, 2003, provided that, if, in respect of any $Fund_n$, such date is not a Fund Business Day, then, the Initial Determination Date shall be postponed for such $Fund_n$ to the first succeeding day which is a Fund Business Day for such $Fund_n$, further provided that, if there is no Fund Business Day for such $Fund_n$ within a ten Business Day period following the scheduled Initial Determination Date then, the Initial Determination Date for such $Fund_n$ shall be deemed to be the first Business Day following such period and the $NAV_{(i)}$, for such $Fund_n$, in respect of such affected date, shall be the Calculation Agent's good faith estimate of the total net assets of such $Fund_n$ per Unit on such date.

"Net Asset Value" or "NAV":
means the net asset value per Unit of a $Fund_n$ calculated by such Fund or its representatives, in accordance with the provisions of the Prospectus, or otherwise estimated by the Calculation Agent in good faith as provided in the definitions of $NAV_{(f)}$ and $NAV_{(i)}$.

"Prospectus":
means, in respect of any $Fund_n$, the Prospectus relating to such Fund, as may be supplemented and amended from time to time. The Prospectus of the Funds are available at the specified office of Société Générale and at the office of the Agent in Luxembourg.

"Unit":
(i) means a unit of each Fund, the price of which is denominated in the relevant currency as detailed in the table under the definition of Basket.

"Valuation Date":
means December 20, 2011, provided that, if, in respect of any $Fund_n$, such date is not a Fund Business Day, then, the Valuation Date shall be postponed for such $Fund_n$ to the first succeeding day which is a Fund Business Day for such $Fund_n$, further provided that, if there is no Fund Business Day for such $Fund_n$ within a three Business Day period following the scheduled Valuation Date then, the Valuation Date for such $Fund_n$ shall be deemed to be the first Business Day following such period and the $NAV_{(f)}$, for such $Fund_n$, in respect of such affected date, shall be the Calculation Agent's good faith estimate of the total net assets of such $Fund_n$ per Unit on such date.

c) Redemption by the Issuer for taxation reasons

The Notes may be redeemed at the option of the Issuer or, as the case may be, the Guarantor in whole, but not in part, at any time, on giving not less than 30 nor more than 45 days' notice to the Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable), if :

(i) immediately prior to the giving of such notice the Issuer or the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 10 as a result of any change in, or amendment to, the laws or regulations of France or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations which change or amendment becomes effective on or after the Issue Date of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Notes redeemed pursuant to this Condition 6(c) will be redeemed at the fair market value of the Notes (after taking into account the cost of unwinding any hedging arrangements entered into in respect of the Notes) determined by the Calculation Agent.

d) Special Tax Redemption

If the Issuer or the Guarantor would, on the occasion of the next payment of the principal in respect of the Notes, be prevented by the law of France from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 10, then the Issuer or the Guarantor, as the case may be, shall forthwith give notice of such fact to the Agent and the Issuer or the Guarantor, as the case may be, shall, upon giving not more than 7 days' prior notice to the Noteholders, forthwith redeem all, but not some only, of the Notes, at their fair market value (as defined in paragraph (c) above), on the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes.

7. ADJUSTMENTS AND EXTRAORDINARY EVENTS RELATING TO ANY FUND/UNIT:

In making any adjustment and taking any decision in respect of the events listed below, the Calculation Agent shall act in good faith.

In the case of the occurrence at any time on or prior to the Valuation Date (as defined in condition 6(b)) of :

a) the material or substantial modification of the conditions of the Fund (such as but not limited to modification of the Prospectus related thereto) or any event or any change affecting the Fund and/or the Unit (such as but not limited to interruption, breakdown, suspension or deferral of the calculation or the publication of the net asset value of the Unit, or the disappearance of the net asset value of the Unit resulting more particularly from, but not limited to, the winding-up or the termination of the Fund or the cancellation of the registration or of the approval by any relevant authority of the Fund) and that, in the reasonable opinion of the Calculation Agent, is likely to have a significant effect on the value of the Unit;

b) a substantial modification in the proportion of the type of assets in which the Fund invests, as determined in good faith by the Calculation Agent, which would not necessarily lead to a modification of the Prospectus, and that, in the reasonable opinion of the Calculation Agent, has or is likely to have a significant effect on the conditions of the hedging arrangements entered into by Société Générale in respect of the Notes to enable their offering by the Issuer;

c) the reduction of the number of Units held or likely to be held by Société Générale as holder of Units of the Fund for any reason beyond Société Générale's control or the non execution or partial execution by the Fund for any reason of a subscription or redemption order given by Société Générale or any change in taxation affecting adversely any payment made by the Fund to Société Générale in its capacity of holder of Units of the Fund, and that, in the reasonable opinion of the Calculation Agent, has or is likely to have a significant effect on the conditions of the hedging arrangements entered into by Société Générale in respect of the Notes to enable their offering by the Issuer;

d) a reduction of the Fund’s total net assets below EUR 15 million and that, in the reasonable opinion of the Calculation Agent, has or is likely to have a significant effect, on the management conditions of the Fund and/or its operating expenses;

e) the conversion of the Unit into another class of units or securities or the split of the Fund, its consolidation or its merger with or its sale or its conveyance of all or substantially all its assets, to a third party;

f) capital gains distribution in cash and which do not constitute the usual dividend policy of the Fund;

then, the Calculation Agent may:

i) make adjustments to $NAV_{(i)}$ and/or $NAV_{(f)}$, as the Calculation Agent considers appropriate; and, for the purpose of subparagraph e) only: replace the Unit by the kind and number of units or other securities and property receivable on such conversion, split, consolidation, merger, sale or conveyance by a holder of Units prior to such conversion, split, consolidation, merger, sale or conveyance for the purposes of determining the value of the Unit and make any adjustment (if necessary) to the value of such Unit; or

ii) substitute the Fund with a new underlying asset with similar economic characteristics, and make adjustments to the definition of $NAV_{(i)}$ and/or $NAV_{(f)}$ if necessary; or

iii) consider such event as a Termination Event.

Should any of the events listed under 1) a), b), c) or d) above occur without having the mentioned significant effect, then the Calculation Agent will take the necessary steps (if any) in respect of such event to preserve for the Noteholders the economic equivalent of the Issuer's obligation to pay the Redemption Amount on the Maturity Date.

Termination Event: if the Calculation Agent considers that the occurrence of any event on or before the Valuation Date constitutes a Termination Event, then the Notes shall no longer be linked to the performance of the Unit as described in the Conditions; by notifying the Noteholders thereof the Issuer shall indicate to the Noteholders the fair market value of the Notes that it shall pay to them, based on the performance of the Unit until the Termination Event.

"Substitution Procedure":
If, from the Initial Determination Date to the Valuation Date (both dates inclusive), any one year performance of any $Fund_n$ of the Basket is graded, during three consecutive quarters, in the last decile of its S&P Fund's General Sector (the "Sector"), (the "Affected Fund") in the S&P Fund's list established using S&P's services (the "List"), then, the Calculation Agent, on behalf of the Issuer, may select a substitute Fund being a New Fund as defined below (the "Substitute Fund"), the substitution becoming effective on the twentyth Business Day following the last Business Day of each quarter.
The Substitute Fund will have to comply with the following conditions :

- to belong to one of the following S&P Fund's Classes (each a "Class") : French FCPs, French SICAVs, Luxembourg funds, Offshore Territories (Irish and Jersey funds),
- to be incorporated since two years or more,
- to rank in the first quartile of the List,
- to have total net assets higher than or equal to EUR 80,000,000,
- to belong to one of the Sectors the names of which are listed in the table below beside the name of the Affected Fund,
- to have a unit expressed in the same currency, have the same risk profile as the Affected Fund and more particularly an historic short-term (three months) and long-term (two years) volatility which shall not exceed by 5% of the Affected Fund's historic short-term and long-term volatility. In that event, such Substitute Fund and its unit shall be deemed to be the relevant Fund "n" and the relevant Unit.

If the Calculation Agent considers that none of the funds ranking in the first quartile of the List satisfy all these conditions, the Calculation Agent will keep the Affected Fund in the Basket until the end of the following quarter where he will be entitled to replace it, as detailed above, if such Affected Fund still ranks in the last decile of the List.

For each Fund of the Basket, the associated Sector is defined within the following table:

Name	Sector
CARMIGNAC INVESTISSEMENT	Equity Global
CDC MEDIANES	Smaller Companies France + Smaller Companies Euroland + Smaller Companies Europe ex UK + Smaller Companies Europe
CDC EURO SOUVERAINS	FI Europe + FI EUR LT + Fixed Income EUR + Fixed Income Europe
FEDERAL INDICIEL FRANCE	Equity France

FEDERAL OBLIGATAIRE	FI Europe + FI EUR LT + Fixed Income EUR + Fixed Income Europe
Fidelity Funds – European Growth Fund	Equity Euroland + Equity Europe + Equity Europe ex UK
Fidelity Funds – American Growth Fund	Equity USA + Equity North America + E&M USA
AGRESSOR	Equity France
Templeton EuroMarket Growth Fund	Equity Euroland + Equity Europe + Equity Europe ex UK
Franklin Mutual Beacon Fund	Equity Global
Schroder International Selection Fund Asian Bond	Fixed Income Asia Pacific + Fixed Income Asia Pacific ex Japan
JPMorgan Fleming Funds – Europe Dynamic Fund	Equity Euroland + Equity Europe + Equity Europe ex UK
JPMorgan Fleming Funds – Europe Small Cap Fund	Smaller Companies France + Smaller Companies Euroland + Smaller Companies Europe ex UK + Smaller Companies Europe
JPMorgan Fleming Funds – America Equity Fund	Equity USA + Equity North America + E&M USA
JPMorgan Fleming Funds – US Strategic Value Fund	Equity USA + Equity North America + E&M USA
JPMorgan Fleming Funds – Asia Equity Fund	E&M Asia Pacific + E&M Asia Pacific ex Japan + Equity Asia Pacific + Equity Asia Pacific ex Japan
JPMorgan Fleming Investment Funds–GLOBAL HIGH YIELD BOND FUND	FI Global High Yield + Fixed Income Global High Yld
JPMorgan Fleming Investment Funds–EUR GLOBAL BOND FUND	FI Global + Fixed Income Global EUR Based
Schroder International Selection Fund Japanese Equity	E&M Japan + Equity Japan
SOCGEN INTERNATIONAL SICAV	Equity Global
Ulysse	Equity France

The Calculation Agent shall notify the Issuer, the Paying Agents, the Luxembourg Stock Exchange and the Noteholders in accordance with Condition 12, of any adjustment or event described above.

8. PAYMENTS

(a) Payments of principal on the Permanent Global Note will be made against presentation of the Permanent Global Note to, or to the order of, the Agent or, at the option of the holders of the Permanent Global Note, at the specified office of any other Paying Agents outside the United States (which term, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possession and other areas subject its jurisdiction)). Such payments will be made by cheque drawn on, or at the option of the holder by transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank in a country within the TARGET System (as defined below), subject in all cases to any fiscal or other laws and regulations or orders of courts of competent jurisdictions applicable in respect of such payments to the Issuer, the relevant Paying Agent, the holder of the Permanent Global Note or, as the case may be, the person shown in the records of Euroclear or Clearstream as the holder of a particular principal amount of Notes, but without prejudice to the provisions of Condition 10. A record of each payment made on the Permanent Global Note will be made on the Permanent Global Note by the Paying Agent to which the Permanent Global Note is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

(b) The holder of a Global Note is the only person entitled to receive payments of principal on the Permanent Global Note and the Issuer will be discharged by payments to, or the order of, the holder of the Permanent Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, or Clearstream as the holder of a Note must look solely to Euroclear or Clearstream, as the case may be, for his share of each payment so made by the Issuer to the holder of the Permanent Global Note. No such person other than the holder of the Permanent Global Note shall have any claim against the Issuer in respect of any payments due on the Permanent Global Note.

(c) Payments of principal in respect of any Definitive Notes will be made against presentation and surrender of the Definitive Note at the specified office of the relevant Paying Agent. Such payments will be made by cheque drawn on, or at the option of the holder by transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank in a country within the

TARGET System (as defined below), subject in all cases to any fiscal or other laws and regulations or orders of courts of competent jurisdictions applicable in respect of such payments to the Issuer, the relevant Paying Agent, the relevant Noteholder, but without prejudice to the provisions of Condition 10.

(d) If the due date for payment of any amount of principal in respect of any Note is not a Business Day (as defined below), payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and, the holder shall not be entitled to any additional amount in respect of such postponed payment. For the purpose of this paragraph (d) "Business Day" means any day, not being a Saturday or a Sunday, which is a TARGET Settlement Day. "TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Tranfer (TARGET) System is open.

(e) Each payment on or in respect of a Note will be subject to any fiscal or other laws and regulations applicable thereto (but without prejudice to the provisions of Condition 10).

9. PAYING AGENTS AND CALCULATION AGENT

(a) The specified offices of the Agent and of the Calculation Agent are as set out below.

(b) Société Générale Bank & Trust S.A., 11, avenue Emile Reuter, 2420 Luxembourg will act as Agent. Société Générale, Tour Société Générale, 92987 Paris-La Défense Cedex will act as Calculation Agent.

The Issuer reserves the right at any time to vary or terminate the appointment of the Agent and to appoint additional or other paying agents in accordance with the provisions of the Paying Agency Agreement, provided that notice thereof is given by the Agent in accordance with the provisions of Condition 12 below. The Issuer shall maintain at any time (i) an Agent and (ii) so long as the Notes are listed on the Luxembourg Stock Exchange, a Paying Agent in Luxembourg. Notice of any such variation, termination of appointment or appointment and of any change in the specified office of the Agent and/or the Calculation Agent will be given to the Noteholders at least 45 days before the termination in accordance with Condition 12.

10. WITHHOLDING TAXES

All payments with respect to Notes constituting "*obligations*" under French law and being issued (or deemed to be issued) outside France according to the Circular of the *Direction Générale des Impôts* dated 30th September, 1998, as amended, replaced or updated from time to time, benefit from the exemption from deduction of tax at source provided for in article 131 *quater* of the *Code Général des Impôts* (French General Tax Code). Accordingly, such payments do not give the right to any tax credit from any French source.

(a) All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction in which the Issuer or the Guarantor is incorporated or any authority therein or thereof having power to tax unless such withholding or deduction is required by law. In that event the Issuer shall, to the fullest extent permitted by law, pay such additional amounts as may be necessary, in order that each Noteholder, after deduction or withholding of such taxes, duties, assessments or governmental charges, will receive the full amount then due and payable provided that no such additional amount shall be payable with respect to any Note presented for payment :

(i) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its being connected with France other than the mere holding of such Note; or

(ii) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days ; or

(iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive ; or

(iv) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the EU.

The expression "**Relevant Date**" in relation to any Note means the date on which payment in respect of such Note first became due and payable or, if the full amount of the moneys payable on such date has not been received by the Paying Agent on or prior to such date, the date on which notice is duly given to the holders that such moneys have been so received, whichever is later.

(b) In the event that the Issuer shall pay any tax, charge or duty on behalf of Noteholders it will cause to be delivered or make available to the Paying Agent and to each such holder a statement with respect to the amount so paid, which may constitute income subject to taxation in the hands of such holders.

11. SUBSTITUTION

The Issuer may be replaced and the Guarantor or any subsidiary of the Guarantor may be substituted for the Issuer as principal debtor in respect of the Notes, without the consent of the Noteholders. If the Issuer shall determine that the Guarantor or any such subsidiary shall become the principal debtor (in such capacity, the "Substituted Debtor"), the Issuer shall give not less than 30 nor more than 45 days' notice, in accordance with Condition 12, to the Noteholders of such event and, immediately on the expiry of such notice, the Substituted Debtor shall become the principal debtor in respect of the Notes in place of the Issuer and the Noteholders shall thereupon cease to have any rights or claims whatsoever against the Issuer. However, no such substitution shall take effect:

(i) if the effect of such substitution would, at the time of such substitution, be that payments in respect of the Notes would be required to be made subject to any withholding or deduction which would not otherwise arise in the absence of such substitution;

(ii) if the Substituted Debtor is not the Guarantor, until the Guarantor shall have entered into an unconditional and irrevocable guarantee substantially in the form of the Guarantee in respect of the obligations of such Substituted Debtor;

(iii) in any case, until the Substituted Debtor shall have provided to the Agent such documents as may be necessary to make the Notes and the Paying Agency Agreement its legal, valid and binding obligations; and

(iv) until such Substituted Debtor shall have been approved by the relevant authorities as able to issue the Notes.

Upon such substitution, the Notes will be modified in all appropriate respects and, for information purposes, a supplemental Information Memorandum incorporating a description of the Substituted Debtor will be prepared in connection with the listing of the Notes on the Luxembourg Stock Exchange.

12. NOTICES

All notices to the Noteholders will be deemed to have been duly given if, and for so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange, so require published in a daily newspaper of general circulation in the Luxembourg (which is expected to be the *Luxemburger Wort*) or, in such other newspaper as the Agent shall deem necessary to give fair and reasonable notice to the Noteholders. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

All Notices given to the Noteholders shall also be delivered in writing to the Clearance Institutions for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the Clearance Institutions.

Notice by any Noteholder shall be given by lodging the same at the specified office of the Agent.

13. PRESCRIPTION

Claims against the Issuer for the payment of principal the Notes will be prescribed upon the expiry of a period of ten years, from their due date.

14. EVENTS OF DEFAULT

If any of the events of default specified in paragraphs (a) to (d) inclusive below shall have occurred and be continuing with regard to the Notes:

(a) default in any payment when due of the principal of any of the Notes (including the payment of any additional amounts in accordance with Condition 10 above) and the continuance of any such default for a period of 15 days thereafter; or

(b) default in the due performance or observance of any other undertaking or agreement, contained in, or other provision of the Notes, if such default shall not have been cured within 30 days after receipt by the Agent or written notice of such default given by the holder of such Note; or

(c) any other indebtedness of the Issuer for borrowed money shall become due and payable prior to the stated maturity thereof as a result of a default thereunder and there shall have been an acceleration of any such indebtedness, or any such indebtedness shall not be paid at the maturity thereof after the expiry of any applicable grace period therefor or any guarantee given by the Issuer for borrowed money of others shall not be honoured when due and called upon, provided that the total aggregate amount of any such other indebtedness or guarantee shall be equal or shall exceed Euro 10,000,000 or its equivalent amount in any other currency ; or

(d) the Issuer applies for the appointment of a conciliator ("*conciliateur*") enters into an amicable settlement ("*accord amiable*") or ceases to pay its debts as and when they fall due or a judgement is issued for the judicial liquidation ("*liquidation judiciaire*") of the Issuer or for the transfer of the whole or part of its business ("*cession totale de l'entreprise*"), or if the Issuer is wound up or dissolved except in connection with a merger and provided that the entity resulting from such merger assumes the obligations resulting from the Notes,

then in any such event the holder of any Note may thereafter by written notice to the Agent, effective upon receipt thereof by the Agent, declare such Note to be forthwith due and payable whereupon the same shall become immediately due and payable at its fair market value as determined by the Calculation Agent, without presentation, demand, protest or other notice of any kind, all of which the Issuer hereby expressly waives, unless prior to the time when the Agent receives such notice all Events of Default in respect of all the Notes shall have been remedied.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Paying Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or certain provisions of the Paying Agency Agreement. Such a meeting may be convened by the Issuer at any time or by Noteholders holding not less than ten per cent. in principal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in the aggregate a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including but not limited

to modifying the date of maturity of the Notes, reducing or cancelling the amount of the Redemption Amount and/or any other amounts which are payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all Noteholders, whether or not they are present at the meeting.

The Agent and the Issuer may agree, without the consent of the Noteholders to:

(i) any modification (except as mentioned above) of the Paying Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes or of the Paying Agency Agreement which is (a) to cure or correct any ambiguity or defective or inconsistent provision contained therein, provided that such modification is not prejudicial to the interests of the Noteholders or (b) to correct a manifest error or (c) to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes ranking pari passu in all respects and on the same terms and conditions, and so that the same shall be consolidated and form a single series with, the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The Notes shall not confer any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which may exist or is available apart from that Act.

18. GOVERNING LAW; JURISDICTION

The Paying Agency Agreement and the Notes are governed by, and shall be construed in accordance with English law.

The Issuer submits for the exclusive benefit of the Noteholders to the jurisdiction of the High Court of Justice in England for all purposes in connection with the Paying Agency Agreement and the Notes. In relation thereto the Issuer has appointed Société Générale, London Branch, ("**SGLB**"), currently of SG House, 41 Tower Hill, London EC3N 4SG, as its agent for receipt of process on its behalf and has agreed that in the event of SGLB ceasing so to act or ceasing to be registered in England it will appoint another person as its agent for service of process. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Paying Agency Agreement and the Notes may be brought in any other court of competent jurisdiction.

Information relating to the Funds

Highs and Lows of the Net Asset Value of the Funds:

	Carmignac Investissement		Cdc Medianes		Cdc Euro Souverains		Federal Indiciel France		Federal Obligataire		Fidelity Funds- European Growth Fund	
currency	EUR		EUR		EUR		EUR		EUR		EUR	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
2001	4,205.85	2,505.90	518.55	323.26	263.76	244.75	36.84	22.92	50.63	46.66	8.306	6.075
2002	3,378.72	2,874.00	450.85	272.36	281.42	255.34	29.20	16.53	53.13	48.28	7.975	5.490
2003	3,877.00	2,958.30	371.54	244.15	298.93	279.72	22.49	15.46	56.74	52.75	7.065	4.834
August 2003	3,747.35	3,406.90	342.21	329.70	291.73	288.39	21.32	20.13	55.14	54.56	6.646	6.228
September 2003	3,847.71	3,632.70	351.11	342.63	294.22	286.67	21.90	20.37	55.63	54.31	6.794	6.368
October 2003	3,877.00	3,689.70	360.40	342.03	294.39	289.51	21.60	20.03	55.78	54.69	6.927	6.435
November 2003	3,866.39	3,646.10	371.18	362.13	291.14	288.30	21.93	21.10	55.14	54.49	7.043	6.817
December 2003	3,874.11	3,675.90	371.54	363.05	293.43	288.79	22.49	21.83	55.50	54.67	7.065	6.957
January 2004	4,070.14	3,894.10	387.82	370.39	296.61	292.57	23.56	22.64	56.15	55.39	7.567	7.145

(Source : Bloomberg)

	Fidelity Funds- American Grwth- Fund		Agressor		Templeton EuroMarket Growth Fund		Franklin Mutual Beacon Fund		Schroder International Selection Fund Asian Bond		JPMorgan Fleming Funds – Europe Dynamic Fund	
currency	USD		EUR		EUR		USD		USD		EUR	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
2001	26.97	15.07	648.57	535.83	14.45	10.71	38.04	32.65	6.77	6.093	9.83	7.34
2002	21.91	14.74	715.56	547.06	13.84	8.28	37.91	29.78	7.99	6.79	10.13	7.31
2003	22.48	14.84	796.91	556.89	11.06	7.27	38.97	29.51	9.08	7.93	8.71	6.36
August 2003	19.97	18.31	721.60	702.72	10.54	9.88	35.55	34.58	8.75	8.69	8.35	7.76
September 2003	20.94	19.83	746.60	725.58	10.77	10.02	36.03	35.45	8.96	8.72	8.60	8.07
October 2003	21.64	19.97	766.56	733.15	10.54	10.10	36.72	35.79	9.04	8.94	8.48	7.98
November 2003	22.17	21.09	793.03	774.63	10.82	10.48	37.68	36.83	8.96	8.90	8.68	8.31
December 2003	22.48	21.14	796.91	787.48	11.06	10.79	38.97	37.81	9.08	8.90	8.71	8.51
January 2004	23.90	22.51	820.88	797.60	11.73	11.18	39.80	39.08	9.23	9.06	9.25	8.76

(Source : Bloomberg)

	JPMorgan Fleming Funds – Europe Small Cap Fund		JPMorgan Fleming Funds – America Equity Fund		JPMorgan Fleming Funds – US Strategic Value Fund		JPMorgan Fleming Funds – Asia Equity Fund		JPMorgan Fleming Investment Funds – GLOBAL HIGH YIELD BOND FUND		JPMorgan Fleming Investment Funds – EUR GLOBAL BOND FUND	
currency	EUR		USD		USD		USD		EUR		EUR	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
2001	30.87	17.50	83.26	60.90	11.36	9.20	25.45	16.04	106.50	92.17	111.89	104.14
2002	24.35	16.79	73.35	48.43	10.89	7.83	25.03	17.96	102.30	93.04	117.09	108.65

2003	22.35	15.16	70.00	50.58	11.08	8.14	25.77	16.81	121.32	100.83	122.51	116.49
August 2003	20.40	19.30	63.93	61.56	10.01	9.65	23.59	21.99	112.75	109.07	119.23	117.55
September 2003	21.09	20.05	65.93	63.23	10.18	9.86	24.23	22.98	115.22	113.12	119.54	117.61
October 2003	21.67	19.82	66.17	63.22	10.39	9.89	25.36	23.13	117.37	115.36	119.76	118.06
November 2003	22.14	21.44	66.52	65.10	10.55	10.23	25.77	23.68	118.86	117.46	119.28	117.87
December 2003	22.35	21.91	70.00	66.49	11.08	10.54	25.76	24.67	121.32	118.91	120.10	118.39
January 2004	23.92	22.35	72.31	70.36	11.44	11.12	28.21	26.41	124.05	121.30	121.11	119.61

(Source : Bloomberg)

	Schroder International Selection Fund Japanese Equity		**SOCGEN INTERNATIONAL SICAV**		**Ulysse**	
currency	JPY		USD		EUR	
	High	Low	High	Low	High	Low
2001	850.00	630.00	1,691.00	1,470.00	27.40	21.551
2002	734.00	547.00	1,966.00	1,634.00	27.80	19.04
2003	649.00	492.00	2,666.00	1,793.00	26.20	17.54
August 2003	622.00	573.00	2,339.00	2,250.00	24.90	23.85
September 2003	649.00	610.00	2,429.00	2,348.00	25.60	24.92
October 2003	648.00	608.00	2,507.00	2,412.00	25.60	24.68
November 2003	636.00	581.00	2,560.00	2,489.00	26.10	25.53
December 2003	628.00	589.00	2,666.00	2,576.00	26.20	25.73
January 2004	640.00	624.00	2,733.00	2,672.00	27.20	26.17

(Source : Bloomberg)

Net Asset Value of the Funds as of February 23 , 2004.

$Fund_n$ /Name	
CARMIGNAC INVESTISSEMENT	EUR 4102.47
CDC MEDIANES	EUR 398.08
CDC EURO SOUVERAINS	EUR 297.73
FEDERAL INDICIEL FRANCE	EUR 23.58
FEDERAL OBLIGATAIRE	EUR 56.36
Fidelity Funds – European Growth Fund	EUR 7.811
Fidelity Funds – American Growth Fund	USD 23.64
AGRESSOR	EUR 839.23
Templeton EuroMarket Growth Fund	EUR 11.92
Franklin Mutual Beacon Fund	USD 40.27
Schroder International Selection Fund Asian Bond	USD 9.28
JPMorgan Fleming Funds – Europe Dynamic Fund	EUR 9.53
JPMorgan Fleming Funds – Europe Small Cap Fund	EUR 24.85
	USD 72.46
JPMorgan Fleming Funds – America Equity Fund	
JPMorgan Fleming Funds – US Strategic Value Fund	USD 11.51
JPMorgan Fleming Funds – Asia Equity Fund	USD 28.64
	EUR 122.26
JPMorgan Fleming Investment Funds – GLOBAL HIGH YIELD BOND FUND	
JPMorgan Fleming Investment Funds – EUR GLOBAL BOND FUND	EUR 121.33
Schroder International Selection Fund Japanese Equity	JPY 630.90

SOCGEN INTERNATIONAL SICAV	USD 2,770.72
Ulysse	EUR 27.80

(Source : Bloomberg)

(Page left intentionally Blank)

NOTICE D'INFORMATION FCP CONFORME AUX NORMES EUROPEENNES

CARMIGNAC INVESTISSEMENT

- Forme juridique de l'OPCVM : FCP
- Organisme promoteur : CARMIGNAC GESTION 24 Place Vendôme 75001 Paris - Tél 01 42 86 53 35
- Société de Gestion : CARMIGNAC GESTION
- Dépositaire : **NATEXIS BANQUES POPULAIRES** 115 Rue Montmartre 75002 Paris
- Etablissement désigné pour recevoir les souscriptions et les rachats : CARMIGNAC GESTION
- Commissaire aux Comptes : Cabinet Patrice VIZZAVONA 64 Bld Maurice Barrès 92200 Neuilly sur Seine

CARACTERISTIQUES FINANCIERES

• **Classification** : Actions internationales

• **Orientation des placements** : La gestion se veut dynamique et portant essentiellement sur les actions françaises et étrangères sans exclure d'autres valeurs mobilières, avec pour objectif, la recherche de la performance compte tenu des opportunités offertes par le marché français et les marchés étrangers. L'attention des investisseurs français est appelée sur le fait que les conditions de fonctionnement et de surveillance de certains marchés peuvent s'écarter du standard prévalant sur les grandes places internationales.

Le FCP se réserve la possibilité de négocier des contrats de swaps, de taux d'intérêt et d'intervenir sur les marchés dérivés (liste des marchés financiers définis par les arrêtés du 6 septembre 1989 et 7 février 1992). L'engagement sur les marchés à terme ferme et à terme conditionnel est limité à 100% de l'actif. L'OPCVM a la possibilité de détenir dans la limite de 5% de son actif des actions ou parts d'autres OPCVM.

• **Indicateur de risques de marché** : degré minimum d'exposition au risque actions 60%

• **Durée minimale de placement recommandée :** de 3 mois à 2 ans.

• **Souscripteurs concernés :** Le Fonds s'adresse aux personnes physiques et aux personnes morales.

• **Affectation des résultats :** Les revenus sont capitalisés.

MODALITES DE FONCTIONNEMENT

• **Date de clôture de l'exercice** : 31 décembre

• **Valeur liquidative d'origine** : 762.25 euros soit 5 000 francs

• **Date et périodicité de calcul de la valeur liquidative** : la valeur liquidative est publiée chaque jour à partir des cours de clôture de bourse de la veille.

• **Conditions de souscription et de rachat** : les souscriptions et les rachats, transmis par courrier ou déposés dans les bureaux de CARMIGNAC GESTION, sont centralisés chaque jour avant 10 h auprès de CARMIGNAC GESTION et évalués pour les souscriptions et pour les rachats, sur la base de la valeur liquidative calculée sur les cours de clôture de la veille.

• **Montant minimum** : la 1ère souscription ne saurait être inférieure à 7 622.45 euros soit 50 000 francs, tous Fonds et SICAV gérés par CARMIGNAC GESTION SA confondus. Les souscriptions ultérieures sont recevables à partir d'une part, au delà des fractions de parts peuvent être acquises ou cédées par centièmes.

• **Commission de souscription maximale** : 3% (entièrement acquise à l'établissement placeur).

• **Commission de rachat maximale** : 1% (entièrement acquise à l'établissement placeur).

• **Frais de gestion** : Montant maximum des frais de gestion : commission annuelle de 1% maximum de l'actif net, déduction faite des parts de Fonds Communs ou des actions de SICAV en portefeuille, prélevée à la source prorata temporis.

Frais de gestion variables : dès lors que la performance dépasse 10%, calculée en mode actuariel au jour le jour par rapport au 1er janvier de chaque exercice, une provision quotidienne de 10% de cette surperformance est constituée. En cas de réduction de cette surperformance, une reprise quotidienne de provision est effectuée à hauteur de 10% de cette réduction sur les dotations constituées depuis le début du semestre. Cette provision est prélevée semestriellement au 30 juin et au 31 décembre par la société de gestion.

• **Libellé de la devise de comptabilité** : euros

• **Adresse de la société de gestion** : CARMIGNAC GESTION 24 Place Vendôme 75001 Paris

• **Adresse du Dépositaire** : **NATEXIS BANQUES POPULAIRES** 115 rue Montmartre 75002 Paris

• **Adresse de l'établissement désigné pour recevoir les souscriptions et les rachats** : Carmignac Gestion

• **Lieu et mode de publication de la valeur liquidative :** la valeur liquidative communiquée chaque jour à 15 h sera retenue pour le calcul des souscriptions et rachats. La valeur liquidative est communiquée 24 h sur 24 par appel au numéro 01 42 61 62 00, affichée chez CARMIGNAC GESTION et chez **NATEXIS BANQUES POPULAIRES** et également publiée chaque semaine dans "La Tribune", "Les Echos", "La Vie Francaise","Investir" .

La présente notice doit obligatoirement être proposée aux souscripteurs préalablement à la souscription, remise à la souscription et mise à la disposition du public sur simple demande.

La note d'information complète de l'OPCVM et le dernier document périodique sont disponibles auprès de Carmignac Gestion 24 place Vendôme 75001 Paris

Date d'agrément de l'OPCVM par la commission :11 janvier 1989

Date d'édition de la notice d'information : 8 novembre 1999

SICAV conforme aux normes européennes

NOTICE D'INFORMATION

CDC MEDIANES

Forme juridique	:	SICAV
Promoteur	:	CDC IXIS ASSET MANAGEMENT
Gestionnaire financier par délégation	:	CDC IXIS ASSET MANAGEMENT
Dépositaire	:	CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS)
Etablissement désigné pour recevoir les souscriptions et les rachats	:	CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS)
Commissaire aux comptes	:	Cabinet KPMG Audit Immeuble KPMG 1, cours Valmy 92923 Paris La Défense Cedex

CARACTERISTIQUES FINANCIERES

Classification	:	Actions françaises.
Orientation des placements	:	La SICAV a pour objectif de surperformer à moyen terme l'indice Midcac. CDC MEDIANES est une SICAV investie en permanence à 75% minimum en actions de sociétés françaises à petite et moyenne capitalisation boursière. Dans les conditions fixées par la réglementation, la SICAV pourra intervenir sur des instruments financiers à terme négociés sur des marchés français et étrangers, à titre accessoire, réglementés ou de gré à gré. Dans ce cadre, la SICAV pourra prendre des positions en vue de couvrir le portefeuille et/ou de l'exposer à des secteurs d'activité, zones géographiques, taux, actions, titres et valeurs mobilières assimilées dans le but de réaliser l'objectif de gestion. Ces opérations seront effectuées dans la limité d'une fois l'actif. De plus, la SICAV pourra effectuer des acquisitions et cessions temporaires de titres (pensions, prêt et emprunt de titres). Le degré minimum d'exposition au marché des actions est de 75 %.
Durée minimale de placement recommandée	:	Supérieure à 2 ans.
Souscripteurs concernés	:	La SICAV CDC MEDIANES est destinée aux personnes physiques et morales, entreprises et investisseurs institutionnels.
Affectation des résultats	:	Capitalisation et/ou distribution.
Dominante fiscale	:	SICAV éligible au PEA.

MODALITES DE FONCTIONNEMENT

Date de clôture de l'exercice	:	Dernier jour de bourse de Paris du mois de décembre.
Valeur liquidative d'origine	:	152,45 euros.

Périodicité de calcul de la valeur liquidative	:	Chaque jour de bourse de Paris, à l'exception des jours fériés au sens de l'article L 222-1 du Code du Travail.
Conditions de souscription et de rachat	:	Les ordres de souscriptions et de rachats sont reçus à tout moment et centralisés chaque jour (J) au plus tard à 12 heures 30. Ils sont exécutés sur la base de la valeur liquidative du lendemain (J+1). Les souscriptions et les rachats pourront être effectués en dix millièmes d'action.
Commission de souscription maximale	:	3 % acquis aux tiers.
Commission de rachat	:	Néant.
Frais de gestion	:	Montant maximum annuel : 1,50 % HT de l'actif net, déduction faite des parts de Fonds communs ou d'actions de SICAV en portefeuille. Ces frais seront directement imputés au compte de résultat de la SICAV.
Libellé de la devise de comptabilité	:	Euro.

SIÈGE SOCIAL	:	7, place des Cinq Martyrs du Lycée Buffon - 75015 PARIS
DÉPOSITAIRE	:	CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS) 26/28 rue Neuve Tolbiac 75658 PARIS Cedex 13
ÉTABLISSEMENT DÉSIGNÉ POUR RECEVOIR LES SOUSCRIPTIONS ET LES RACHATS	:	CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS)
LIEU DE PUBLICATION DE LA VALEUR LIQUIDATIVE	:	CDC IXIS ASSET MANAGEMENT 7, place des Cinq Martyrs du Lycée Buffon - 75015 PARIS Presse : Les Echos

La présente notice doit obligatoirement être proposée aux souscripteurs préalablement à la souscription, remise à la souscription et mise à la disposition du public sur simple demande.

La note d'information complète de la SICAV CDC MEDIANES et le dernier document périodique sont disponibles auprès de :
CDC IXIS ASSET MANAGEMENT - Bureaux : 7, place des Cinq Martyrs du Lycée Buffon - 75015 PARIS

Date d'agrément de la SICAV par la Commission des Opérations de Bourse le :
17 octobre 1995, le 28 décembre 1995 et le 28 décembre 2000

Date d'édition de la notice d'information : 17 mars 2003

NOTICE D'INFORMATION

CDC EURO SOUVERAINS

Forme juridique	:	SICAV
Promoteur	:	CDC IXIS ASSET MANAGEMENT
Gestionnaire financier par délégation	:	CDC IXIS ASSET MANAGEMENT
Dépositaire	:	CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS)
Etablissements désignés pour recevoir les souscriptions et les rachats	:	CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS) RESEAU DU TRESOR PUBLIC
Commissaire aux comptes	:	Cabinet Deloitte Touche Tohmatsu - Audit 185, avenue Charles de Gaulle BP 136 92203 NEUILLY-SUR-SEINE CEDEX

CARACTERISTIQUES FINANCIERES

Classification	:	Obligations et autres titres de créances libellés en euro.
Orientation des placements	:	L'objectif de La SICAV est d'obtenir une performance supérieure à celle de l'indice JP Morgan EMU par une gestion active de la sensibilité et de la courbe des taux des différents Etats de la zone euro. La SICAV est principalement investie en obligations et autres titres de créances émis par les Etats de la zone euro, des organismes supranationaux, des organismes publics ou assimilés des Etats de la zone euro. Elle pourra détenir plus de 35 % de son actif en titres émis ou garantis par un des émetteurs ci-dessus référencé. La SICAV peut également être investie en titres bénéficiant de la garantie d'un Etat de l'OCDE. Dans les conditions fixées par la réglementation, la SICAV pourra intervenir sur des instruments financiers à terme négociés sur des marchés des pays de l'Union Européenne réglementés ou de gré à gré. Dans ce cadre, la SICAV pourra prendre des positions en vue de couvrir le portefeuille contre le risque de change et/ou de l'exposer, notamment, aux risques liés aux taux et à titre accessoire aux risques actions dans le but de réaliser l'objectif de gestion. Ces opérations seront effectuées dans la limite d'une fois l'actif de la SICAV. La SICAV pourra effectuer des acquisitions et cessions temporaires de titres (pensions, prêts et emprunts de titres). L'exposition au risque de change ou de marchés autres que la zone euro est accessoire. La SICAV a une sensibilité comprise entre 2 et 8.
Durée minimale de placement recommandée	:	Supérieure à 2 ans.
Souscripteurs concernés	:	La SICAV est offerte au public.
SICAV à titres C et D	:	Actions C de capitalisation – Actions D de distribution Le passage d'une catégorie d'actions à une autre est considérée comme une cession suivie d'une souscription et est donc soumis au régime fiscal des plus-values de cession des valeurs mobilières.
Affectation des résultats	:	Les résultats sont répartis entre les deux catégories d'actions. La quote-part revenant aux actions C est portée au capital de cette catégorie de titres et celle revenant aux actions D distribuées sous la forme d'un dividende annuel. La comptabilité est effectuée en coupons encaissés.

MODALITES DE FONCTIONNEMENT

Date de clôture de l'exercice	:	Dernier jour de bourse de Paris du mois de mars.
Valeur liquidative d'origine	:	1.000 F (152,45 euros).
Périodicité de calcul de la valeur liquidative	:	Chaque jour de bourse de Paris, à l'exception des jours fériés au sens de l'article L 222-1 du Code du Travail.
Conditions de souscription et de rachat	:	Les ordres sont reçus à tout moment et centralisés chaque jour au plus tard à 12 heures 30. Ils sont exécutés sur la base de la valeur liquidative de ce jour. Les souscriptions et les rachats pourront être effectuées en dix millièmes d'actions.
Commission de souscription maximale	:	2 % acquise aux tiers.
. cas d'exonération	:	Opérations de rachat suivies de souscription effectuées le même jour sur la même valeur liquidative portant sur le même nombre d'actions.
Commission de rachat maximale	:	2 % acquise aux tiers.
. cas d'exonération	:	Opérations de rachat suivies de souscription effectuées le même jour sur la même valeur liquidative portant sur le même nombre d'actions.
Frais de gestion maximum	:	Montant: 1 % HT de l'actif net, déduction faite des parts de fonds communs de placement ou d'actions de SICAV en portefeuille. Ces frais seront directement imputés au compte de résultat de la SICAV.
Libellé de la devise de comptabilité	:	Euro.

SIÈGE SOCIAL	:	7, place des Cinq Martyrs du Lycée Buffon, 75015 PARIS
DÉPOSITAIRE	:	CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS) 26-28 rue Neuve Tolbiac, 75658 PARIS cedex 13
ÉTABLISSEMENTS DÉSIGNÉS POUR RECEVOIR LES SOUSCRIPTIONS ET LES RACHATS	:	- CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS) 26-28 rue Neuve Tolbiac, 75658 PARIS cedex 13 - Guichets du réseau du TRESOR PUBLIC
LIEU DE PUBLICATION DE LA VALEUR LIQUIDATIVE	:	CDC IXIS ASSET MANAGEMENT 7, place des Cinq Martyrs du Lycée Buffon, 75015 PARIS Presse : Les Echos Disponible sur Minitel 3616 code CDC TRESOR

La présente notice doit obligatoirement être proposée aux souscripteurs préalablement à la souscription, remise à la souscription et mise à la disposition du public sur simple demande.
La note d'information complète de la SICAV CDC EURO SOUVERAINS et le dernier document périodique sont disponibles auprès de :
- CDC IXIS ASSET MANAGEMENT
- CDC FINANCE - CDC IXIS (ayant pour dénomination commerciale CDC IXIS)
- des comptables du réseau du TRESOR PUBLIC

Date d'agrément de la SICAV par la Commission des Opérations de Bourse le : 23 novembre 1993
et le 28 décembre 2000
Date d'édition de la notice d'information : 2 janvier 2003
Mise en vigueur de la modification : 10 mars 2003

NOTICE D'INFORMATION

FEDERAL INDICIEL FRANCE

Forme juridique de l'OPCVM : F.C.P.

Etablissement Promoteur : COMPAGNIE FINANCIERE DU CREDIT MUTUEL

Société de Gestion : FEDERAL GESTION

Dépositaire : COMPAGNIE FINANCIERE DU CREDIT MUTUEL

Etablissements désignés pour recevoir les souscriptions et les rachats:
CAISSE INTERFEDERALE DU CREDIT MUTUEL par délégation de l'établissement dépositaire

Commissaire aux Comptes : Cabinet MAZARS et GUERARD

CARACTERISTIQUES FINANCIERES

- Classification : OPCVM actions françaises

- Orientation des placements :

L'actif sera constitué au minimum de 75 % d'actions françaises entrant dans la composition de l'indice CAC 40, l'objectif de gestion étant de correspondre à l'évolution de l'indice. Il pourra également être investi en placements monétaires ou obligataires.

Conformément à la réglementation en vigueur, le gérant pourra intervenir sur les marchés à terme fermes et/ou conditionnels actions de la zone euro dans la limite de l'actif dans un but de protection du capital et/ou de dynamisation de la performance.
.Le FCP pourra effectuer des échanges de taux, de dividendes ou d'indice.

Indicateur de risque de marché : le degré d'exposition minimum au risque action est de 60 %.

Le FCP se réserve la possibilité d'investir plus de 5 % de son actif en parts ou actions d'OPCVM dans la limite de 10 %, dans le respect des conditions légales et réglementaires.

Conformément à l'article 16 du décret 89-623 modifié, l'OPCVM pourra investir jusqu'à 20 % de son actif en titres d'un même émetteur composant l'indice CAC 40 si la composition de ce dernier le justifie.

- Durée minimale de placement recommandée :
Supérieure à 2 ans

- Souscripteurs concernés :

Les souscripteurs concernés sont essentiellement les personnes physiques. Toutefois les personnes morales ne sont pas exclues.

- Affectation des résultats :

Capitalisation et/ou distribution. Possibilité de distribuer un acompte en octobre.

- Dominante fiscale :

FCP éligible au Plan d'Epargne en Actions.

MODALITES DE FONCTIONNEMENT

- Date de clôture de l'exercice : dernier jour de bourse de Paris du mois de juin

- Valeur liquidative d'origine de la part : 100 francs (15,24 euros)

- Périodicité de calcul de la valeur liquidative : journalière (hors jours fériés légaux et de la Bourse de référence).La Bourse de référence est Paris.

- **Conditions de souscription et de rachat :**

Les souscriptions et rachats reçus avant minuit seront traités sur la base de la valeur liquidative du lendemain.

Possibilité d'acquérir des millièmes de parts

- Commission de souscription maximale : 3,00 % H.T. (part acquise à l'OPCVM : 0,50 % H.T.)

- **Commission de rachat maximale :** néant

- Frais de gestion : 1,20% H.T. maximum de l'actif

- Libellé de la devise de comptabilité : euro

* *Adresse de la Société de gestion :*
FEDERAL GESTION 232 rue Général Paulet 29200 Brest

* *Adresse du dépositaire :*
COMPAGNIE FINANCIERE DU CREDIT MUTUEL
32 rue Mirabeau - 29480 LE RELECQ-KERHUON

* *Adresse des établissements désignés pour recevoir les souscriptions et les rachats :*
CAISSE INTERFEDERALE DU CREDIT MUTUEL
32 rue Mirabeau 29480 Le Relecq-Kerhuon

* *Lieu ou mode de publication de la VL :*
Dans les locaux du Dépositaire et de la société de gestion.

La présente notice doit obligatoirement être mise à la disposition du public préalablement à toute souscription, remise à la souscription et mise à la dispostion du public sur simple demande.

La note d'information complète de l'O.P.C.V.M. et le dernier document périodique sont disponibles auprès de :

FEDERAL GESTION
232 rue Général Paulet 29200 Brest

Date d'agrément de l'OPCVM par la Commission : 24 septembre 1993
Date d'édition de la notice d'information : 20 juin 2001

NOTICE D'INFORMATION

Conformité aux normes européennes

FEDERAL OBLIGATAIRE

Forme juridique de l'OPCVM : F.C.P.

Etablissement Promoteur : COMPAGNIE FINANCIERE DU CREDIT MUTUEL

Société de Gestion : FEDERAL GESTION

Dépositaire : COMPAGNIE FINANCIERE DU CREDIT MUTUEL

Etablissements désignés pour recevoir les souscriptions et les rachats:
CAISSE INTERFEDERALE DU CREDIT MUTUEL par délégation de l'établissement dépositaire

Commissaire aux Comptes : Cabinet MAZARS et GUERARD

CARACTERISTIQUES FINANCIERES

Classification : Obligations et autres titres de créances libellés en euro

Orientation des placements :

- Marchés, instruments et techniques d'intervention : L'actif est composé en grande majorité d'obligations de la zone euro à taux fixe et à taux variable de sensibilités diverses. La répartition entre ces catégories d'obligations est modulable en fonction de l'évolution du marché.

Conformément à la réglementation en vigueur, le gérant pourra intervenir sur les marchés à terme fermes et/ou conditionnels de taux de la zone euro dans la limite de l'actif dans un but de protection du capital et/ou de dynamisation de la performance.
Il pourra effectuer des opérations de swaps de taux et des pensions.

- Indicateur de risque de marché : La fourchette de sensibilité est de + 3 à + 8.

Durée minimale de placement recommandée :

Supérieure à 2 ans

Souscripteurs concernés :

Les souscripteurs concernés sont principalement les personnes physiques. Toutefois, les personnes morales ne sont pas exclues. Ces OPCVM peuvent aussi servir de supports à des contrats d'assurance vie libellés en unité de compte.

Affectation des résultats : OPCVM à titres C et D

- Les actions de capitalisation (C) verront leur valeur augmenter d'un montant équivalent aux revenus distribuables.
- Les actions de distribution (D) donneront droit à la perception d'un dividende annuel.

MODALITES DE FONCTIONNEMENT

Date de clôture de l'exercice : dernier jour de bourse de Paris du mois de septembre

Valeur liquidative d'origine de la part : 100 francs (soit 15,24 euros)

Périodicité de calcul de la valeur liquidative : journalière (hors jours fériés légaux et de la Bourse de référence).La Bourse de référence est Paris.

Conditions de souscription et de rachat : les demandes de souscription et de rachat reçues avant 12 heures sont traitées à la valeur liquidative du jour.

- Montant minimum 1ère souscription : 1 part
- Possibilité d'acquérir des millièmes de parts

Commission de souscription maximale : 2 % dont 0 % acquis à l'OPCVM

Commission de rachat : néant

Frais de gestion : 1,20 % H.T. maximum de l'actif

Libellé de la devise de comptabilité : euro

* *Adresse de la Société de gestion :*
FEDERAL GESTION 232 rue Général Paulet 29200 Brest

* *Adresse du dépositaire :*
COMPAGNIE FINANCIERE DU CREDIT MUTUEL
32 rue Mirabeau - 29480 LE RELECQ-KERHUON

* *Adresse des établissements désignés pour recevoir les souscriptions et les rachats :*
CAISSE INTERFEDERALE DU CREDIT MUTUEL
32 rue Mirabeau 29480 Le Relecq-Kerhuon

* *Lieu ou mode de publication de la VL :*
Dans les locaux du dépositaire et de la société de gestion.

La présente notice doit obligatoirement être mise à la disposition du public préalablement à toute souscription, remise à la souscription et mise à la disposition du public sur simple demande.

La note d'information complète de l'O.P.C.V.M. et le dernier document périodique sont disponibles auprès de :

FEDERAL GESTION
232 rue Général Paulet 29200 Brest

Date d'agrément de l'OPCVM par la Commission : 16 décembre 1983

Date d'édition de la notice d'information : 20 juin 2001

FIDELITY FUNDS

SICAV

ESTABLISHED IN LUXEMBOURG

PROSPECTUS

A Commitment to Investment Performance

Fidelity Investments®

WHERE 15 MILLION INVESTORS PUT THEIR TRUST.℠

CL06621

FIDELITY FUNDS SICAV

Supplement to the Prospectus dated September 2000

This supplement forms part of the Prospectus for Fidelity Funds SICAV, dated September 2000, which should read as amended by this supplement.

B Shares – The Directors of the Fund have decided to defer the effective launch of this class of shares.

NEW FUNDS

The following funds have been or will be introduced. The currency of denomination, price at launch, fixed offer period of the new share classes and investment objectives are shown below:

A) RESERVED FUNDS

Minimum initial investment and the minimum subsequent investment will be the same as the current Reserved Funds.

Fidelity Funds – Fidelity Advisor World Funds Technology Fund (USD)

Effective Monday 9th October, 2000. Price per share at launch US$10. This fund aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world that have, or will develop, products, processes or services that will provide or will benefit significantly from technological advances and improvements.

Fidelity Funds – Fidelity Advisor World Funds Telecommunications Fund (USD)

Effective Monday 9th October, 2000. price per share at launch US$10. This fund aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the development, manufacture or sale of telecommunications services or equipment.

Fidelity Funds – Fidelity Advisor World Funds Europe Fund (USD)

Effective Friday 13th October, 2000, price per share at launch US$10. This fund seeks long-term capital growth by investing primarily in equity securities of companies that have their principal business activities in Western Europe. This fund will suit those investors who are looking for the longer-term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.

Fidelity Funds – Fidelity Advisor World Funds U.S. Large-Cap Stock Fund (USD)

Effective Friday 13th October 2000, price per share at launch US$10. This fund seeks long term capital growth by investing primarily in equity securities of U.S. companies with large market capitalisations. This fund will suit those investors who are looking for the longer-term rewards of equity investment in a diversified portfolio of the U.S.'s biggest companies and are prepared to accept the risk associated with this type of investment.

Fidelity Funds – Fidelity Advisor World Funds U.S. High Income Fund (USD)

Effective Friday 29th September 2000, price per share at launch US$10. This fund seeks a high level of current income and capital appreciation by investing primarily in high-yielding, lower-quality securities of issuers that have their principal business activities in the United States. This fund will suit those investors seeking high income and capital appreciation and who are prepared to accept the risks associated with this type of investment. The type of debt securities in which the fund will, primarily, invest will be subject to high risk, will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised rating agency.

The Fidelity Advisor World Funds are a range of equity and bond funds within the Fund which may only be acquired by investors who are undertakings for collective investment or investors whose assets are held in accounts managed by Fidelity.

B) EQUITY FUNDS

Minimum initial investment and the minimum subsequent investment will be the same as the current equity range of funds.

Fidelity Funds – European Mid Cap Fund (Available as A shares, B shares and E shares) (EURO)

Effective January 15, 2001; price per share at launch Euro 20, fixed offer period 15 January to 9 February 2001. The fund aims to achieve long-term capital growth, principally through investment in equity securities of medium sized European companies.

Fidelity Funds – European Fund (Available as A shares, B shares and E shares) (EURO)

Effective June 15, 2001, prices per share at launch Euro 20. The fund aims to achieve long-term capital growth, principally through investment in equity securities of issuers that have their principal business activities in Europe.

All the Funds have been authorised, registered and are recognised in Luxembourg. Further it is intended to seek:

- authorisation, recognition or registration of the Class A Shares in the following jurisdictions: United Kingdom, Germany, Austria, Ireland, The Netherlands, Switzerland, Guernsey, Jersey, Sweden, Norway, Finland, France, Spain, Malta, Iceland, Hong Kong, Greece and Chile.
- authorisation, recognition, or registration of the Class E Shares in Spain.
- Class B Shares are authorised in Luxembourg only.

December 2000
CL011136

FIDELITY FUNDS SICAV

Supplement to the Prospectus dated September 2000

This supplement forms part of the Prospectus for Fidelity Funds SICAV, dated September 2000, which should read as amended by this supplement.

CHANGES TO EXISTING FUNDS

A) EQUITY FUNDS

Fidelity Funds – Privatisation + Fund will change its name and investment objective to:

Fidelity Funds – European Aggressive Fund: invests principally in equity securities of European companies. Following an aggressive approach, the manager is free to select any company regardless of size or industry. Typically, the fund will concentrate its investments in a more limited number of companies and therefore the resulting portfolio will be less diversified. This will suit investors prepared to accept the higher risk associated with this type of investment.

Fidelity Funds – Hong Kong & China Fund will change its name and investment objective to:

Fidelity Funds – Greater China Fund: Invests principally in equity securities quoted on stock exchanges in Hong Kong, China and Taiwan.

These changes will be effective 1 May 2001 and are subject to Shareholder notification.

B) RESERVED FUNDS

Fidelity Funds – Fidelity Advisor World Funds Hong Kong & China Fund will change its name and investment objective to:

Fidelity Funds – Fidelity Advisor World Funds Greater China Fund: Invests principally in equity securities quoted on stock exchanges in Hong Kong, China and Taiwan. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.

This change will be effective 1 May 2001 and is subject to Shareholder notification.

December 5 2000
CL011136b

Contents

Prospectus
Part I: Fund details
Part II: Core Information

Country Specific Details
Part III: Important Information for Investors

(Not valid as a prospectus without Parts I, II, and, if applicable, Part III)

DEFINITIONS

Fidelity	Fidelity International Limited, established in Bermuda, and its affiliated companies, and/or Fidelity Management & Research Corp., established in the United States.
Distributor	One of the companies named on page 17, Part II of this Prospectus through whom Shares in the Fund may be bought, sold or switched.
Fund	Fidelity Funds SICAV.
fund	A specific portfolio of assets and liabilities within the Fund managed in accordance with the investment policy specified for the Share class or classes connected with that fund.
Share	A class of share of any one fund in the capital of the Fund or a share in any such class.
Directors	The Board of Directors of the Fund.
Business Day	A day on which the banks in the relevant jurisdiction are normally open for business.
Open for Business	The Distributors and the Fund will be open at least every Business Day in the relevant jurisdiction. The Distributors may be open on other days as determined by them.
Primarily	Each time this word is used in the description of a fund or class of shares or of a type of fund or class of shares of the Fund, this means that at least 70% of the assets of the relevant fund are directly invested in the currency, the country, the type of security or other material element set out in the name of the fund and its investment objective.
Principally	Each time this word is used in the description of a fund or a class of shares or a type of fund or class of shares of the Fund, this means that at least 70% (and normally 75%) of the assets of the relevant fund are directly invested in the currency, the country, the type of security or other material element set out in the name of the fund and its investment objective.
Valuation Date	Each week day (any day Monday to Friday inclusive) excluding 25 December ("Christmas Day") and 1 January ("New Year's Day"), or any week day holiday given in lieu of Christmas Day or New Year's Day in the UK.
Net Asset Value	The value of the assets less liabilities of a Share in a fund determined in accordance with the principles set out on page 25, Part II of this Prospectus.
Transfer Agent	Fidelity Investments Luxembourg S.A.

Part I: Fund Details

Information	1
Important Note	1
Summary Information	2
The Range of Funds	3
Equity Funds	3
Asset Allocation Funds	7
Balanced Funds	8
Bond Funds	9
Cash Funds	10
Reserved Funds	11

INFORMATION

IMPORTANT. If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Shares are offered on the basis of the information contained in this Prospectus and the documents referred to in this Prospectus. No person is authorised to give any information or to make any representations concerning the Fund other than as contained in this Prospectus. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus will be solely at the risk of the purchaser.

Investors in Fidelity Funds SICAV agree that data relating to them, their account and operations on it may be stored, changed or used by Fidelity or associated companies. Storage and use of this data within the Fidelity Group is to develop and process the business relationship with investors and so investors may have access to their data in any jurisdiction where the data is kept. Data may be transmitted to other companies within the Fidelity Group, intermediaries and other parties in the business relationship. Data may be available in jurisdictions other than where this Prospectus is sent.

The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement of fact or opinion in this Prospectus misleading. The Directors accept responsibility accordingly.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Prospectus is not an offer or solicitation in any jurisdiction where such offer or solicitation is unlawful, where the person making the offer or solicitation is not authorised to make it or a person receiving the offer or solicitation may not lawfully receive it.

The information contained in this Prospectus is supplemented by the appropriate most recent annual report of the Fund and any subsequent semi-annual report of the Fund, if available, copies of which can be obtained, free of charge, at the registered office of the Fund. Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of Shares.

The Fund is registered under Part 1 of the Luxembourg Law of 30 March 1988. This registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio securities held by the Fund. Any representation to the contrary is unauthorised and unlawful.

Shares are listed on the Luxembourg Stock Exchange, except as shown in the footnotes to the relevant funds in Part I of the Prospectus.

The Fund qualifies as an undertaking for collective investment in transferable securities (a UCITS) and has obtained recognition under EC Council Directive 85/611 for marketing in certain Member States of the European Union.

Information for investors in certain countries is contained in Part III, which accompanies Parts I and II of the Prospectus.

The price of Shares and the income, if any, from them may fall as well as rise. Changes in exchange rates between currencies may cause the value of an investment to fluctuate.

IMPORTANT NOTE

The value of the funds will change with the value of their respective underlying investments. Hence, the capital value of Shares and the income arising from them will fluctuate and is not guaranteed.

For funds which invest in stocks, the value of underlying investments may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions. For funds which invest in bonds, the value of the underlying investments will depend upon interest rates and the credit quality of the issuer. The Net Asset Value of a fund invested in fixed-income securities will change in response to fluctuations in interest rates and currency exchange rates. Some funds may invest in high yielding securities where the risk of depreciation and realization of capital losses on some of the securities held will be unavoidable. In addition medium- and lower-rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield and market values than higher-rated securities. Funds which invest in essentially only one country will have greater exposure to market, political and economic risks of that country. Funds which invest in multiple countries will have less exposure to the risks of any one country, but will be exposed to a larger number of countries. Many of the underlying investments of a fund may be denominated in different currencies than that of the particular fund. This means currency movements in underlying investments may significantly affect the value of a fund's Share price.

Several of the funds invest, in part or in whole, in emerging market securities. Investors should appreciate that these securities may be more volatile than securities in more developed markets. As a result there may be a greater risk of price fluctuation and of the suspension of redemptions in such funds, compared with funds investing in more mature markets. This volatility may stem from political and economic factors, and be exacerbated by legal, trading liquidity, settlement, transfer of securities and currency factors. Some emerging market countries have relatively prosperous economies but may be sensitive to world commodity prices. Others are especially vulnerable to economic conditions in other countries. Although care is taken to understand and manage these risks, the respective funds and the fund Shareholders ultimately bear the risks associated with investing in these markets. The Fund may use various techniques for hedging against market risks. These and the instruments used are described in Appendix A of Part II of the Prospectus. In addition the Fund may make ancillary use of these techniques and instruments for the purpose of efficient portfolio management.

Investors may wish to consult their independent financial advisor about the suitability of a particular fund for their investment needs.

SUMMARY INFORMATION
Fidelity Funds SICAV

Legal structure:	Open ended investment company with multiple classes of Shares incorporated in Luxembourg
General Distributor:	Fidelity Investments Distributors, Bermuda
Investment Manager:	Fidelity International Limited, Bermuda
Custodian:	Brown Brothers Harriman (Luxembourg) S.C.A.
Auditors:	PricewaterhouseCoopers S.àr.l., Luxembourg

Principal Features

Investment choice:	Range of equity, asset allocation, balanced, bond and cash funds
Investment objective:	Fidelity Funds provides investment in professionally managed pools of international securities in different geographical areas and currencies, with the opportunity to achieve capital growth, income or a balance between growth and income
Classes of shares:	A, B and E for equity funds range (unless otherwise stated in the footnotes to the relevant funds in Part I of the Prospectus). A for all other funds
Principal geographical areas:	Worldwide
Recommended investment time:	Cash funds - any time period Bond funds - in excess of two years All other funds - in excess of five years
Potential investors:	Fidelity Funds is available to retail and institutional investors
Dividends:	Directors expect to recommend distribution of substantially the whole of each fund's net investment income for the year (see page 18)
Taxation:	Annual Luxembourg tax of 0.06%, payable quarterly on equity, bond, balanced and asset allocation funds and 0.01% payable quarterly on cash funds.
Year end:	30 April
Net Asset Value:	Daily calculation
Purchases/Redemptions:	Instructions are centralised daily for cash funds and the EURO STOXX 50™ Fund[1] before 12.00 noon UK time (normally 1.00 pm Central European Time) and for all other funds before 5.00 pm UK time (normally 6.00 pm Central European Time) and are executed the same day at the next calculated Net Asset Value by the Distributors.
Current sales charge:	Up to 5.25% for A shares, 0% for B shares and 0% for E shares. (See page 14, Part II of the prospectus for full details.)
Current redemption charge:	0% for A and E shares (unless indicated otherwise in the footnotes to the relevant funds in Part I of this Prospectus). For B shares, please refer to the CDSC table set out on page 14
Distribution fees:	B and E shares 0.75%
Currency of the Fund:	US Dollar
NAV publications:	Details can be obtained from the Distributor or the Fund. Generally available in various publications (For details see page 15)
Fidelity Funds address:	Kansallis House, Place de l'Etoile, BP 2174, L-1021 Luxembourg
Custodian address:	33, Bd Prince Henri, L-1724 Luxembourg
Incorporation date:	15 June 1990

Minimum investment:

Current Minimum Investments

Funds	Minimum Initial Investment	Minimum Subsequent Investment
Class A shares in all equity, bond, balanced and cash funds	USD 2,500	USD 1,000
Class A shares in Asset allocation funds	USD 6,000 or USD 25,000	USD 1,500 or USD 10,000
Class B shares in Equity funds	USD 10,000	USD 5,000
Class E shares in Equity funds	USD 2,500	USD 1,000

The equivalent of the amounts shown above is acceptable in any major freely convertible currency

Current switching charge:	1%. (See page 17, Part II of the Prospectus for full details.)
Current annual management fee:	Up to 1.50%. (See page 18, Part II of the Prospectus, for full details.)
Asset allocation fee:	0.5% for Asset Allocation funds

Distributors

General Distributor:
Fidelity Investments Distributors
Pembroke Hall, 42 Crow Lane
Pembroke HM19, Bermuda
Telephone: (1) 441 295 0665
Fax: (1) 441 809 295 9373

Fidelity Investments Luxembourg S.A.
Kansallis House
Place de l'Etoile
BP 2174, L-1021 Luxembourg
Telephone: (352) 251 351 2230
Telex: 957616 (FIDLX)
Fax: (352) 250 340

Fidelity Investment Services GmbH
Eurohaus
Lyoner Straße 24-26
60528 Frankfurt am Main
Germany
Telephone: (49) 69 24 26 020
Fax: (49) 69 23 36 38

Fidelity Investments (C.I.) Limited
PO Box 488, Ground Floor,
St. Andrews Studios
St. Andrews Place
St. Helier, Jersey JE2 8WW
Channel Islands
Telephone: (44) 1534 888899
Telex: 419 2260 FICI G
Fax: (44) 1534 734244

Fidelity Investments Management
(Hong Kong) Limited
17th Floor, One International Finance Centre
1 Harbour View Street
Central Hong Kong
Telephone: (852) 2629 2629
Fax: (852) 2956 3443

Fidelity Distributors International Limited
PO Box HM670
Hamilton HMCX, Bermuda
Telephone: (1) 441 295 0665
Fax: (1) 441 295 9373

Fidelity Investments International
Oakhill House
130 Tonbridge Road
Hildenborough
Tonbridge, Kent TN11 9DZ
Telephone: (44) 1732 777377
Telex: 957615 FFUNDS G
Fax: (44) 1732 777262

[1] EURO STOXX 50 is a mark of STOXX LIMITED and has been licensed for certain purposes by Fidelity Funds.

Copies of the Prospectus are available free of charge from the Distributors and the Representatives of the Fund.

THE RANGE OF FUNDS

Currencies

The funds deal in various currencies, which are indicated using the following abbreviations

AUD	- Australian dollars	Sterling, £ and GBP	- United Kingdom pounds sterling
CHF	- Swiss francs	US Dollar, USD and US$	- United States dollars
Euro	- Euro	JPY	- Japanese yen
SEK	- Swedish kronor		

EQUITY FUNDS

The aim of the equity funds is to provide investors with long-term capital growth from diversified and actively managed portfolios of securities. The income from these funds is expected to be low. The equity funds will invest principally (that is, normally at least 75% in value) in equities in the markets and sectors reflected in the name of each individual fund and in companies established outside those markets but which derive a significant proportion of their earnings from those markets.

Fund Name	**Investment Objective**	**Principal Dealing Currency**		
		A Shares	**B Shares*†**	**E Shares**†**
Fidelity Funds - America Fund	Invests principally in US equity securities.	USD	USD	Euro
Fidelity Funds - American Growth Fund	Invests principally in US equity securities, but favours small to medium capitalised companies.	USD	USD	Euro
Fidelity Funds - ASEAN Fund	Invests principally in equity securities quoted on stock exchanges in Singapore, Malaysia, Thailand, Philippines, Indonesia.	USD	USD	Euro
Fidelity Funds - Asian Special Situations Fund	Invests principally in special situations stocks and smaller growth companies in Asia excluding Japan. Special situations stocks generally have valuations which are attractive in relation to net assets or earnings potential with additional factors which may have a positive influence on the share price. Up to 25% of the portfolio can consist of investments other than special situations stocks and smaller growth companies.	USD	USD	Euro
Fidelity Funds - Australia Fund	Invests principally in Australian equity securities.	AUD	AUD	Euro
Fidelity Funds - EURO STOXX 50™ Fund [1, 3, 4]	Aims to replicate the performance of the Dow Jones EURO STOXX 50℠ Index[2] as far as this is reasonably and legally practicable. The fund manager's policy for achieving this objective is by the utilisation of replication methodology. The fund manager will aim to hold mainly all securities that represent the Dow Jones EURO STOXX 50℠ Index. In order to achieve the investment objective, the fund manager will utilise stock index futures as allowed within the restrictions set forth in Appendix A, Section D.	Euro	Euro	Euro
Fidelity Funds - Emerging Markets Fund	Invests principally in countries experiencing rapid economic growth including Latin America, South East Asia, Africa, Eastern Europe and the Middle East.	USD	USD	Euro
Fidelity Funds - European Growth Fund	Invests principally in equity securities quoted on European stock exchanges.	Euro	Euro	Euro
Fidelity Funds - Euro Blue Chip Fund	Invests principally in blue chip equities in those countries which are members of the Economic Monetary Union (EMU) and primarily denominated in Euro or in the national currency of an EMU member country. Initially, this will be the eleven member countries but if other countries join the EMU in the future then investment in these countries may also be considered for inclusion in the fund.	Euro	Euro	Euro

1 EURO STOXX 50 is a mark of STOXX LIMITED and has been licensed for certain purposes by Fidelity Funds.

2 Dow Jones EURO STOXX 50℠ Index is owned by STOXX LIMITED. The name of the index is a service mark of DOW JONES & COMPANY, INC. and has been licensed for certain purposes by Fidelity Funds SICAV. © 1998 by STOXX LIMITED. All rights reserved.

3 Dealing cut-off times: 12 noon UK time (normally 1.00 pm Central European time); 4.00 pm Hong Kong time. Instructions received in Bermuda by 5.00 pm local time will be processed at the Net Asset Value calculated on the following day. Net Asset Value calculated at 5.00 pm UK time (normally 6.00 pm Central European Time).

4 Annual management fee: 0.60%.

** Class B Shares are only authorised for distribution in Luxembourg.*

*** Class E Shares are only authorised for distribution in Luxembourg and Spain.*

† B and E Shares are currently not listed on the Luxembourg Stock Exchange. Directors may decide to list these share classes in the future.

Fund Name	Investment Objective	Principal Dealing Currency		
		A Shares	B Shares*	E Shares**
Fidelity Funds - European Smaller Companies Fund	Invests principally in equity securities of small and medium-sized European companies.	Euro	Euro	Euro
Fidelity Funds - France Fund	Invests principally in French equity securities.	Euro	Euro	Euro
Fidelity Funds - Germany Fund	Invests principally in German equity securities.	Euro	Euro	Euro
Fidelity Funds - Hong Kong & China Fund	Invests principally in equity securities quoted on stock exchanges in Hong Kong and China.	USD	USD	Euro
Fidelity Funds - Iberia Fund	Invests principally in Spanish and Portuguese equity securities.	Euro	Euro	Euro
Fidelity Funds - Indonesia Fund	Invests principally in Indonesian equity securities.	USD	USD	Euro
Fidelity Funds - International Fund	Invests principally in equities in markets throughout the world including major markets and smaller emerging markets.	USD	USD	Euro
Fidelity Funds - Italy Fund	Invests principally in Italian equity securities.	Euro	Euro	Euro
Fidelity Funds - Japan Fund	Invests principally in Japanese equity securities.	JPY	USD	Euro
Fidelity Funds - Japan Smaller Companies Fund	Invests principally in smaller and emerging companies in Japan, including those listed on regional stock exchanges in Japan and on the Tokyo over-the-counter market.	JPY	USD	Euro
Fidelity Funds - Korea Fund	Invests principally in Korean equity securities.	USD	USD	Euro
Fidelity Funds - Latin America Fund	Invests principally in securities of Latin American issuers.	USD	USD	Euro
Fidelity Funds - Malaysia Fund	Invests principally in Malaysian equity securities.	USD	USD	Euro
Fidelity Funds - Nordic Fund	Invests principally in equity securities quoted on the SEK stock exchanges in Finland, Norway, Denmark, Sweden.	SEK	SEK	Euro
Fidelity Funds - Pacific Fund	Invests principally in an actively managed portfolio of equities in countries having a Pacific sea coast, primarily Japan, South East Asia and the USA.	USD	USD	Euro
Fidelity Funds - Privatisation+ Fund[1]	Invests principally in companies worldwide that have been privatised, are partially publicly owned, or may benefit from the privatisation of other publicly owned operations.	Euro	Euro	Euro
Fidelity Funds - Singapore Fund	Invests principally in equity securities quoted on the stock exchange in Singapore.	USD	USD	Euro
Fidelity Funds - South East Asia Fund	Invests principally in equity securities quoted on stock exchanges in the Pacific Basin excluding Japan.	USD	USD	Euro
Fidelity Funds - Switzerland Fund	Invests principally in Swiss equities.	CHF	CHF	Euro
Fidelity Funds - Taiwan Fund[2, 3, 4]	Invests principally in Taiwanese equities.	USD	USD	Euro
Fidelity Funds - Thailand Fund	Invests principally in equity securities quoted on the stock exchange in Thailand.	USD	USD	Euro
Fidelity Funds - United Kingdom Fund	Invests principally in United Kingdom equity securities.	GBP	GBP	Euro
Fidelity Funds - World Fund	Invests principally in worldwide equities with the geographical weightings based upon the relative attractiveness of the different regions, and is unlikely to vary significantly from the index neutral weightings.	Euro	Euro	Euro

1 *These funds have not been authorised by the Federal Banking Commission and have therefore not been approved for distribution in Switzerland.*

2 *Generally, foreign investment made directly into Taiwan is permitted under the Regulations Governing Investments in Securities by Overseas Chinese and Foreign Nationals and Relevant Foreign Exchange Settlement Procedures ("Regulations"). A quota system exists under the Regulations for investment funds of qualifying foreign institutions. This involves the approval of the Central Bank of China in Taiwan and the Securities & Futures Commission of the Republic of China. The quota is valid for 12 months when further approval is required which will be applied for. The Investment Manager currently has a valid quota and periodically renews and adjusts the quota. Upon reaching the then current quota, the issue of shares in the Taiwan Fund may be suspended until a new quota will have been granted. During any such suspension, subscriptions and conversions into the Taiwan Fund will only be possible to the extent that there are corresponding redemptions.*

3 *Upon sale of shares settlement will normally be made within 8 Business Days following receipt of completed renunciation documentation.*

4 *Switching: Shareholders must allow six Business Days following receipt by the Distributor of completed documentation before selling or further switching into another fund.*

* *Class B Shares are only authorised for distribution in Luxembourg.*

***Class E Shares are only authorised for distribution in Luxembourg and Spain.*

Fund Name	Investment Objective	Principal Dealing Currency		
		A Shares	B Shares*	E Shares**
Fidelity Funds - Technology Fund	Aims to provide investors with long term capital growth,principally through investment in the equity securities of companies throughout the world that have, or will develop, products, processes or services that will provide or wil benefit significantly from technological advances and improvements.	Euro	Euro	Euro
Fidelity Funds - Telecommunications Fund	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the development, manufacture or sale of telecommunications services or equipment.	Euro	Euro	Euro
Fidelity Funds - Emerging Japan Fund [1, 7]	Aims to achieve long term capital growth primarily through investment in equities as well as equity related or debt securities traded on the Japanese OTC, TSE Mothers and other similar regulated markets (as defined in Appendix A of the Prospectus for Fidelity Funds SICAV) for emerging Japanese companies. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	JPY	USD	Euro
Fidelity Funds - Technology Fund - Sterling Class [2, 8, 9, 11]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world that have, or will develop, products, processes or services that will provide or will benefit significantly from technological advances and improvements.	GBP	N/A	N/A
Fidelity Funds - Telecommunications Fund - Sterling Class [2, 8, 9, 11]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the development, manufacture or sale of telecommunications services or equipment.	GBP	N/A	N/A
Fidelity Funds - MoneyBuilder European Index Fund [2, 3, 4, 9]	Aims to replicate the performance of the Dow Jones EURO STOXX 50℠[10] Index as far as this is reasonably and legally practicable. The fund manager's policy for achieving this objective is by the utilisation of replication methodology. The fund manager will aim to hold mainly all securities that represent the Dow Jones EURO STOXX 50℠ Index. In order to achieve the investment objective, the fund manager will utilise stock index futures as allowed within the restrictions set forth in Appendix A, Section D.	GBP	N/A	N/A
Fidelity Funds - Health Care Fund [5, 6]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the design, manufacture, or sale of products and services used for or in connection with health care, medicine or biotechnology.	Euro	Euro	Euro

1 *Redemptions by investors who have acquired their shares against a contribution in specie between 10 March 2000 and 10 June 2000 may be subject to a redemption fee of up to 1% of the Net Asset Value.*
2 *These funds have only been authorised for distribution in the UK.*
3 *Dealing cut-off times: 12 noon UK time (normally 1.00 pm Central European time); 4.00 pm Hong Kong time. Instructions received in Bermuda by 5.00 pm local time will be processed at the Net Asset Value calculated on the following day. Net Asset Value calculated at 5.00 pm UK time (normally 6.00 pm Central European Time).*
4 *Annual management fee: 0.60%.*
5 *Shares in the above funds are available for purchase from a Distributor or subscription from Fidelity Funds from September 1, 2000.*
6 *Price per share at launch: Euro 20.*
7 *These funds have not been authorised by the Federal Banking Commission and have therefore not been approved for distribution in Switzerland.*
8 *Shares in the above funds are available for purchase from a Distributor or subscription from Fidelity Funds from September 8, 2000.*
9 *Class A Shares available only.*
10 *Dow Jones EURO STOXX 50℠ Index is owned by STOXX LIMITED. The name of the index is a service mark of DOW JONES & COMPANY, INC. and has been licensed for certain purposes by Fidelity Funds SICAV. © 1998 by STOXX LIMITED. All rights reserved.*
11 *Fixed offer period from 8 September to 2 October 2000.*
* *Class B Shares are only authorised for distribution in Luxembourg.*
***Class E Shares are only authorised for distribution in Luxembourg and Spain.*

Fund Name	Investment Objective	Principal Dealing Currency		
		A Shares	B Shares*	E Shares**
Fidelity Funds - Consumer Industries Fund [1, 2]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the manufacture and distribution of goods to consumers.	Euro	Euro	Euro
Fidelity Funds - Financial Services Fund [1, 2]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in providing financial services to consumers and industry.	Euro	Euro	Euro
Fidelity Funds - Industrials Fund [1, 2]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the research, development, manufacture, distribution, supply, or sale of materials, equipment, products, or services related to cyclical and natural resources industries.	Euro	Euro	Euro
Fidelity Funds - Health Care Fund - Sterling Class [3, 4, 5, 7, 8]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the design, manufacture, or sale of products and services used for or in connection with health care, medicine or biotechnology.	GBP	N/A	N/A
Fidelity Funds - Consumer Industries Fund - Sterling Class [3, 4, 5, 7, 8]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the manufacture and distribution of goods to consumers.	GBP	N/A	N/A
Fidelity Funds - Financial Services Fund - Sterling Class [3, 4, 5, 7, 8]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in providing financial services to consumers and industry.	GBP	N/A	N/A
Fidelity Funds - Industrials Fund - Sterling Class [3, 4, 5, 7, 8]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of companies throughout the world which are involved in the research, development, manufacture, distribution, supply or sale of materials, equipment, products, or services related to cyclical and natural resources industries.	GBP	N/A	N/A
Fidelity Funds - Asia Technology Fund [1, 6]	Aims to provide investors with long term capital growth, principally through investment in the equity securities of high technology companies in the Pacific region, including Japan.	USD	USD	Euro

[1] *Shares in the above funds are available for purchase from a Distributor or subscription from Fidelity Funds from September 1, 2000.*
[2] *Price per share at launch: Euro 20.*
[3] *Fixed offer period from 8 September to 2 October 2000.*
[4] *Shares in the above funds are available for purchase from a Distributor or subscription from Fidelity Funds from September 8, 2000.*
[5] *Price per share at launch: GBP 0.25.*
[6] *Price per share at launch: USD 20.*
[7] *Class A Shares available only.*
[8] *These funds have only been authorised for distribution in the UK.*
* *Class B Shares are only authorised for distribution in Luxembourg.*
***Class E Shares are only authorised for distribution in Luxembourg and Spain.*

ASSET ALLOCATION FUNDS

The aim of each asset allocation fund is to provide investors with a discretionary management service by selecting a highly diversified investment in equities, bonds and liquid assets, which will be managed in line with the policies applicable to several of the other funds. The weightings of each of these funds will vary in accordance with the investment objective and individual market developments. This is achieved by co-managing the assets of the asset allocation funds with those of several other regional or country specific funds within the Fund range, and changing the allocations when appropriate. Thus, investors benefit from the experience of fund managers in charge of the allocation of their assets and of those primarily focused on stock selection in specific countries and regions.

Fund Name	Investment Objective	Principal Dealing Currency
		A Shares
Fidelity Funds - Fidelity Gestion Dynamique[1, 2, 3]	Aims to provide long-term capital growth primarily through investment in equities. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	Euro
Fidelity Funds - Fidelity Gestion Equilibre[1, 2, 3]	Aims to provide a more conservative approach through providing capital growth primarily through investment in a combination of equities and bonds. The fund will appeal to investors seeking capital growth but who would prefer a lower level of risk than that normally associated with equity investment only.	Euro
Fidelity Funds - Fidelity Portfolio Selector Defensive Fund [2, 3]	Managed to provide a higher total return than cash over the longer term, primarily through investments in a combination of bonds and liquid assets, although equities may make up a small percentage of the fund. This fund will appeal to cautious investors.	Euro
Fidelity Funds - Fidelity Portfolio Selector Growth Fund [2, 3]	Aims to provide long-term capital growth primarily through investment in equities. This fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher levels of risk normally associated with this type of investment.	Euro
Fidelity Funds - Fidelity Portfolio Selector Moderate Growth Fund [2, 3]	Managed with a more conservative approach towards providing capital growth primarily through investment in a combination of equities and bonds. This fund will appeal to investors seeking capital growth but who would prefer a lower level of risk than that normally associated with equity investment only.	Euro
Fidelity Funds - Fidelity Portfolio Selector Global Growth Fund [3]	Aims to provide long-term capital growth primarily through investment in equities. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Portfolio Selector HK Balanced Growth Fund[1, 3]	Has an investment bias for Hong Kong investors and normally maintains a balanced portfolio of equities and bonds, with the aim of achieving long-term growth but with lower risk and volatility than the HK Higher Growth Fund.	USD
Fidelity Funds - Fidelity Portfolio Selector HK Higher Growth Fund[1, 3]	Has an investment bias for Hong Kong investors and invests primarily in equities, with the aim of maximising long-term returns.	USD
Fidelity Funds - Fidelity Premium Portfolio Service - Dollar Growth Fund[1, 4, 5, 6]	Aims to provide long-term capital growth primarily through investment in international equities. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds-Fidelity Premium Portfolio Service - Sterling Growth Fund[1, 4, 5, 6]	Aims to provide long-term capital growth primarily through investment in international equities with an emphasis on UK securities. The fund will suit thoseinvestors who are looking for the longer term rewardsof equity investment and are prepared to accept the higher risk associated with this type of investment.	GBP

1 *These funds have not been authorised by the Federal Banking Commission and have therefore not been approved for distribution in Switzerland.*
2 *These funds are not authorised in Hong Kong and are not available to Hong Kong residents.*
3 *Minimum initial investment: US$6,000; minimum subsequent investment US$1,500.*
4 *Minimum initial investment: US$25,000; minimum subsequent investment US$10,000. The Fidelity Premium Portfolio Service will provide enhanced reporting to shareholders. In addition to the normal financial reporting, shareholders will receive a half-yearly update including an investment overview and account valuation as at 30 June and 31 December each year.*
5 *These funds have not been authorised by the Bundesaufsichtsamt für das Kreditwesen and have therefore not been approved for distribution in Germany.*
6 *These funds have not been authorised by the Ministry of Finance and have therefore not been approved for distribution in Austria.*

Fund Name	Investment Objective	Principal Dealing Currency
		A Shares
Fidelity Funds - Fidelity Sélection Internationale[1, 2, 3]	Aims to achieve capital growth primarily through investment in international equities, at the same time adhering to the restriction of not investing more than 10% of its assets in emerging markets. The fund will suit those investors who are looking for the longerterm rewards of equity investment and are prepared toaccept the higher risk associated with this type of investment.	Euro
Fidelity Funds - Fidelity Sélection Europe[1, 2, 3]	Aims to achieve capital growth primarily through investment in European equities. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	Euro

BALANCED FUNDS

Balanced funds are the most conservative form of growth investment and invest in a diversified portfolio of equities, bonds and ancillary cash. Balanced funds aim to:

- pay current income
- achieve long-term growth of both capital and income.

Fund Name	Investment Objective	Principal Dealing Currency
		A Shares
Fidelity Funds -Euro Balanced Fund	Invests primarily in equities and bonds issued in those countries which are members of the Economic Monetary Union (EMU) and primarily denominated in Euro or in the national currency of an EMU member country. Initially, this will be the eleven member countries but if other countries join the EMU in the future then investments in these countries may also be considered for inclusion in the fund.	Euro

1 *These funds have not been authorised by the Federal Banking Commission and have therefore not been approved for distribution in Switzerland.*
2 *These funds are not authorised in Hong Kong and are not available to Hong Kong residents.*
3 *Minimum initial investment: US$2,500; minimum subsequent investment US$1,000.*

BOND FUNDS

The aim of the bond funds is to provide investors with relatively high income with the possibility of capital gains. Power is reserved to invest up to 100% of the assets of any fund in securities issued or guaranteed by certain government and other public bodies as described more fully in Appendix A paragraph B(1)(c) contained in Part II of this Prospectus.

Occasionally, investments for all bond funds may be made in bonds issued in currencies other than the fund's denominated currency. The manager may choose to hedge these currencies, that is with the foreign exchange risk eliminated as far as possible, through the use of forward foreign exchange contracts, in compliance with the provisions of Appendix A, paragraph D, contained in Part II of this Prospectus.

With due consideration given to the restrictions on investments required by applicable law and regulations and on an ancillary basis, the bond funds may further hold cash and cash equivalents (including typical money market instruments which are regularly negotiated and the residual maturity of which does not exceed 12 months and time deposits) up to 49% of their net assets; such percentages may exceptionally be exceeded if the Directors consider this to be in the best interests of the shareholders.

Fund Name	**Investment Objective**	**Principal Dealing Currency**
		A Shares
Fidelity Funds - Euro Bond Fund	Invests primarily in bonds issued in those countries which are members of the European Monetary Union (EMU) and primarily denominated in Euro or in the national currency of an EMU country. Initially, this will be the eleven member countries but if other countries join the EMU in the future then investment in these countries may also be considered for inclusion in the fund.	Euro
Fidelity Funds - International Bond Fund	Invests in international markets to maximise performance measured in US dollars.	USD
Fidelity Funds - Sterling Bond Fund[1]	Invests principally in Sterling denominated debt securities.	GBP
Fidelity Funds - US Dollar Bond Fund[2]	Invests principally in US Dollar denominated debt securities.	USD
Fidelity Funds - European High Yield Fund	Seeks to maximise total return (current income and capital appreciation) through primarily investing in high-yielding European corporate bonds. The type of debt securities in which the fund will invest will be subject to high risk, will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised rating agency.	Euro

1 *Dividends declared on the first Business Day of: February, May, August, November.*
2 *Dividends declared on the first Business Day of: February and August.*

CASH FUNDS

The aim of the cash funds is to provide investors with a relatively high and regular income where both capital security and high liquidity are prime considerations from professionally managed portfolios of debt securities and other assets permitted by law in different geographical areas and currencies, with the opportunity to achieve the objective of regular income and high liquidity.

All cash funds have the same investment policy, the essential differences being the currency in which their assets are denominated. The assets of a cash fund shall be converted into the relevant currency for that fund. The assets of the cash funds shall exclusively be composed of interest bearing transferable debt securities with initial or residual maturities of less than 12 months as well as, within the restrictions set out by law, in money market instruments with initial or residual maturities of less than 12 months and in cash. The types of debt securities in which the various cash funds may invest include those which are traded on the Money Market in the UK, regulated by the Bank of England, or on the Over The Counter Market in the US, regulated by the US Securities and Exchange Commission and the National Association of Securities Dealers. These may include the following:

- instruments of US and other banks;
- commercial paper;
- obligations issued or guaranteed by the US government, its agencies, or instrumentalities;
- variable rate notes;
- variable rate certificates of deposit;
- certain investment grade collateralised mortgage obligations and other asset-backed securities; and
- issues of US and other governments and supranational agencies, such as US Treasury Bills, notes and bonds.

The cash funds may also acquire, within the restrictions imposed by law, money market instruments which are regularly negotiated. With due consideration given to the restrictions on investments required by applicable law and regulations and on an ancillary basis, each cash fund may further hold cash and cash equivalents (including money market instruments which are regularly negotiated and the residual maturity of which does not exceed 12 months and time deposits), up to 49% of their net assets; this percentage may exceptionally be exceeded if the Directors consider this to be in the best interests of the shareholders.

Fund Name	**Investment Objective**	**Principal Dealing Currency**
		A Shares
Fidelity Funds - Euro Cash Fund[1, 2, 3]	Invests principally in Euro denominated debt securities and other permitted assets.	Euro
Fidelity Funds - US Dollar Cash Fund[1, 2, 3]	Invests principally in US Dollar denominated debt securities and other permitted assets.	USD

[1] *Dealing cut-off times: 12 noon UK time (normally 1.00 pm Central European time); 4.00 pm Hong Kong time. Instructions received in Bermuda by 5.00 pm local time will be processed at the Net Asset Value calculated on the following day.*
[2] *These funds have not been authorised by the Federal Banking Commission and have therefore not been approved for distribution in Switzerland.*
[3] *No sales, switching or redemption charges are applied to these funds.*

RESERVED FUNDS

FIDELITY ADVISOR WORLD FUNDS

The Fidelity Advisor World Funds are a range of equity and bond funds within the Fund which may only be acquired by investors who are undertakings for collective investment or investors whose assets are held in accounts managed by Fidelity.

EQUITY FUNDS [1, 2, 3, 4. 5, 6, 7, 8, 9, 10]

Fund Name	Investment Objective	Principal Dealing Currency
		A Shares
Fidelity Funds - Fidelity Advisor World Funds America Fund	Invests primarily in US equity securities. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Advisor World Funds American Growth Fund	Invests primarily in US equity securities, but favours small to medium capitalised companies. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Advisor World Funds Asian Special Situations Fund	Invests at least 75% of the portfolio in special situations stocks and smaller growth companies in Asia excluding Japan. Special situations stocks generally have valuations which are attractive in relation to net assets or earnings potential with additional factors which may have a positive influence on the share price. Up to 25% of the portfolio can consist of investments other than special situations stocks and smaller growth companies. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Advisor World Funds Emerging Markets Fund	Invests in countries experiencing rapid economic growth including Latin America, South East Asia, Africa, Eastern Europe and the Middle East. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Advisor World Funds Hong Kong & China Fund	Invests principally in equity securities quoted on stock exchanges in Hong Kong and China. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Advisor World Funds International Fund	Invests principally in equity securities in markets throughout the world including major markets and smaller emerging markets. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Advisor World Funds Latin America Fund	Invests in equity securities of Latin American issuers. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD
Fidelity Funds - Fidelity Advisor World Funds Pacific Fund	Invests in an actively managed portfolio of equity securities in countries having a Pacific sea coast, primarily Japan, South East Asia and the USA. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.	USD

1 *These funds have not been authorised by the Federal Banking Commission and have therefore not been approved for distribution in Switzerland.*
2 *These funds are not authorised in Hong Kong and are not available to Hong Kong residents.*
3 *Shares in the funds in the Fidelity Advisor World Funds range are not listed on the Luxembourg Stock Exchange.*
4 *Minimum initial investment: US$500,000. Minimum subsequent investment: US$100,000.*
5 *No sales or redemption charges are applied to funds in the Fidelity Advisor World Funds range. No switching charges apply to switches into or between funds in the Fidelity Advisor World Funds range. However, switches into funds in the Fidelity Advisor World Funds range are subject to compliance with the investment target criteria set out above.*
6 *Details of the most recent dealing prices for these funds may only be obtained from the Fund.*
7 *Shares in the Fidelity Advisor World Funds funds are issued in registered form only.*
8 *An annual management fee of 0.35% is applied to funds in the Fidelity Advisor World Funds range.*
9 *These funds have not been authorised by the Bundesaufsichtsamt für das Kreditwesen and have therefore not been approved for distribution in Germany.*
10 *These funds have not been authorised for public distribution in Austria.*

BOND FUNDS [1, 2, 3, 4. 5, 6, 7, 8, 9, 10]

Fund Name	Investment Objective	Principal Dealing Currency
		A Shares
Fidelity Funds - Fidelity Advisor World Funds International Bond Fund	Invests in international markets to maximise performance measured in US dollars. The fund will appeal to investors seeking an income with some capital growth but who would prefer a lower level of risk than normally associated with equity investments.	USD
Fidelity Funds - Fidelity Advisor World Funds US Dollar Bond Fund[11]	Primarily composed of US dollar denominated bonds. The fund will appeal to investors seeking an income with some capital growth but who would prefer a lower level of risk than normally associated with equity investments.	USD

[1] *These funds have not been authorised by the Federal Banking Commission and have therefore not been approved for distribution in Switzerland.*
[2] *These funds are not authorised in Hong Kong and are not available to Hong Kong residents.*
[3] *Shares in the funds in the Fidelity Advisor World Funds range are not listed on the Luxembourg Stock Exchange.*
[4] *Minimum initial investment: US$500,000. Minimum subsequent investment: US$100,000.*
[5] *No sales or redemption charges are applied to funds in the Fidelity Advisor World Funds range. No switching charges apply to switches into or between funds in the Fidelity Advisor World Funds range. However, switches into funds in the Fidelity Adviser World Funds range are subject to compliance with the investment criteria set out above.*
[6] *Details of the most recent dealing prices for these funds may only be obtained from the Fund.*
[7] *Shares in the Fidelity Advisor World Funds funds are issued in registered form only.*
[8] *An annual management fee of 0.35% is applied to funds in the Fidelity Advisor World Fund range.*
[9] *These funds have not been authorised by the Bundesaufsichtsamt für das Kreditwesen and have therefore not been approved for distribution in Germany.*
[10] *These funds have not been authorised for public distribution in Austria.*
[11] *Dividends are declared on the First Business Day of: August and February.*

Part II: Core Information

Principal Features	14
Classes of Shares	14
How to Buy Shares	15
How to Sell Shares	16
How to Switch Between Funds	16
Dividends	18
Charges and Expenses	18
Meetings & Reports to Shareholders	19
Taxation	19
Management of the Fund	19
Directors	19
Appendix A - Investment Powers & Safeguards	21
Appendix B - Administration Details	23
Appendix C - Additional Information	25

PRINCIPAL FEATURES

Structure
The Fund is an open-ended investment company established in Luxembourg as a SICAV (société d'investissement à capital variable). Its assets are held in different funds. Each fund is a separate portfolio of securities managed in accordance with specific investment objectives. Separate classes of shares are issued in relation to each fund.

Investors can choose from a range of funds. Each fund provides investment in professionally managed pools of securities in different geographical areas and currencies, with the investment objective of capital growth, income or a balance between growth and income. A detailed list of the funds and their investment objectives is in Part I of this Prospectus.

Multicurrency Dealing
Shares can normally be purchased, sold or switched with any of the Distributors or be subscribed for or redeemed or switched by the Fund on a day that the Distributors or the Fund are Open for Business. The Distributors will normally accept orders in any of the major freely convertible currencies.

Single Price
There is a single price for buying and selling Shares which represents the Net Asset Value of the relevant fund. For certain funds, a sales charge is added in the case of purchases and a switch charge in the case of switches.

Listing
Shares are listed on the Luxembourg Stock Exchange, except as shown in the footnotes to the relevant funds in Part I of the Prospectus.

Minimum Investment
The minimum initial and subsequent investments are as follows:

Funds	Minimum Investments - US Dollars*	
	Initial	Subsequent
Class A shares in Equity, bond, balanced and cash funds	2,500	1,000
Class A shares in Asset allocation funds**	2,500; 6,000 or 25,000	1,000; 1,500 or 10,000
Class B Shares in Equity funds	10,000	5,000
Class E Shares in Equity funds	2,500	1,000

* *or the equivalent of the amounts shown above in any major freely convertible currency*
** *applicable minimum investments are shown in the footnotes to the relevant funds in Part I of this prospectus*

For reserved funds please refer to page 11.

The minimum value of a holding at any time must amount to the minimum initial investment applicable to the particular class of shares of that fund.

Co-Management of Assets
For the purpose of effective management, where the investment policies of the funds so permit, the Board of Directors may choose to co-manage assets of certain funds within the Fidelity Funds range. In such case, assets of different funds will be managed in common. The assets which are co-managed shall be referred to as a "pool" notwithstanding the fact that such pools are used solely for internal management purposes. The pools do not constitute separate entities and are not directly accessible to investors. Each of the co-managed funds shall be allocated its specific assets.

Where the assets of more than one fund are pooled, the assets attributable to each participating fund will initially be determined by reference to its initial allocation of assets to such a pool and will change in the event of additional allocations or withdrawals.

The entitlements of each participating fund to the co-managed assets apply to each and every line of investments of such pool.

Additional investments made on behalf of the co-managed funds shall be allotted to such funds in accordance with their respective entitlements, whereas assets sold shall be levied similarly on the assets attributable to each participating fund.

CLASSES OF SHARES

Class A Shares
The existing shares have been redenominated as class A Shares. Upon the sale of class A Shares a sales charge of up to 5.25% is payable and there is no redemption fee or ongoing distribution charge.

Class B Shares
The initial Net Asset Value of the Class B Shares is USD $20 or its equivalent in the currency of denomination of the individual funds on the first date of the offering. Subsequently, at the NAV of the relevant fund calculated on a Valuation Date. No sales charge will be due at the time of purchase. However, they are subject to a CDSC charge. The number of Shares will be rounded to the nearest one hundredth of a Share.

Class B Shares are however subject to a distribution fee (0.75% of the Net Asset Value of the fund). This fee is accrued daily and payable quarterly to the General Distributor. The proceeds of Class B Shares sold by an investor within five years of the date where such Shares were initially purchased, will be assessed a contingent deferred sales charge ("CDSC") at the rate set forth below, determined as a percentage of the initial purchase price of the Shares sold:

Year since purchase	CDSC as a percentage of the amount subject to a charge
Up to 1 year	4%
Over 1 and up to 2 years	3%
Over 2 and up to 3 years	2%
Over 3 and up to 4 years	2%
Over 4 and up to 5 years	1%
Over 5 years	0%

An instruction to sell Class B Shares will be deemed to have been given for the Shares which have been held for the longest period.

No CDSC will be levied on the redemption of Class B Shares derived from the reinvestment of dividends.

Proceeds from the CDSC are used all or in part by the General Distributor to defray its expenses in providing distribution related services to the fund in relation to the sales and promotion of Class B Shares. On any issue or sale of Class B Shares a Distributor (including the General Distributor) may, out of its own funds or out of sales charges, if any, pay commissions on applications received through brokers and other professional agents or grant discounts. The CDSC may be waived or reduced by the relevant Distributor (including the General Distributor) for Shareholders who purchase Class B Shares.

Class E Shares
The initial Net Asset Value of Class E Shares is 20 Euros on the first date of the offering. A sales charge will not be due at the time of purchase. The purchase price comprises the Net Asset Value of Shares of the relevant fund calculated on a Valuation Date. The number of Shares will be rounded to the nearest one hundredth of a Share.

Class E Shares are subject to a distribution fee (0.75% of the Net Asset Value of the fund), which is accrued daily and payable quarterly to the General Distributor.

HOW TO BUY SHARES

Applications
Investors buying Shares for the first time should complete the application form. Any subsequent purchase of Shares can be made by telephone and confirmed in writing immediately. Subsequent purchase can be made by fax if Fidelity has received a completed fax indemnity. Purchase instructions will normally only be fulfilled on banker's notification of receipt of cleared monies.

Unless specifically stated in writing at the time of application, any one of the registered shareholders is authorised to sign any documents or give instructions in connection with that holding on behalf of the other joint holders. This authorisation shall remain in force unless notice of its termination is received under separate cover by the Distributor.

Completed applications with cleared moneys received by a Distributor or the Fund, where the investor is subscribing for shares direct from the Fund, on a day that the Distributor and the Fund are Open for Business before the appropriate dealing cut off times on a Valuation Date will normally be fulfilled that day at the next calculated Net Asset Value of the relevant fund plus any applicable sales charge.

Standard dealing cut-off times are shown in the table below. Certain exceptions apply. These are shown in the footnotes to the relevant funds in Part I of this Prospectus.

Dealing cut off times		
UK time (normally Central European Time)	Hong Kong Time	Bermuda Time
5.00 pm (6.00 pm)	4.00 pm	12 noon

Shareholders should normally allow up to three Business Days before further switching, selling or redeeming their Shares after purchase or subscription.

Distributors and the Fund must comply with the Luxembourg law, and any other applicable law on money laundering. Investors may be asked to produce additional verification of identity before acceptance of their applications. Fidelity does not accept from or make payments to persons other than the registered shareholder.

Price
The purchase price comprises the Net Asset Value of Shares of the relevant fund calculated on a Valuation Date plus the applicable sales charge. The sales charge is up to 5.25% of the Net Asset Value. The Net Asset Value is normally calculated at 5.00 pm UK time (normally 6.00 pm Central European Time). The number of Shares will be rounded to the nearest one hundredth of a Share.

Details of the most recent Net Asset Values of Shares in each fund may be obtained from each Distributor or the Fund unless shown in the footnotes to the relevant fund in Part I of the Prospectus. The Net Asset Values of the appropriate Funds are generally published daily in the Financial Times, the Handelsblatt, the South China Morning Post and other newspapers decided by the Directors.

Currencies
Investors may place orders for Shares with Distributors in any of the major freely convertible currencies in addition to the principal dealing currency and the individual funds and share classes. Investors may contact the Distributors for information about such currencies. The Distributors may publish details of other currencies which will be accepted. Foreign exchange transactions may be aggregated and will be carried out by Fidelity's central treasury department pursuant to the Services Agreement. Settlement must be made in the currency in which the order was placed.

Investors subscribing for Shares direct from the Fund may only settle in the principal dealing currency of denomination of the Fund.

Settlement
Settlement should be made by electronic bank transfer net of bank charges. Payment should be made to the bank account published by the Distributor as appropriate to the currency of settlement.

Other methods of payment require the prior approval of the Distributor or the Fund. Where payments are accepted by cheque (or where an electronic bank transfer does not result in the immediate receipt of cleared funds) processing of the application will usually be deferred until cleared monies are received. Cleared monies will be invested net of bank collection charges.

Contract Notes
Contract notes will normally be issued within 24 hours of the allocation of Shares.

Form of Shares
A and E Shares are issued in registered form in the name of the subscriber or made available through Euroclear and/or Clearstream Banking unless shown in the footnotes in Part I of this Prospectus. B Shares are issued in registered form but are not available through the clearing houses. The Fund no longer issues bearer Shares, but existing bearer Shares continue to be administered by Fidelity Investments Luxembourg SA.

Registered Shares are held on a register established by the Fund in the investor's name. No Share certificates are issued.

Certification of the registered holding may be requested and will be mailed within approximately 4 weeks after payment for the Shares and provision of registration details to the Distributor or the Fund.

HOW TO SELL SHARES

Instructions to Sell
Instructions to sell registered Shares should be addressed to a Distributor or, in the case of redemption, to the Fund. Sale or redemption instructions may be made in writing or by telephone and confirmed in writing. Sale instructions may also be made by fax instructions if Fidelity has previously received a completed fax indemnity. The instructions must contain full details of registration, the name of the fund(s), settlement currency and the number or value of Shares to be sold. Instructions received on a day that the Distributor or the Fund is Open for Business, before the appropriate dealing cut off times on a Valuation Date, are dealt with at the Net Asset Value calculated that day.

Holders of registered Shares should submit signed written instructions. Unless specifically stated in writing at the time of application, one of the registered shareholders is authorised to sign any documents or give instructions in connection with that holding on behalf of the other joint holders. This authorisation shall remain in force unless notice of its termination is received under separate cover by the Distributor.

Completed written instructions should be forwarded to the Distributor or the Fund immediately after the instruction is placed.

Contract Notes
Contract notes will normally be issued within 24 hours of the price being determined.

Settlement
Settlement will normally be made by electronic bank transfer. After receipt of written instructions, payment will normally be made in the currency of denomination of the relevant fund within 3 Business Days for cash funds and 5 Business Days for other funds. Certain exceptions apply. These are shown in the footnotes to the relevant funds in Part I of this Prospectus. Settlement amounts may be subject to bank charges levied by the shareholder's own (or a correspondent) bank. Payment may also be made in any of the currencies indicated on page 15 if requested by the shareholder(s) at the time of instruction. Currently, no sales exit fee or redemption fee is applied to any of the funds. However, the right is reserved to charge a sales exit fee or a redemption fee on certain funds, not exceeding one per cent of the Net Asset Value inclusive of expenses, if the Directors so determine in the future, which fee will revert to the General Distributor. In the case of a redemption fee being applied, the Prospectus shall be updated and the investors duly informed. **Please refer to page 18 "Charges and Expenses" for full details.** The proceeds of Class B shares sold by an investor within five years of the date when such shares were initially purchased, will be assessed a contingent deferred sales charge ("CDSC") at the rate set forth on page 14.

Bearer Shares
Bearer Shares may be sold by contacting a Distributor or the Fund.

HOW TO SWITCH BETWEEN FUNDS

A Shares
Shareholders may switch some or all of their Shares in one fund to Shares in another fund if they satisfy the applicable minimum investment requirements for the existing and new funds. In the case of Reserved funds, provided also that the investor target criteria is met.

B and E Shares
Shareholders may switch some or all of their Class B Shares of one fund into Class B Shares of another fund provided they are in issue. Shareholders may switch some or all of their Class E Shares of one fund into Class E Shares of another fund provided they are in issue. Thus switches are limited to the equity funds.

Procedures
Written instructions to switch Shares should be addressed to a Distributor or the Fund. Switch instructions may be given by telephone or fax (provided that Fidelity has previously received a completed fax indemnity) and confirmed in writing immediately. Instructions should include full account details and the number or value of Shares to be switched between named funds. Unless specifically stated in writing at the time of application, one of the registered shareholders is authorised to sign any documents or give instructions in connection with that holding on behalf of the other joint holders. This authorisation shall remain in force unless notice of its termination is received under separate cover by the Distributor.

Shareholders cannot be registered as the owner of the new Shares of the fund into which the Shareholders have switched until the Distributor or the Fund has received a completed renunciation form for the Shares of the fund from which the Shareholders have switched. Shareholders should normally allow up to 3 Business Days after receipt of completed instructions by the Distributor or the Fund before selling or switching the new Shares into another fund. Certain exceptions apply. These are shown in the footnotes to the relevant fund in Part I of this Prospectus.

Amounts to be Switched
The minimum value of a shareholding in any one fund must amount to the minimum initial investment as set out in the table on page 14 or as shown in the footnotes to the relevant funds in part 1 of the Prospectus (or its equivalent in another

currency). Shareholders must therefore switch the appropriate minimum initial investment, or the appropriate minimum subsequent investment as a subsequent investment into a fund where they have an existing shareholding. In the case of a switch of a partial holding, the minimum value of the remaining holding should equate to the minimum initial investment as set out on page 14 or as shown in the footnotes to the relevant funds in part 1 of the Prospectus (or its equivalent in another currency).

Price
Switching instructions received, on a day that the Distributors or the Fund are Open for Business before the appropriate dealing cut off times on a Valuation Date, are dealt with at the Net Asset Value calculated that day for each of the relevant funds. Switch fees are applied to certain funds outlined in the table below, and paid to the General Distributor.

Switching Charges

		INTO	
		Funds with no sales charge*	**All other funds**
OUT OF	**Funds with no sales charge**	0%	Full sales charge** (up to 5.25% of the Net Asset Value)
	All other funds	0%	Up to 1% of the Net Asset Value

** This applies as shown in the footnotes to the relevant funds in Part I of this prospectus.*
*** Where the investors have already paid the full sales charge on their Shares to be switched, the charge for switching will not exceed 1%.*

The currency exchange rate to be applied where the prices of the relevant funds are denominated in different currencies is that for Share purchases on the relevant day. The number of Shares will be rounded up or down to the nearest one-hundredth of a Share.

Contract Notes
Contract Notes will normally be issued within 24 hours of the price being determined.

Dealing Facilities
Dealing facilities are available at the Fidelity offices listed below.

Fidelity Investments International
Oakhill House
130 Tonbridge Road
Hildenborough
Tonbridge, Kent TN11 9DZ
Telephone: (44) 1732 777377
Telex: 957615 FFUNDS G
Fax: (44) 1732 777262

Fidelity Investments (C.I.) Limited
PO Box 488, Ground Floor, St. Andrews Studios
St. Andrews Place
St. Helier, Jersey JE2 8WW
Channel Islands
Telephone: (44) 1534 888899
Telex: 419 2260 FICI G
Fax: (44) 1534 734244

Fidelity Investments Luxembourg S.A.
Kansallis House, Place de l'Etoile
BP 2174, L-1021 Luxembourg
Telephone : (352) 251 351 2230
Telex: 957616 (FIDLX)
Fax: (352) 250 340

Fidelity Investment Services GmbH
Eurohaus
Lyoner Straße 24-6
60528 Frankfurt am Main
Germany
Telephone: (49) 69 24 26 020
Fax: (49) 69 23 36 38

Fidelity Investments Management (Hong Kong) Limited
17th Floor, One International Finance Centre
1 Harbour View Street
Central Hong Kong
Telephone: (852) 2629 2629
Fax: (852) 2956 3443

Fidelity Distributors International Limited
PO Box HM670
Hamilton HMCX, Bermuda
Telephone: (1) 441 295 0665
Fax: (1) 441 295 9373

General Distributor
Fidelity Investments Distributors
Pembroke Hall, 42 Crow Lane
Pembroke HM19, Bermuda
Telephone: (1) 441 295 0665
Fax: (1) 441 295 9373

Share dealings may also take place direct with the Fund at
Fidelity Funds SICAV
Kansallis House, Place de l'Etoile
BP 2174, L-1021 Luxembourg
Telephone: (352) 251 351 2230
Telex: 957616 (FIDLX)
Fax: (352) 250 340

DIVIDENDS

General

The Directors expect to recommend distribution of substantially the whole of each fund's net investment income for the year. Dividends are declared on all funds on the first Business Day of August. Dividends are also declared on certain bond funds on other dates. These are shown in the footnotes to the relevant funds in Part I of this Prospectus.

Dividends are normally paid within 10 Business Days or as soon as practicable after that.

Dividend announcements, including the names of paying agents and all other financial notices concerning the funds are published in the Luxemburger Wort in Luxembourg and in other newspapers decided by the Directors.

Dividend cheques not cashed and coupons not presented within 5 years will lapse and the dividend will revert to the Fund.

Registered Shares

(i) Dividend Reinvestment

Dividends are reinvested in additional Shares in the same fund unless shareholders specify otherwise in writing.

Dividends to be reinvested are credited to the Transfer Agent who acts on behalf of the shareholders and invests the amount of the dividends in additional Shares of the same fund. Shares are issued at the Net Asset Value determined on the dividend declaration date if it is a Valuation Date, or the next following Valuation Date.

No sales charge is payable on these Shares. Shares issued through this dividend facility are held in a registered account for the investor. Shares are calculated to two decimal places and the resulting cash fraction remainder (whose value is less than 0.01 of a Share) is retained in the Fund for inclusion in subsequent calculations.

(ii) Dividend Payment

Holders of registered Shares may elect in writing to receive a dividend cheque or dividend payment by electronic bank transfer, net of bank charges. In these cases, unless specified otherwise, payment is normally made in the currency of denomination of the Shares of the fund. If requested, payment may be made in any other major freely convertible currency at the prevailing rate of exchange.

If any dividend payment is lower than US$50 (or its equivalent in another currency) the dividend will not be paid to holders of registered Shares but will be reinvested in further Shares of the same fund.

CHARGES AND EXPENSES

The Investment Manager

The Investment Manager receives from the Fund an annual fee which is levied on the value of the net assets of the funds. This fee varies in accordance with the fund type. The current fee structure is set out in the table below. Exceptions are shown in the footnotes to the relevant funds in Part I of this Prospectus.

Fund Type	Annual Management Fee
Equity Funds	1.50%
Balanced Funds	1.00%
Bond Funds	0.75%
Cash Funds	0.40%

For the asset allocation funds an annual asset allocation fee of up to 0.50% is levied, plus the investment management fee on the investments, ranging from 0.40% to 1.50%, and weighted for each portion of the fund which is invested in the same manner as the funds with which it is co-managed, in accordance with the composition of the fund in the light of the fees payable by the funds having identical investments. The fees are accured daily in the principal dealing currency and paid monthly, normally in USA dollars.

For reserved funds please refer to page 11.

The Custodian

The Fund pays the Custodian a monthly custodian fee calculated principally by reference to the value of the net assets of the Fund on the last Business Day of each month. The Custodian and the Fund determine the level of the fee from time to time in the light of market rates applicable in Luxembourg. Reasonable expenses incurred by the Custodian or by other banks and financial institutions to whom safekeeping of assets of the Fund is entrusted are additional to the Custodian's fee. The Custodian's fee normally includes the custody fees and certain transaction charges of the other banks and financial institutions. The amount paid to the Custodian in a financial year will be shown in the annual report of the Fund.

General Distributor and Distributors

The Fund has appointed the General Distributor to assist in the promotion of Shares in the Fund. The General Distributor has appointed the Distributors to distribute Shares. The Distributors always act as the agent for the General Distributor. The General Distributor acts as principal in the purchase and sale of shares via the Distributors and Shares are issued to/redeemed by the Fund to the General Distributor on the terms of the Prospectus. The General Distributor may not price orders received by it on less favourable terms than those available direct from the Fund.

Sales charges paid to the General Distributor, collected by the Distributors, are retained by the General Distributor. Sales charges paid to the Fund revert to the General Distributor. A contingent deferred sales charge in respect of Class B Shares paid to the Fund reverts to the General Distributor. The distribution fee in respect of the Class B Shares and Class E shares is accrued daily and paid quarterly to the General Distributor. The Distributors are remunerated by the General Distributor. Initial commissions may be paid to financial intermediaries or institutions from the Sales charges. Ongoing commissions may be paid to financial intermediaries and these commissions are borne by the Investment Manager from its management fee.

The Registrar, Transfer Agent, Administrative Service Agent and Domiciliary Agent

The Fund pays the fees of the Registrar, Transfer Agent, Administrative Service Agent and Domiciliary Agent at commercial rates agreed between these parties and the Fund, and reasonable out-of-pocket expenses properly incurred in carrying out their duties.

Other Expenses

Please refer to page 25 for details of other costs, charges and expenses which may be paid by the Fund.

MEETINGS AND REPORTS TO SHAREHOLDERS

The Annual General Meeting of Shareholders is held in Luxembourg on the first Thursday of October of each year at noon or, if such date is not a Business Day in Luxembourg, on the next following Business Day.

Notices of meetings of Shareholders are given in accordance with Luxembourg law and the Articles of Incorporation by publication in the Mémorial and the Luxemburger Wort in Luxembourg and in other newspapers decided by the Directors. Written notice will be sent to registered Shareholders at least 14 days prior to each meeting. All notices of meetings specify the time, place and agenda of the meeting, and the quorum and voting requirements. The Shareholders of any fund may hold, at any time, general meetings to decide on matters which relate exclusively to that fund.

The Fund's financial year ends on 30 April each year. The Fund's annual report incorporating financial statements is published within 4 months after the end of the financial year and at least 2 weeks before the Annual General Meeting of Shareholders. The Fund's accounting records are separately maintained in each fund's currency of denomination. Annual accounts are presented in the funds' currencies of denomination with consolidated accounts presented in US dollars. The Fund publishes a semi-annual unaudited financial report, containing a list of each fund's holdings and their market values, within 2 months of the date to which it is made up.

The annual and semi-annual reports are available free of charge on request from the Fund, the distributors and the representatives of the Fund. The accounts of the Fund prepared in accordance with company law to be presented for approval by the Shareholders will be sent to registered Shareholders together with the notice convening the annual general meeting. This material is available for collection by bearer Shareholders at the offices of the Luxembourg Bearer Share Paying Agent, the offices of any other paying agent of the Fund and at the office of the Hong Kong representative.

TAXATION

Taxation of the Fund

The Fund is not liable to any Luxembourg taxes on income or on realised or unrealised capital gains, nor to any Luxembourg withholding tax. The funds are subject to an annual tax of up to 0.06% on equity, bond and balanced funds and 0.01% on cash funds, calculated and payable quarterly on the net assets of the Fund on the last day of each fiscal quarter.

Capital gains, dividends and interest on securities held by the Fund may be subject to capital gains, withholding or other taxes imposed by the country of origin concerned and these taxes may not be recoverable by the Fund or by Shareholders.

Taxation of Shareholders

Holders of Shares are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg with respect to their Shares (except Shareholders who are domiciled or reside in or have a permanent establishment in Luxembourg). In exceptional circumstances, a non-resident shareholder holding 25% or more of the Shares of the Fund may be subject to tax on capital gains in Luxembourg.

The Directors expect that the Fund will qualify as a distributing fund for the purposes of section 760 of the Income and Corporation Taxes Act 1988 of the United Kingdom.

The tax consequences for each Shareholder of purchasing, subscribing, acquiring, holding, converting, selling, redeeming or disposing of Shares in the Fund will depend upon the relevant laws of any jurisdiction to which the Shareholder is subject. Investors and prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. Taxation law and practice, and the levels of tax relating to the Fund and to Shareholders may change from time to time.

MANAGEMENT OF THE FUND

The Directors and the officers of the Fund are responsible for its management and administration, including the overall management of the investments of the Fund. The Directors have appointed Fidelity International Limited to be the Investment Manager under the terms of the Investment Management Agreement and have appointed Brown Brothers Harriman (Luxembourg) S.C.A. to be the Custodian, responsible for the safekeeping of the assets of the Fund, under the terms of the Custodian Agreement. The Directors have delegated to Fidelity Investments Luxembourg S.A. the functions of Registrar, Transfer Agent, Administrative Service Agent and Domiciliary Agent under the terms of the Agency Agreement. Details of these Agreements and a description of the fees and expenses payable by the Fund are contained in Appendix B on pages 23 to 24.

DIRECTORS

The Directors of the Fund are:

Edward C. Johnson 3d

Chairman of the Board of the Fund; USA; Chief Executive Officer and Chairman of the Board of FMR Corp.; Chairman of Fidelity International Limited ("FIL"); a Director of Fidelity Investments Distributors; a Director of other companies in the FIL group of companies; a Director and President of funds in the Fidelity Group of US Funds; Chairman of each of the funds in the Fidelity Group of International Funds.

Barry R. J. Bateman

United Kingdom; President of FIL; Director of Fidelity Investment Services Limited; a Director of Fidelity Investments International; a Director of Fidelity Investments (C.I.) Limited; a Director of other companies in the FIL group of companies; a Director of other funds in the Fidelity Group of International Funds and a Director of COLT Telecom Group Plc.

Sir Charles Fraser, K.C.V.O.

United Kingdom; a Director of a number of companies including Scottish Media Group Plc and Stakis Plc. He has extensive experience of the investment industry where his directorships include British Assets Trust Plc and other funds in the Fidelity Group of International Funds.

Jean Hamilius
Luxembourg; ingénieur commercial ULB; former member of the Luxembourg Government and the European Parliament; a Director of other companies in the FIL group of companies; a Director of other funds in the Fidelity Group of International Funds.

Glen R. Moreno
USA; a Director of ED & F Man Group PLC; a trustee of the Prince of Liechtenstein Foundation; a Director of other companies in and outside the FIL group of companies; a Director of other Funds in the Fidelity Group of Funds.

Dr Arno Morenz
Germany; Chairman of the Board of three ERC-owned insurance companies in Luxembourg and Dublin; Vice-chairman of the German Shareholder Association DSW and Chairman of the supervisory board of "Das Wertpapier".

Frank Mutch
Bermuda; previously Corporate Secretary with North Rock Enterprises Limited (now Codan Services) and past Associate and Partner with the law firm Messry Conyers, Dill and Pearman for which he now acts as a Consultant; an independant Director of many companies in the Fidelity group of companies.

Dr. David J. Saul
Bermuda; a Director of FIL and a Director of other companies in the FIL group of companies; a Director of other funds in the Fidelity Group of International Funds.

Helmert Frans van den Hoven, K.B.E.
The Netherlands; previously Chairman of Unilever N.V. and past President International Chamber of Commerce in Paris. His non-executive directorships included Royal Dutch Shell and a number of funds in the Fidelity Group of International Funds.

Fidelity Investments Luxembourg S.A.
A company incorporated in Luxembourg on November 14, 1988 under the name of Fidelity International Service (Luxembourg) S.A. with R.C. number B 29 112 and having its registered office at Kansallis House, Place de l'Etoile, L - 1021 Luxembourg, Grand Duchy of Luxembourg; the company acts as Registrar, Transfer Agent, Administrative Service Agent and Domiciliary Agent for the Fund and is a Distributor of the Fund as agent of the General Distributor, Fidelity Investments Distributors.

Appendix A

INVESTMENT POWERS AND SAFEGUARDS

Under the Articles of Incorporation broad power is conferred on the Directors, based on the principle of spreading of risks and subject to the Articles of Incorporation and Luxembourg law, to determine the corporate and investment policy for the Fund and for the investment of each fund and the investment restrictions which shall apply from time to time.

A. Eligible Investments

The Directors have resolved that the Fund may:

(1) generally only invest in:
   - (a) transferable securities admitted to official listing on a stock exchange in an EU Member State;
   - (b) transferable securities dealt in on another regulated market which operates regularly and is recognised and open to the public, (a "Regulated Market") in an EU Member State;
   - (c) transferable securities admitted to official listing on a recognised stock exchange, or dealt in on another regulated market which operates regularly and is recognised and open to the public, in any country of Europe, Asia, Oceania, the American continents or Africa; and
   - (d) recently issued transferable securities, provided the terms of issue include an undertaking that application will be made for official listing on any of the stock exchanges or regulated markets referred to above within a year of the issue and such admission is then achieved within a year of the issue;

(2) also invest in:
   - (a) transferable securities which are not eligible under (1) above; and
   - (b) debt instruments having the characteristics of transferable securities by being transferable, liquid and having a value which can be accurately determined on each Valuation Date,

   but the aggregate value of the securities in (a) above and the debt instruments in (b) above shall not exceed 10% of the value of the net assets relating to the fund to which they are attributed;

(3) also on an ancillary basis hold cash and cash equivalents (including typical money market instruments which are regularly negotiated and the residual maturity of which does not exceed 12 months and time deposits), up to 49% of the net assets of each fund; such percentage may exceptionally be exceeded if the Directors consider this to be in the best interests of the shareholders.

B. Investment Restrictions

The Directors have resolved that the Fund will not:

(1) invest more than 5% of the value of the net assets of a fund in the securities of any one issuer, except that the Fund may invest:
   - (a) up to 10% of the value of the net assets of a fund in the securities of one issuer provided the total of such investments exceeding 5% (excluding transferable securities referred to in (b) below) does not exceed 40% of such value;
   - (b) up to 35% of the value of the net assets of a fund in the securities issued or guaranteed by the government of any EU Member State, by its local authorities, by a non-EU Member State or by public international bodies of which one or more EU Member States are members; and
   - **(c) an unlimited proportion of the value of the assets of a fund in the securities issued or guaranteed by the government of any EU Member State or of any member of the OECD or by a public international body of which one or more EU Member States are members, as well as securities issued or guaranteed by any local authorities of EU Member States, provided that at any one time securities from any one issue do not account for more than 30% of the value of the net assets of the fund and securities of at least six different issues are held in that fund;**

(2) acquire units of other collective investment schemes of the open-ended type, unless they are undertakings within the meaning of the first and second indent of Article 1(2) of EC Council Directive 85/611. The Fund may invest up to 5% of the value of the net assets of any fund in units of such undertakings provided that no investment shall be made in any such undertaking to which, or to the management company of which, the Fund is linked by common management or control or by substantial direct or indirect holding;

(3) acquire shares carrying voting rights which would enable the Fund to exercise a significant influence over the management of the issuer, or acquire more than:
   - (i) 10% of the non-voting shares of the same issuer;
   - (ii) 10% of the debt securities of the same issuer;
   - (iii) 10% of the units of the same undertaking for collective investment

   (and in the case of (ii) and (iii) the limits may be disregarded at the time of acquisition if at that time the gross amount of debt securities or the net amount of the securities in issue cannot be calculated);

   provided that such restrictions shall not apply to:
   - (a) securities issued or guaranteed by an EU Member State or its local authorities;
   - (b) securities issued or guaranteed by a non-Member State of the EU;
   - (c) securities issued by public international bodies of which one or more EU Member States are members;
   - (d) securities of an issuer incorporated in a non EU Member State which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state such a holding represents the only way in which the Fund may invest in bodies incorporated in that state, subject to the issuer in its investment policy complying with the limits laid down in Articles 42, 44 and 45 (1) and (2) of the Luxembourg Law of 30 March 1988; and
   - (e) securities of any wholly-owned subsidiary acquired pursuant to Article 45(3)(e) of the law of 30 March 1988 to assist in the management of the assets of the Fund.

(4) purchase stock or other securities issued by the Investment Manager, the Custodian or the Registrar, Transfer Agent and Administrative Service Agent, or a Connected Person thereof. A "Connected Person" is defined on page 23.

C. Other Safeguards

In addition, the Fund shall not:

(1) sell securities short or trade in securities not owned by the Fund or otherwise maintain a short position;

(2) borrow money except on a short term basis for the purpose of effecting redemptions of Shares or paying the expenses of the Fund or in the case of Equity funds for settlement of investment acquisitions pending receipt of subscription monies, and then only to the extent of 10% of the total value of the net assets of the Fund;

(3) mortgage, pledge, charge or in any manner transfer as security for indebtedness any assets of the Fund other than as may be necessary in connection with permitted borrowings (within the above limit of 10%) except that the foregoing shall not prevent the Fund from segregating or pledging assets as may be required in constituting margins for the purposes of using investment and hedging techniques as more fully described under E. below;

(4) underwrite or participate (except as an investor) in the marketing of securities of any other company;

(5) make loans or guarantee the obligations of third parties, save that the Fund may make deposits with the Custodian or any bank or deposit-taking institution approved by the Custodian or hold debt instruments. Securities lending does not rank as a loan for the purpose of this restriction;

(6) issue warrants or other rights to subscribe for Shares in the Fund to its Shareholders or to any third parties;

(7) except with the consent of the Directors, purchase, sell, borrow or lend portfolio investments from or to or otherwise execute transactions with any appointed investment manager or investment adviser of the Fund, or any Connected Person (as defined below) of either of them; further, the Fund may not invest in securities of any class if the directors and officers of any such investment manager or investment adviser individually beneficially own more than 0.5% of the total nominal capital of the issued securities of that class, or collectively beneficially own more than 5% of those securities;

(8) invest in documents of title to merchandise.

D. Special Investment and Hedging Techniques and Instruments

1. Techniques and Instruments Related to Transferable Securities

For the purpose of efficient portfolio management, the Fund may, in each fund, use the following techniques and instruments relating to transferable securities:

(A) Options on Securities

An option is the right to buy or sell a particular asset at a stated price at some date in the future within a particular period. The Fund may buy and sell call or put options on transferable securities provided that these options are traded on options exchanges or over-the-counter with broker-dealers who make markets in these options and who are first class financial institutions that specialise in these types of transactions and are participants in the over-the-counter markets.

The Fund shall further comply with the following rules:

(i) The total amount of premiums paid for the purchase of call and put options which are considered here, together with the total amount of premiums paid for the purchase of call and put options described under (B) (b) below, may not in respect of each fund exceed 15 % of the Net Asset Value of such fund.

(ii) The total commitment arising from the sale of call and put options (excluding the sale of call options for which there is adequate cover) and the total commitment arising from transactions referred to under (B) below, which have been entered into for purposes other than hedging, may not exceed in respect of each fund at any time the Net Asset Value of such fund. For this purpose the commitment on call and put options sold shall be deemed equal to the aggregate amount of the exercise prices thereof.

(iii) When selling call options, the Fund must hold either the underlying transferable securities, or matching call options or any other instruments (such as warrants) providing sufficient cover. The cover for call options sold may not be disposed of as long as the options exist unless they are covered in turn by matching options or other instruments used for the same purpose. Notwithstanding the foregoing, the Fund may sell uncovered call options if the Fund is, at all times, able to cover the positions taken on such sale and if the exercise prices of such options do not exceed 25% of the Net Asset Value of the relevant fund.

(iv) When selling put options, the Fund must be covered during the full duration of the options by sufficient cash to pay for the transferable securities deliverable to the Fund by the counterparty on the exercise of the options.

(v) **Taiwan Investment Limits**

For a fund recorded with the Taiwan Securities and Futures Commission, the total amount invested in derivatives for the purposes of risk hedging or improvement of the efficiency of portfolio management shall not exceed 15% of the Net Asset Value of that fund.

(B) Financial Futures, Options on Financial Futures and Interest Rate Swaps

Dealing in financial futures is the trading in contracts related to the future value of transferable securities or other financial instruments. Except as regards interest rate swaps on a mutual agreement basis and options which may be traded as provided for under (A) hereabove, all transactions in financial futures may be made on a Regulated Market only. Subject to the following conditions, such transactions may be made for hedging purposes and for other purposes.

(a) Hedging

Hedging is designed to protect a known future commitment.

(i) As a global hedge against the risk of unfavourable stock market movements, the Fund may sell futures on stock market indices. For the same purpose, the Fund may sell call options or buy put options on stock market indices. The objective of these hedging operations assumes that a sufficient correlation exists between the composition of the index used and the Fund's corresponding portfolios.

(ii) As a global hedge against interest rate fluctuations, the Fund may sell interest rate futures contracts. For the same purpose, it can also sell call options or buy put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialised in this type of transaction.

The total commitment relating to futures and option contracts on stock market indices may not exceed the total valuation of securities held by the relevant fund in the market corresponding to each index. In the same way, the total commitment on interest rate futures contracts, option contracts on interest rates and interest rate swaps may not exceed the total valuation of the assets and liabilities to be hedged held by the relevant fund in the currency corresponding to these contracts.

(b) Efficient Portfolio Management

Trading is based on the forecasting of future movements in financial markets. In this context and apart from option contracts on transferable securities (See (A) above) and contracts relating to currencies (See (D)b. below), the Fund may, for a purpose other than hedging, buy and sell futures contracts and options contracts on any type of financial instrument provided that the total commitment arising on these purchase and sale transactions together with the total commitment arising on the sale of call and put options on transferable securities in respect of each fund at no time exceeds the Net Asset Value of such fund.

Sales of call options on transferable securities for which the Fund has sufficient cover are not included in the calculation of the total commitment referred to above.

In this context, the commitment arising on transactions which do not relate to options on transferable securities is defined as follows:

(i) the commitment arising on futures contracts is equal to the liquidation value of the net position of contracts relating to identical financial instruments (after netting between purchase and sale positions), without taking into account the respective maturities and

(ii) the commitment relating to options bought and sold is equal to the sum of the exercise prices of those options representing the net sold position in respect of the same underlying asset, without taking into account the respective maturities.

The total of the premiums paid to acquire call and put options as described above, together with the total of the premiums paid to acquire call and put options on transferable securities as described under (A) above may not exceed in respect of each fund 15 % of the Net Assets of such fund.

(C) Securities Lending and Borrowing

The Fund may enter into securities lending and borrowing transactions provided that they comply with the following rules:

(i) The Fund may only lend or borrow securities through a standardised system organised by a recognised clearing institution or through a first class financial institution specialising in this type of transaction.

(ii) As part of lending transactions, the Fund must in principle receive a guarantee, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent.

This guarantee must be given in the form of liquid assets and/or in the form of securities issued or guaranteed by a Member State of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or worldwide nature and blocked in the name of the Fund until the expiry of the loan contract.

Such a guarantee shall not be required if the securities lending is made through Clearstream or EUROCLEAR or through any other organisation assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise.

(iii) Securities lending and borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each fund This limitation does not apply where the Fund is entitled at all times to the cancellation of the contract and the restitution of the securities lent.

(iv) Securities lending and borrowing transactions may not extend beyond a period of 30 days.

(v) The securities borrowed by the Fund may not be disposed of during the time they are held by the Fund, unless they are covered by sufficient financial instruments which enable the Fund to deliver the borrowed securities at the close of the transaction.

(vi) The Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (x) during a period the securities have been sent out for re-registration; (y) when the securities have been loaned and not returned in time; and (z) to avoid a failed settlement when the Custodian fails to make delivery.

(D) Repurchase Agreements and Hedging

a. Repurchase Agreement Transactions

The Fund may, on an ancillary basis, enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and on terms specified by the two parties in their contractual arrangement.

The Fund can act either as purchaser or seller in repurchase agreement transactions. Its involvement in such transactions is, however, subject to the following rules:

(i) The Fund may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transactions is a first class financial institution specialising in this type of transaction.

(ii) During the life of a repurchase agreement contract, the Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

(iii) Where the Fund is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

Repurchase agreement transactions are expected to take place on an occasional basis only.

b. Currency Hedging

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Fund may enter into transactions the object of which is the purchase or sale of forward foreign exchange contracts, the purchase or sale of call options or put options in respect of currencies, the purchase or sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with first class financial institutions specialising in these types of transactions and being participants in the over-the-counter markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the relevant fund) may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period during which such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

E. Miscellaneous

(1) The Fund need not comply with the investment limit percentages set out above when exercising subscription rights attaching to securities which form part of its assets.

(2) Such restrictions shall apply to each fund, as well as to the Fund as a whole.

(3) If the investment limit percentages set out above are exceeded as a result of events or actions after investment that are beyond the control of the Fund or by reason of the exercise of subscription rights attaching to securities held by it, the Fund shall give priority, consistent with the best interests of shareholders, upon sale of securities to disposing of these securities to the extent that they exceed such percentages; provided, however, that in any case where the foregoing percentages are lower than relevant percentages imposed by Luxembourg law, the Fund need not give priority to disposing of such securities until the law's higher limits have been exceeded, and then only to the extent of such excess.

(4) The Fund follows a risk-spreading policy regarding the investment of cash and other liquid assets.

(5) The Fund will not purchase or sell real estate or any option right or interest therein, provided that the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(6) "Connected Person" of any investment adviser, investment manager, custodian or any share distributor means:

(a) any person beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes in that company;

(b) any person controlled by a person who meets one or both of the requirements set out in (a) above;

(c) any company 20% or more of whose ordinary share capital is beneficially owned, directly or indirectly, by any investment adviser, investment manager or share distributor taken together; and any company 20% or more of the total votes in which can be exercised, directly or indirectly by such investment adviser, investment manager or Share Distributor taken together; and

(d) any director or officer of any investment adviser or investment manager or Share Distributor or of any Connected Person of that company, as defined in (a), (b) or (c) above.

(7) The Investment Manager and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Investment Manager and any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Investment Manager and any of its Connected Persons goods, services or other benefits, such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc, the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the Fund's performance and that of the Investment Manager or any of its Connected Persons in providing services to the Fund and for which no direct payment is made but instead the Investment Manager and any of its Connected Persons undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

(8) The Investment Manager and any Connected Person shall not retain the benefit of any cash commission rebate (being cash commission repayment made by a broker or dealer to the Investment Manager and/or any Connected Person) paid or payable from any such broker or dealer in respect of any business placed with such broker or dealer by the Investment Manager or any Connected Person for or on behalf of the Fund. Any such cash commission rebate received from any such broker or dealer shall be held by the Investment Manager and any Connected Person for the account of the Fund. Brokerage rates will not be excessive of customary brokerage rates. All transactions will be done with best execution.

Appendix B

ADMINISTRATION DETAILS

MANAGEMENT AND ADMINISTRATION

Investment Manager

The Fund has appointed Fidelity International Limited ("the Investment Manager") by Agreement dated 25 June 1990 (as amended) ("the Investment Management Agreement") to provide the Fund with day to day investment management of each fund, under the supervision and subject to the control of the Directors, with statistical and other related services. The Investment Manager is authorised to act on behalf of the Fund and to select agents, brokers and dealers through whom to execute transactions and provides the Directors with reports they may require. The Investment Manager and its subsidiaries also provide investment management and advisory services to other Fidelity mutual funds and unit trusts, institutional and private investors.

The Investment Manager may receive investment advice from and act upon the advice of any Connected Person (any company within the Fidelity organisation - including affiliate companies) of the Investment Manager and may execute, transact and otherwise carry out its functions, duties and obligations with or through any Connected Person (as so defined). The Investment Manager shall remain responsible for the proper performance by such company of those responsibilities.

Investment Management Fee

The Fund pays the Investment Manager a fee calculated separately in respect of each fund and accrued daily in the currency of denomination and paid monthly normally in US dollars, at the following annual rates: for equity funds and for balanced funds, up to 1.50%

of the value of the net assets (in certain cases 0.60%, as shown in the footnotes to the relevant funds in Part I of the Prospectus), for bond funds and cash funds up to 1.00% of the value of the net assets. For the asset allocation funds an annual asset allocation fee of up to 0.50% is levied, plus the investment management fee on the investments, ranging from 0.40% to 1.50%, and weighted for each portion of the fund which is invested in the same manner as the funds with whch it is co-managed, in accordance with the composition of the fund in the light of the fees payable by the funds having identical investments.

The Investment Manager may waive any or all of its fee in respect of any fund at its discretion from time to time.

Under the Investment Management Agreement, the fee may be increased in respect of any one or more funds from time to time, provided the aggregate fees do not exceed an annual rate of 2.0% of the value of the net assets of the Fund. Any increase is subject to not less than 3 months' notice being given to shareholders in the same manner as notices of meetings.

The Investment Manager bears all expenses incurred by it and its affiliates and advisers related to services performed by it for the Fund. Brokerage commissions, transaction charges and other operating costs of the Fund are payable by the Fund.

Termination or Amendement

The Investment Management Agreement is for a period of 30 years from 15 June 1990, being the date of incorporation of the Fund, unless terminated earlier by either party upon 90 days' written notice.

During such time as any Shares in the Fund are authorised for sale in Hong Kong, the Fund may terminate the Investment Management Agreement on 30 days' written notice, on the grounds that the Directors are of the opinion that a change of investment manager is desirable in the best interests of the Shareholders (subject, if the Investment Manager so requires, to the concurrence of the Securities & Futures Commission) or if the holders of at least 50% of the Shares request the Directors in writing to terminate the Agreement. Subject to this, the Fund may not give notice to terminate the Agreement except with the sanction of a resolution passed by not less than a two-thirds majority at a Shareholders' meeting at which the holders of not less than two-thirds of the Shares are present or represented and voting.

The Investment Management Agreement may be amended by agreement between the Investment Manager and the Fund, by action of their respective Boards of Directors, but the Fund may not increase the Investment Manager's fee above the aggregate rate of 2.0% without the sanction of an ordinary meeting of Shareholders nor amend the termination provisions of the Investment Management Agreement without the sanction of a resolution passed by not less than a two-thirds majority at a Shareholders' meeting at which the holders of not less than two-thirds of the Shares are present or represented and voting.

If the Investment Management Agreement is terminated for any reason, the Fund shall, at the request of the Investment Manager, change its name forthwith to a name excluding "Fidelity" or any name connected with the Investment Manager.

Custodian

The Fund has appointed Brown Brothers Harriman (Luxembourg) S.C.A. ("the Custodian") by Custodian Agreement dated 25 June 1990 (as amended) to act as custodian of the Fund and to hold all cash, securities and other property of the Fund on behalf of the Fund. The Custodian may, with the approval of the Fund, appoint other banks and financial institutions to hold the Fund's assets. The Custodian is required to perform all the duties of a custodian prescribed by Article 33 of the Luxembourg Law of 30 March 1988. The Custodian is a bank organised as a société anonym under the laws of the Grand Duchy of Luxembourg on 9 February 1989 and is a subsidiary of Brown Brothers Harriman & Co. The Fund pays a monthly custodian fee calculated by reference to the value of the net assets of the Fund on the last business day of each month and paid monthly in the amount as the Custodian and the Fund shall determine from time to time in the light of market rates applicable in Luxembourg. Transaction charges and any reasonable disbursements and out-of-pocket expenses incurred by the Custodian or by other banks and financial institutions to whom safekeeping of assets of the Fund is entrusted, will be borne by the Fund. The custodian fee paid in a financial year will be shown in the annual report of the Fund. In the year to 30 April 1998 the custodian fee paid accounted for about 0.06% of the total assets of the Fund. The Custodian's appointment may be terminated by either the Custodian or the Fund upon 90 days' written notice. Termination is, however, subject to the condition that except in the case of force majeure a new custodian must be appointed to act in place of the retiring Custodian with effect from the date of termination. The retiring Custodian shall take all necessary steps to ensure the preservation of the interests of the shareholders for such period as shall be necessary to effect an orderly transfer of assets to the new custodian.

General Distributor & Share Distributors

The General Distributor and the Share Distributors have been appointed as Distributors of Shares by the Fund under the following current agreements: General Distributor's Agreement dated 22 August 1995; Share Distributors Agreements with Fideliity Investments Luxembourg S.A. and Fidelity Investment Services GmbH dated 22 August 1995, with Fidelity Investments International dated 11 September 1995, with Fidelity Investments (C.I.) Limited, Fidelity Investments Management (Hong Kong) Limited and Fidelity Distributors International Limited dated 22 August 1995. Each of these agreements may be terminated by either party upon 90 days' prior written notice. The General Distributor is paid the sales charge, if any, (up to 5.25% of the Net Asset Value of the Shares) collected by the Distributors (as agents for the General Distributor). The General Distributor is paid the sales charge, if any, on sales of Shares made directly through the Fund and receives the fee charged on switches, if any. The General Distributor remunerates the Distributors out of the sales charges, if any. Under the terms of the Articles of Incorporation the sales charge, if any, may be increased to a maximum of 8% of the Net Asset Value.

Auditors

PricewaterhouseCoopers S.àr.l., Luxembourg, have been appointed as the Fund's Auditors. Their appointment is subject to approval at each Annual General Meeting.

Registrar & Transfer Agent, Administrative Service Agent & Domiciliary Agent

Under an Agency Agreement dated 1 December 1991 and with effect from that date, the Fund has employed Fidelity Investments Luxembourg S.A. as the Registrar, Transfer Agent, Administrative Service Agent and Domiciliary Agent for the Fund. Fidelity Investments Luxembourg S.A., which is a subsidiary company of the Investment Manager, processes subscriptions, redemptions, conversions and transfers of Shares and enters these transactions in the Fund's Register of Shareholders. It provides services to the Fund in connection with keeping the Fund's accounts, determination of the Net Asset Value of Shares in each fund on each Valuation Date, despatch of dividend cheques to registered Shareholders, preparation and distribution of Shareholders' reports and provision of other administrative services. The Agreement may be terminated by either party upon 90 days' written notice.

The Fund pays fees for these services at commercial rates agreed from time to time between the parties plus reasonable out-of-pocket expenses.

Luxembourg Bearer Share Paying Agent

The Fund has appointed Bankers Trust Luxembourg S.A. by an agreement dated 20 Septembber 1990 (as amended) its Bearer Share Paying Agent in Luxembourg. This appointment may be terminated by either party upon 90 days' written notice. The Fund will appoint other paying agents as appropriate. The Bearer Share Paying Agent is paid transaction fees and its expenses.

Services Agreement

The Fund has appointed Fidelity International Limited by an agreement dated 25 June 1990 (as amended), to provide services in relation to the investments of the funds including valuation, statistical, technical, reporting and other assistance. This agreement may be terminated by either party upon 90 days' written notice.

The Fund pays Fidelity International Limited a fee of such amount as may be agreed from time to time, with annual review.

Hong Kong Representative's Agreement

The Fund has appointed Fidelity Investments Management (Hong Kong) Limited by an agreement dated 5 July 1990 to act as Hong Kong Representative, to receive purchase, sale and switch requests, to provide information to investors and to accept notices and other services in respect of the Fund. The Hong Kong Representative is paid its reasonable out-of-pocket expenses.

CHARGES AND EXPENSES

The costs, charges and expenses which may be charged to the Fund include: all taxes which may be due on the assets and the income of the Fund; usual banking and brokerage fees due on transactions involving portfolio securities of the Fund (the latter to be included in the acquisition price and to be deducted from the selling price); insurance, postage, telephone and telex; Directors' fees and remuneration of officers and employees of the Fund; remuneration of the Investment Manager, the Custodian, the Registrar and Transfer Agent, the Administrative Services Agent, the Domiciliary Agent, any Paying Agent, the Hong Kong Representative and of representatives in other jurisdictions where the Shares are qualified for sale, and of all other agents employed on behalf of the Fund; such remuneration may be based on the net assets of the Fund or on a transaction basis or may be a fixed sum; formation expenses; the cost of preparing, printing and publishing in such languages as are necessary, and distributing offering information or documents concerning the Fund, annual and semi-annual reports and such other reports or documents as may be allowed or required under the applicable laws or regulations of the above cited authorities; the cost of printing certificates and proxies; the cost of preparing and filing the Articles of Incorporation and all other documents concerning the Fund, including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares; the cost of qualifying the Fund or the sale of Shares in any jurisdiction or of a listing on any exchange; the cost of preparing, printing and publishing, in such languages as are necessary, and distributing annual and semi-annual reports and other reports or documents as may be desirable or required under the applicable laws or regulations of the above-cited authorities; the cost of accounting and bookkeeping; the cost of calculating the Net Asset Value of Shares of each fund; the cost of preparing, printing, publishing and distributing public notices and other communications to the shareholders; legal and auditing fees; registrar's fees; and all similar charges and expenses. Administrative and other expenses of a regular or recurring nature may be calculated on an estimated basis for yearly or other periods in advance, and the same may be accrued in equal proportions over any such period.

Costs, charges and expenses which may be attributed to a fund will be borne by that fund; otherwise they will be allocated in US dollars pro rata to the values of the net assets of all, or all appropriate, funds on such basis as the Directors consider reasonable.

A portion of commissions paid to selected brokers for certain portfolio transactions may be repaid to the funds which generated the commissions with these brokers and may be used to offset expenses.

Appendix C

ADDITIONAL INFORMATION

NET ASSET VALUE

The Net Asset Value of Shares of each fund is determined in the currency of denomination of the respective fund in accordance with the Articles of Incorporation. The determination for equity, bond, cash, balanced and asset allocation funds is made on each Valuation Date at 5.00 pm UK time (or as soon as practicable immediately thereafter).

The Net Asset Value per Share of each fund, and, if applicable, of each class of such fund, is calculated by determining first, if appropriate, the proportion of the net assets of the relevant fund attributable to each class of Shares, thereby taking account of the ongoing distribution charge payable by class B and class E shares. Each such amount will be divided by the number of Shares of the relevant class then outstanding as at close of business to the extent feasible.

The Articles of Incorporation contain Valuation Regulations which provide that for the purpose of determining Net Asset Value:

(1) Securities which are traded on stock exchanges are to be valued at the last available price at the time when the valuation is carried out, or, in unusual circumstances of trading activity such that the Directors or their delegate consider that such price does not reflect fair market value, the securities are to be valued at fair market value in the opinion of the Directors or their delegate.

(2) Securities which are not traded on any stock exchange are to be valued, if dealt in on any other regulated market, in a manner as near as possible to that described in the preceding paragraph, unless the Directors or their delegate determine that some other form of quotation, such as, in relation to the cash funds, the linear amortisation method, which may be an appropriate method of valuation of short-dated debt transferable securities, better reflects their fair values, in which event that form of quotation will be used for valuation.

(3) Restricted securities owned by the Fund are to be valued at their fair value as determined by the Directors or their delegate. Among the factors which may be considered in making such determination are (a) the nature and duration of the restrictions upon disposition of the securities, (b) the extent to which there is a market for securities of the same class or for securities into which the restricted securities are convertible, and (c) the initial discount from such market value, if any, at which such securities were acquired from the market value of unrestricted securities of the same class or into which they are convertible.

(4) The value of any investment, security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price.

(5) All other assets are to be valued at their respective estimated sales prices determined by the Directors or their delegate.

The value of all assets and liabilities not expressed in the reference currency of a fund will be converted into the reference currency of such fund at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The assets relating to a fund means the assets which are attributed to that fund less the liabilities attributed to that fund and where any asset or liability of the Fund cannot be considered to be attributed to a fund such asset or liability shall be allocated to the assets or liabilities relating to all the Fund or all the relevant funds pro rata to the Net Asset Values thereof. Liabilities are, unless otherwise agreed with the creditors concerned, binding on the Fund as a whole.

Calculations of Net Asset Value are made by the Directors or by an organisation appointed by them for the purpose ("their delegate") and are made generally in accordance with generally accepted accounting principles. In the absence of bad faith, negligence or manifest error, every decision in calculating Net Asset Values taken by the Directors or by their delegate will be final and binding on the Fund and on present, past and future Shareholders.

ELIGIBLE INVESTORS

Although Shares are freely transferable, the Articles of Incorporation reserve to the Fund the right to restrict the beneficial ownership of Shares by any person to no more than 3% of the Shares which are outstanding at the time of such issue or any time thereafter. The Articles of Incorporation also reserve to the Fund the right to prevent the beneficial ownership of Shares by any "US Person" (as there defined). The Board of Directors have adopted a definition of "US Person" as set out in paragraph 9 of General Information. Under such powers the Fund may compulsorily redeem Shares held in excess of such limit or by such "US Person" on the terms provided in the Articles of Incorporation and may restrict the exercise of rights attached to such Shares.

TEMPORARY SUSPENSION OF DETERMINATION OF NET ASSET VALUE AND OF THE ISSUE, CONVERSION AND REDEMPTION OF SHARES

The Directors may suspend the determination of the Net Asset Value of Shares of any fund, the issue of such Shares, the conversion of such Shares and the redemption of such Shares: (a) during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed on which a significant portion of the Fund's investments relating to that fund is quoted and which is the main market or stock exchange for such investments, provided that the closing of such exchange or market affects the valuation of the investments quoted thereon; or during any period when dealings on such market or stock exchange are substantially restricted or suspended, provided such restriction or suspension affects the valuation of the investments of the Fund relating to that fund quoted thereon; (b) during any period when an emergency exists as a result of which disposal by the Fund of investments relating to that fund which constitute a substantial portion of the assets of the fund is not practically feasible or would be seriously prejudicial to the Shareholders; (c) during any breakdown in the means of communication normally employed in determining the price of any of the Fund's

investments relating to that fund or of current prices on any market or stock exchange; (d) when for any other reason the prices of any investments owned by the Fund relating to that fund cannot promptly or accurately be ascertained; (e) during any period when remittance of monies which will or may be involved in the realisation of or in the payment for any of the Fund's investments relating to that fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange; and (f) in the event of the publication of a notice convening an extraordinary general meeting of shareholders for the purpose of winding up the Fund as from the time of such publication. Further, if on any Valuation Date redemption requests and conversion requests relate to more than 5 per cent of the Shares in issue in respect of a fund, the Directors may declare that part or all of such Shares for redemption or conversion will be deferred for a period that the Directors consider to be in the best interests of the Fund but normally not exceeding 20 Valuation Dates. On such Dates, these redemption and conversion requests will be met in priority to later requests.

Suspension of determination of the Net Asset Value of Shares of one fund will not imply suspension in respect of other funds unaffected by the relevant events.

Shareholders who have requested conversion or redemption of their Shares or who have made an application to subscribe for Shares will be notified in writing of any such suspension of the right to subscribe, to convert or to require redemption of Shares and will be promptly notified upon termination of such suspension. Any such suspension will be published in the newspapers in which the Fund's Share prices are generally published if in the opinion of the Fund the suspension is likely to exceed one week.

In the event of any contemplated liquidation of the Fund, no further issues, conversions, or redemptions of Shares will be permitted after publication of the first notice convening the General Meeting of Shareholders for the purpose of winding up the Fund. All Shares outstanding at the time of such publication will participate in the Fund's liquidation distribution.

Each distributor reserves the right to suspend or terminate sales of Shares in one or more funds and to refuse to accept any applications. Sales will normally be suspended when the Fund suspends the determination of Net Asset Value.

LIQUIDATION OF FIDELITY FUNDS AND TERMINATION OF FUNDS

A fund may be terminated by a) resolution of a class meeting of the Shareholders in that fund or, b) if the value of the net assets of a fund is below US$15,000,000 or its equivalent and the Directors so decide, by resolution of the Directors. In either case, the assets of the fund will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of Shares in that fund. Payment of proceeds to Shareholders will be made against delivery to the Fund of certificates for Shares in that fund, where appropriate, and any other evidence of discharge which the Directors may reasonably require.

In the event that a fund is terminated, notice will be given in writing to registered Shareholders. Notices will also be published in the Mémorial and the Luxemburger Wort in Luxembourg and in other newspapers circulating in jurisdictions in which the Fund is registered as the Directors may determine.

Shareholders of one or several funds may also decide by resolution of a class meeting of the relevant fund or funds to allocate the assets of the relevant fund or funds to another fund and to redesignate the shares of the relevant fund or funds as shares of another fund (following any necessary split or consolidation, and the payment of the amount corresponding to any fractional entitlement to shareholders or the allocation, if so resolved, of rights to fractional entitlements as set out in the Articles of Incorporation of the Fund).

Shareholders of one or several funds may also decide by resolution of a class meeting to contribute the assets and liabilities attributable to the fund or funds concerned to another undertaking for collective investment against issue of shares of that undertaking for collective investment to be distributed to the holders of shares of the class or classes concerned.

In the event that a decision is taken to merge one or several funds with another undertaking for collective investment, a notice will be published by the Fund which will contain information in relation to the new fund of the relevant undertaking for collective investment. Publication will be made within one month before the date on which the merger becomes effective in order to enable holders of Shares to request redemption of their Shares, free of charge, before the implementation of the merger.

A general meeting convened to decide upon the consolidation of several classes of shares within the Fund shall not be subject to any quorum requirements. Any resolutions on this subject may be taken by simple majority.

Resolutions to be passed by a class meeting with respect to a contribution of the assets and liabilities attributable to any fund or funds to another undertaking for collective investment shall be subject to the quorum and majority requirements referred to in the Articles of Incorporation, except when a merger is to be implemented with a mutual investment fund (fonds commun de placement) or a foreign based undertaking for collective investment, in which case the resolutions shall only be binding upon Shareholders who shall have voted in favour of the merger proposals.

The Fund is of unlimited duration but may be liquidated at any time by resolution of Shareholders in accordance with Luxembourg law. The net proceeds of liquidation corresponding to each fund shall be distributed by the liquidators to the holders of Shares in that fund in proportion to their holding of Shares in that fund. Amounts which are not promptly claimed by Shareholders will be held in escrow accounts by the Caisse des Consignations. Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

A general meeting of the Shareholders will be called to consider the liquidation of the Fund if the value of the Fund's net assets should decline to less than two-thirds of the minimum capital required by law. The minimum capital required by Luxembourg law is currently the equivalent of F.Lux 50,000,000.

GENERAL INFORMATION

(1) The Fund was incorporated in Luxembourg on 15 June 1990. Its Articles of Incorporation were published in the Mémorial on 21 August 1990. The Fund has been registered with the commercial register (Number B34036) kept at the Chancery of the District Court of Luxembourg and its Articles of Incorporation (as from time to time amended) and notice légale are on file there. These documents may be inspected and copies may be obtained from there against payment of the Registrar's fees. The Articles of Incorporation may be amended by the shareholders in accordance with Luxembourg law. The Articles of Incorporation have been amended several times, the last such amendment being published in the Mémorial on 13 February 1998.

(2) (a) The Fund was initially constituted with an issued share capital of US$40,000 subscribed by Fidelity Investments International and Fidelity Investments (C.I.) Limited.
The capital of the Fund is equal to the Net Asset Value of all funds taken together. The Fund issues Shares of the classes listed in Part I of this prospectus.

(b) Under Luxembourg law the Fund is authorised to issue an unlimited number of Shares, all of which are without par value. Each Share when issued is fully paid and non-assessable. No Shares have preference, pre-emption or exchange rights (other than rights of conversion between funds).

(c) All the Shares in one fund, whether bearer or registered, have equal rights and privileges. Each Share in a fund is entitled to participate equally with the other Shares in that fund in any dividends or other distributions declared on the Shares in that fund, as well as in the event of a termination of that fund or the liquidation of the Fund, in the liquidation proceeds of that fund. Each Share is entitled to one vote at any meeting of Shareholders and any meeting of Shareholders of that fund, as a class. However, the Fund may decline to accept the vote of any US Person (as defined in paragraph 9 below) or the vote of any holder as to his holding above 3% (as provided in the Articles of Incorporation).

(d) There are no options or any special rights outstanding relating to any Shares. Subject to applicable laws, shareholders are at all times entitled to exchange bearer Shares for registered Shares, by application to the Fund.

(e) The Board of Directors has generally the power to restrict the issues of Shares pursuant to article 7 of the Articles of Incorporation if the board is of the opinion that such further issues would be detrimental to the Fund as a whole or to the holders of shares in the fund in respect of which such a restriction is established. Information as to the funds which at a given time are not offered to investors is available at the registered office of the Fund and at the offices of the Distributors.

(3) Except as described in this Prospectus, no commissions, discounts, brokerage or other special terms have been granted by the Fund in relation to Shares issued or to be issued by the Fund; on any issue or sale of Shares a Distributor (including the General Distributor) may, out of its own funds or out of the sales charges, if any, pay commissions on applications received through brokers and other professional agents or grant discounts.

(4) (a) The Fund, together with other funds advised or managed by Fidelity International Limited or its subsidiaries, may place orders for the purchase or sale of securities in which the Fund may invest with affiliates of Fidelity International Limited and other affiliates of Fidelity Management and Research Corp., Boston, provided that, among other conditions, they can reasonably be expected to execute the transaction on terms as favourable as could be expected to be obtained from other brokers qualified to execute the transaction and at commission rates comparable to those which would have been charged by such other brokers.

(b) Subject to the receipt of best execution, the Fund may take into account the sale of Shares by brokers and dealers when selecting them for the execution of transactions.

(5) (a) A Director may hold any other office or position of profit under the Fund (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure and otherwise as the Directors may determine. Any Director may also act in a professional capacity (other than as Auditor) and he or his firm shall be entitled to remuneration for such services as if he were not a Director.

(b) Pursuant to the Articles of Incorporation, a Director may not normally vote in respect of any contract in which he is personally interested but shall not be disqualified by his office from contracting with the Fund. Any such contract will be disclosed in the financial reports of the Fund.

(c) The Directors who are not affiliated with the Investment Manager or a Distributor are paid an annual Director's fee and a fee for each board meeting attended. Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors, or otherwise in connection with the business of the Fund.

(d) The Directors and officers of the Fund shall be indemnified by the Fund against liability and related expenses in connection with any claim brought against such person by reason of his having been such Director or officer, provided that no indemnity shall be provided against liability to the Fund or its Shareholders by reason of wilful misfeasance, bad faith, negligence or reckless disregard of duties or with respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interests of the Fund.

(6) Income equalisation arrangements are applied in the case of Shares in the bond fund, cash funds and balanced funds. These arrangements are intended to ensure that the income per Share which is distributed in respect of a distribution period is not affected by changes in the number of Shares in issue during that period.

The amount of the first distribution received by a Shareholder in a bond fund, cash fund or balanced fund following the purchase of Shares in that fund represents partly participation in income received by the fund and partly a return of capital (the "equalisation amount"). The equalisation amount represents the average amount of income of the fund included in the Net Asset Value of each Share issued during the relevant distribution period. It is expected that the equalisation amount will not be taxable as an income receipt of the Shareholder but should be applied to reduce the base acquisition cost of the Shares for the purpose of computing capital gains. The tax treatment of equalisation amounts may, however, differ in certain jurisdictions, such as Germany.

Shareholders who wish to obtain information concerning the equalisation amount received by them as a part of their distribution, may do so by contacting the Distributor or the Fund at its address.

(7) Fidelity Funds - Korea Fund (the "Korea Fund") will invest in the Korean equity securities market principally through a wholly owned Malaysian subsidiary carrying on management activities exclusively for the Fund (the "Subsidiary"). By investing through the Subsidiary, the Korea Fund expects to benefit from favourable tax treatment under the Malaysia-Korea Double Tax Treaty, as more fully described below.

The Subsidiary was incorporated as a limited company in the Federal Territory of Labuan (Malaysia) under the Offshore Companies Act, 1990, on 15 September 1995. The name of the Subsidiary is Fidelity Funds Korea (L) Ltd. Pursuant to various Investment Management Agreements between the Fund, Fidelity International Limited and the subsidiary, Fidelity International Limited provides investment advisory and management services to Korea Fund and the Subsidiary in connection with investment activities in Korea conducted on behalf of Korea Fund. The Subsidiary's board of directors consist of the following: Chin Chee Kee, Simon Haslam, Barry Bateman, Jean Hamilius and David J. Saul. The auditor of the Subsidiary is PricewaterhouseCoopers, Malaysia.

The Korea Fund's portfolio securities, when invested in securities of Korean issuers and in other Korean Won-denominated securities, and cash and cash equivalents, when held in Korea, are held at Citibank Seoul, acting as the Custodian's agent and correspondent bank in Korea. In accordance with Korean law, Citibank Seoul has also been appointed standing proxy in Korea for the Subsidiary, subject to the terms of the Custodian Agreement effective 23 October 1995.

For the purposes of Fidelity Fund's audited annual and unaudited semi-annual reports, the financial results of the Subsidiary will be consolidated with the financial results of the Korea Fund, and the Korea Fund's portfolio will consist of the underlying investments of the Subsidiary. For the purpose of the investment restrictions set forth in the Prospectus, the underlying investments of the Korea Fund and the Subsidiary are considered as a whole.

The Subsidiary will incur and pay certain fees and expenses related to its investment activity in Korean securities. These fees and expenses include brokerage costs and commissions, transaction costs associated with converting currency to and from Korean Won to US dollars, fees incurred by its standing proxy, corporate and registration fees and taxes associated with the establishment and operation of the Subsidiary.

The following is a summary of certain tax matters relating to the Korea Fund. The summary is based upon advice received by the Fund, the Korea Fund, and the Subsidiary from advisers in Korea and Malaysia regarding the current tax laws in Korea and Malaysia, the Tax Treaty and the prevailing practices of the relevant tax authorities, all of which are subject to change. Any such change could increase the taxes paid by the Korea Fund or the Subsidiary and adversely affect the Korea Fund's returns.

Malaysia - Neither the Fund nor the Korea Fund will be subject to any taxes in Malaysia in connection with the Subsidiary since both funds do not have investments in Malaysia and do not have any business presence in Malaysia. However, the Subsidiary will be subject to tax in Malaysia. The Subsidiary, being a Labuan offshore company, will be subject to preferential tax treatment in Malaysia. Income from offshore trading activities of the Subsidiary will be subject to tax at 3% on net profits (as reflected in audited accounts) or 20,000 Malaysian Ringgit upon election. Income from offshore non-trading activities is not subject to tax. Where the Subsidiary conducts both offshore trading and non-trading activities, the Subsidiary will be deemed to carry on offshore trading activities. In any case, the annual Malaysian tax liability of the Subsidiary will not exceed 20,000 Malaysian Ringgit, upon election.

Korea - The Subsidiary expects to be treated as a resident of Malaysia for purposes of the Tax Treaty. As such, it expects to be eligible for benefits under the Tax Treaty. Under the Tax Treaty:

(a) dividends received by the Subsidiary from Korean companies (including stock dividends representing a distribution of earnings) should be subject to Korean withholding tax at a rate of 10%-15%;

(b) interest received by the Subsidiary from Korean companies should be subject to Korean withholding tax at a rate of 15%; and

(c) capital gains realized by the Subsidiary from Korean sources should be exempt Korean withholding tax.

A securities transaction tax is payable by the transferor on the transfer of shares issued by a Korean company or the right to subscribe to such shares. Such tax is assessed at the rate of 0.30% of the sale price of the shares or the rights. No tax is charged in the case where the sale price is less than the par value of the shares traded on the Korea Stock Exchange (the "KSE"). In the case where the relevant shares or rights are traded outside the KSE, the securities transaction tax is assessed at the rate of 0.5% of the sale price of the shares or of the rights, unless a) the shares are listed on a foreign stock exchange and the sale is executed on such exchange, or b) the sale is

executed between non-residents without a permanent establishment in Korea and the non-resident holder did not own 10% or more of the total issued and outstanding shares at any time during the past five years before the year within which the transfer occurs and the non-resident holder did not sell such shares through a securities company in Korea.

With effect from 1 July 1994, an additional agricultural and fishery tax is payable on transfers of shares and rights on the KSE at the rate of 0.15% of the sale price. Under the terms of the relevant law, the agricultural and fishery special tax expires on June 30, 2004. Neither Fidelity nor the Korea Fund will be subject to any taxes in Korea in connection with the Subsidiary, as long as the Subsidiary is treated as a resident of Malaysia for purposes of the Tax Treaty.

(8) The Fidelity Funds - EURO STOXX 50™ Fund is not sponsored, endorsed, sold or promoted by STOXX LIMITED ("STOXX") or DOW JONES & COMPANY, INC ("DOW JONES"). Neither STOXX nor DOW JONES makes any representation or warranty, express or implied, to the owners of the Fidelity Funds - EURO STOXX 50™ Fund or any member of the public regarding the advisability of investing in securities generally or in the Fidelity Funds - EURO STOXX 50™ Fund particularly. The only relationship of STOXX to the Licensee is as the licensor of the Dow Jones EURO STOXX 50℠ Index and of certain trademarks, trade names and service marks of STOXX and as the sublicensor of the Dow Jones EURO STOXX 50℠ Index and of certain trademarks, trade names and service marks of DOW JONES. The aforementioned Indexes are determined composed and calculated by STOXX or DOW JONES, as the case may be, without regard to Fidelity Funds or the Fidelity Funds - EURO STOXX 50™ Fund. Neither STOXX nor DOW JONES is responsible for or has participated in the determination of the timing of, prices at, or quantifies of shares in the Fidelity Funds - EURO STOXX 50™ Fund to be issued or in the determination or calculation of the equation by which shares in the Fidelity Funds - EURO STOXX 50™ Fund are to be converted into cash. Neither STOXX nor DOW JONES has any obligation or liability in connection with the administration, marketing or trading of the Fidelity Funds - EURO STOXX 50™ Fund.

NEITHER STOXX NOR DOW JONES GUARANTEES THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEXES OR ANY DATA INCLUDED THEREIN, AND NEITHER SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. NETHER STOXX NOR DOW JONES MAKES ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY FIDELITY FUNDS, OWNERS OF FIDELITY FUNDS - EURO STOXX 50™ FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEXES OR ANY DATE INCLUDED THEREIN. NEITHER STOXX NOR DOW JONES MAKES ANY EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEXES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL EITHER STOXX OR DOW JONES HAVE ANY LIABILITY FOR ANY LOST PROFITS OR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN STOXX AND FIDELITY FUNDS.

(9) "Eligible Investor" means any person who is not a US Person and whose subscription or other acquisition of Shares (whether from the Fund or from any other person) is not made (a) while such person is physically present in the United States of America or (b) in connection with any solicitation to such person to subscribe while such person was physically present in the United States of America; and provided further that such person is not a person whose purchase of Shares would result in the violation of the laws of the jurisdiction wherein such person may reside or be physically present.

As used in this Prospectus, but subject to applicable law and to such changes as may be communicated to applicants for or transferees of Shares, "US Person" means: (a) a citizen or resident of the United States of America; (b) a partnership or corporation organised or incorporated under the laws of the United States of America; (c) any estate or trust the executor, administrator or trustee of which is a US Person unless, in the case of trusts of which any professional fiduciary acting as trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) any estate or trust the income of which from sources without the United States of America is includible in gross income for purposes of computing United States income tax payable by it; (e) any agency or branch of a foreign entity located in the United States of America; (f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States of America for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States of America, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States of America shall not be deemed a US Person; (h) any firm, corporation or other entity, regardless of citizenship, domicile, situs or residence if under the income tax laws of the United States of America from time to time in effect, the ownership thereof would be attributed to one or more US Persons; (i) any partnership, corporation or other entity if (A) organised or incorporated under the laws of any foreign jurisdiction and (B) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the US Securities Act of 1933 (including but not limited to Shares of the Fund); or (j) any other person or entity whose ownership of Shares or solicitation for ownership of Shares Fidelity Investments Institutional Services Company Inc., Fidelity Distributors International Limited or the Fund, acting through their officers or Directors, shall determine may violate any securities law of the United States of America or any state or other jurisdiction thereof.

(Except that US Person shall not include any Eligible Investor or any person or entity, notwithstanding the fact that such person or entity may come within any of the categories referred to above, as to whom Fidelity Distributors International Limited or the Fund, acting through their officers or Directors, shall determine that ownership of Shares or solicitation for ownership of Shares shall not violate any securities law of the United States of America or any state or other jurisdiction thereof).

As used herein, United States of America includes its territories and possessions.

(10) The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Fund. These documents, together with a translation of the Luxembourg Law of 30 March 1988, may also be inspected, free of charge, at the offices of the Distributors.

(a) Articles of Incorporation of the Fund
(b) Agency Agreement
(c) Custodian Agreement
(d) Distributors' Agreements
(e) Investment Management Agreement
(f) Services Agreement
(g) Paying Agency Agreement
(h) Hong Kong Representative's Agreement
(i) Liquidation Agreements

The Agreements listed above may be amended from time to time by agreement between the parties thereto. Any such agreement on behalf of the Fund will be made by its Directors, except as noted in Appendix B under Management and Administration, Termination or Amendment.

The Articles of Incorporation (as amended from time to time) may be inspected at the registered office of the Fund, the offices of the Distributors and the local representatives set out in Part III of the Prospectus.

Copies of the Prospectus and the latest financial reports of the Fund may be obtained, free of charge, upon request at the registered office of the Fund and the offices of the Distributors.

(11) Shareholders are bound by the Articles of Incorporation of the Fund and any amendments to them.

Part III: Important Information for Investors

Argentina	30
Greece	30
Guernsey	30
Hong Kong	30
Ireland	31
Jersey	32
Malta	32
Netherlands	33
Norway	34
Sweden	35
Switzerland	36
United Kingdom	37

ARGENTINA

The Comisión Nacional de Valores of the Argentine Republic has not reviewed or in any way approved the information provided in this Prospectus, which has been prepared by Fidelity Funds SICAV.

GREECE

Notification of the marketing and distribution of Fidelity Funds SICAV in Greece has been made to the Capital Markets Committee, Athens, under EC Directive 85/611 ("Notification") and in accordance with that Notification, information or access to information required under European Union and Greek law is available at:

The Capital Markets Committee
Kolokotroni 1 & Stadiou Str.
Athens 10562
Greece

This information includes Fidelity Funds SICAV Articles of Incorporation, the Prospectus and the latest annual and semi-annual Report & Accounts as well as details on dealing, representation and distribution.

Investors must ensure that dealings in relation to shares of Fidelity Funds SICAV are only made by institutions named in the Notification as lodged with the Capital Markets Committee.

Shares of Fidelity Funds SICAV are currently available in Greece through Laiki Bank S.A.ís network following an application addressed to Laiki Bank S.A and under the terms of such application.

Taxation

The Directors of the Fund are informed of the following taxation consequences for investors resident in Greece:
Private individual shareholders resident in Greece will have to report any proceeds (e.g. distributions) received from Fidelity Funds on their annual income tax return, and be taxed for them (along with their other annual income) according to a progressive tax scale ranging from 5% to 45%.

Corporate shareholders resident in Greece will have to report any proceeds (e.g. distributions) received from Fidelity Funds on their annual corporate tax return, and be taxed for them (along with their other annual profits) at their standard corporate tax rates.

Such rates depend on the legal status of the entity under consideration and are as follows:

SAs not listed in the Athens Stock Exchange, Banks and branches of foreign companies:	40%
SAs listed in the Athens Stock Exchange:	35%
Ltds:	35%

Partnerships are taxed at 25%; however any proceeds (eg distributions) received from Fidelity Funds will be excluded by their tax calculation basis, since they will be considered as finally taxed by the 20% tax withholding, mentioned below.

All proceeds paid by the Fund both to private individual and corporate investors resident in Greece are subject to a tax withholding of 20%, performed upon encashment of such proceeds, by the intermediary bank based in Greece. Such tax withholding operates as a ìtax prepaymentî and is offset against the total annual tax liability of the investor. Such treatment is applied in the following cases:

(i) Redemption of Fund shares to the fund by the investors (individual or corporate)

Distributions (e.g. dividends) made by the Fund to the investors (individuals or corporate)

Investors should also read the taxation section in Part II of the Prospectus which describes additional tax consequences for investors. Investors should also seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practice, and the levels of taxation are subject to future amendments.

Companies resident in Greece will have to report any proceeds (eg distributions) received from Fidelity Funds in their annual corporate tax return, and be taxed for them (along with their other annual profits) at their standard corporate tax rates. Such rates depend on the legal status of the entity under consideration and are, inter alia, as follows:

- Societes anonymes not listed in the Athens Stock Exchange, Banks and foreign companies having a permanent establishment in Greece: 40%
- Societes anonymes listed in the Athens Stock Exchange: 35%
- Limited liability companies: 35%

Other rates may apply to other types of domestic companies.

GUERNSEY

The circulation of this Prospectus and the offering of Shares has been authorised by the Guernsey Financial Services Commission under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987. In giving this authorisation the Commission does not vouch for the financial soundness of the scheme or for the correctness of any of the statements made or opinions expressed with regard to it.

HONG KONG

The following information has been included in order to comply with the provisions of the Code on Unit Trusts and Mutual Funds.
A copy of this Prospectus has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Hong Kong Companies Ordinance. Neither the Securities & Futures Commission nor the Registrar takes any responsibility for the contents of this Prospectus. The Prospectus shall have the effect of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Section 44A (excluding sub-section (2) thereof) and Section 44B of the Companies Ordinance of Hong Kong. In giving such authorisation, the Securities & Futures Commission does not take responsibility for the financial soundness of the scheme or for the correctness of any statement made or opinion expressed in this regard. The present classes of the Fund (except for Fidelity Portfolio Selector Defensive Fund, Fidelity Portfolio Selector Growth Fund, Fidelity Portfolio Selector Moderate Growth Fund, Fidelity Gestion Dynamique, Fidelity Gestion Equilibre, Fidelity Sélection Europe, Fidelity Sélection Internationale, Fidelity European High Yield Fund and the range of Reserved Funds) are authorised by the Securities & Futures Commission in Hong Kong under Section 15 of the Securities Ordinance.

1. The Hong Kong Representative has been appointed by the Fund and is authorised to:
   (a) receive applications for Shares for transmission to the Fund. Applications received before 4.00 pm Hong Kong time will be forwarded by the Hong Kong Representative at the end of each Hong Kong Business Day. The Hong Kong Representative has, however, no authority to agree on behalf of the Fund that applications will be accepted;
   (b) receive application monies, for which the Hong Kong Representative will issue a receipt and which the Representative will forward as soon as practicable, and receive any completed Bank Instruction Letter relating to the application, which the Hong Kong Representative will arrange to have processed as soon as practicable;
   (c) receive requests from investors in Hong Kong to sell or switch their Shares, on the same basis as is mentioned under (a) above. Payment of proceeds will normally be made within five Business Days of receipt of renounced documentation.

   The Hong Kong Representative is authorised to accept service of legal process in Hong Kong.
2. Applicants for Shares who are resident in Hong Kong may deliver their Application Forms to the Hong Kong Representative, together with their payment for the Shares whether in the form of a cheque, bankers' draft or relevant Bank Instruction Letter. If a bankers' draft is obtained by the applicant personally pursuant to any Bank Instruction Letter the applicant should deliver the draft to the Hong Kong Representative as soon as possible after obtaining it.

3. Applicants must pay the relevant bankers' draft to the Hong Kong Representative or have delivered to the Hong Kong Representative a Bank Instruction Letter allowing a bankers' draft or telex transfer of monies to be sent direct to the Fund. Payment should be made in the manner described above and it should be noted that any bankers' draft should be in favour of Fidelity Investments Management (Hong Kong) Limited with a reference to an account in the name of the Fund. Cheques should be crossed "Account payee only, not negotiable". No money should be paid to any intermediary in Hong Kong who is not a dealer or exempt dealer.
4. The Hong Kong Representative has been appointed as a Share Distributor by the Fund and may deal with purchase, sale or switch requests in that capacity also.
5. The Fund will not be subject to any profits tax in Hong Kong so long as it is authorised under Section 15 of the Securities Ordinance and complies with the requirements of the Securities and Futures Commission. Investors will not be subject to any Hong Kong tax on capital gains realised on the sale of any Shares. If the acquisition and realisation of Shares is or forms part of a trade, profession or business carried on in Hong Kong, gains realised by the relevant investors may attract Hong Kong profits tax. Shares will not attract Hong Kong estate duty. Furthermore, it is the Fund's understanding that no Hong Kong stamp duty will be payable on the issue or transfer of Shares. This information is given on the basis of the Directors' understanding of present legislation and practice in Hong Kong.
6. Applicants should note that the purchase of Shares is not the same as placing monies on deposit with a bank or a deposit taking company and that the Fund has no obligation to redeem Shares at the dealing price paid by the investor. The Fund is not subject to supervision of the Hong Kong Monetary Authority.
7. Notices of meetings and dividend announcements will be published in the South China Morning Post.
8. The documents available for inspection listed in Appendix C, General Information, in Part II of the Prospectus, can be inspected free of charge at the offices of the Hong Kong Representative during normal business hours and a copy obtained from there at a reasonable charge.
9. The maximum interval between receipt of a properly documented request for redemption of Shares and the payment of redemption monies should not exceed one calendar month.
10. Specific requirements in Hong Kong for cash funds: In accordance with Chapter 8, section 2 of the SFC Code for Money Market Funds, a cash fund must maintain an average portfolio maturity not exceeding 90 days and must not purchase an instrument with a remaining maturity of more than one year, or two years in the case of Government and other public securities.
11. The General Distributor and the Distributors may pay ongoing commissions to financial intermediaries, which commissions will ultimately be borne by the Investment Manager out of its management fee. Ongoing commission may be paid to qualified intermediaries by a Distributor throughout the life of the investment. Such commission is based upon the Net Asset Value of the Shares of the funds held on behalf of investors coming into the funds through an intermediary. No money should be paid to any intermediary in Hong Kong who is not a dealer or exempt dealer.
12. The long form full annual and semi-annual report and accounts of the Fund will be available to investors in Hong Kong.

IRELAND

While the Fund has fulfilled the notification requirements of the Central Bank of Ireland to market its Shares to the public in Ireland, the Fund is not supervised or authorised in Ireland. It is incorporated in Luxembourg and subject to the laws and regulations of Luxembourg.

The information below describes the facilities available to investors and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Fund, the most recent annual report and, if published thereafter, the most recent semi-annual report. Terms defined in the Prospectus have the same meaning in the following information.

Dealing Procedures

Investors may place dealing instructions with any of the Distributors listed in the Prospectus or alternatively may deal directly with the Fund.

Fidelity Investments International is the Distributor for Ireland. All instructions can be addressed to the Distributor:

Fidelity Investments International
Oakhill House, 130 Tonbridge Road
Hildenborough
Tonbridge, Kent TN11 9DZ
Telephone: (44) 1732 777377
Telex: 957615 FFUNDS G
Fax: (44) 1732 777262

Investors must ensure that subscriptions for Shares or dealing instructions are provided to the Distributor in writing, in the form prescribed by the Distributor. Application forms are available from any Distributor on request.

Purchase of Shares may be made in Irish pounds or in other major freely convertible currency. Where the investor purchases in a currency which differs from the denomination of the relevant fund, the purchase amount will be converted into the currency of denomination prior to investment as set out in the Prospectus. Similarly, sales proceeds may be received by the investor in Irish pounds or in other major freely convertible currency.

Contract notes will be issued, usually within 24 hours of the determination of the relevant prices and foreign exchange rates. Applications are normally processed on receipt of cleared funds. Full details are set out on the application form and in the Prospectus.

Representative in Ireland

The Fund has appointed Bradwell Limited, the Company Secretarial Services Company of Arthur Cox, Arthur Cox Building, Earlsfort Terrace, Dublin 2, as its Representative in Ireland. The Articles of Incorporation of the Fund together with other documents listed in the Prospectus may be inspected, free of charge, at the Representative's office and copies obtained at a reasonable charge.

Orders for the redemption of Shares may be placed through the Representative and payment on redemption may be received there.

Complaints concerning the Fund or the Distributor may also be lodged with the Representative for forwarding to the relevant company.

Publication of Prices

Details of the most recent dealing prices of Shares in the Fund may be obtained from any Distributor or the Representative. The Net Asset Values of the appropriate funds will also be generally published daily in the Financial Times.

Taxation

The Directors of the Fund are informed of the following taxation consequences for investors in Ireland.
On a transfer or disposal of Shares (other than by way of a switch) a chargeable gain or allowable loss may arise for the purposes of Irish taxation. In addition, dividends received by investors may also be subject to income tax/corporation tax. The Directors expect that the Fund will qualify as a distributing fund for the purposes of Section 66 of the Finance Act, 1990.

Investors should, however, seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practice, and the levels of taxation, may change from time to time.

Further information about the Fund and the relevant dealing procedures may be obtained from any Distributor or the Representative.

Fidelity Funds
Kansallis House
Place de l'Etoile
BP 2174 L-1021 Luxembourg
R.C. Number B34036

JERSEY

The consent of the Jersey Financial Services Commission under the Control of Borrowing (Jersey) Order, 1958 (as amended) has been obtained to the raising of money by the issue of the Shares. It must be distinctly understood that in giving this consent the Committee does not take any responsibility for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them.

The Fund has appointed Fidelity Investments (C.I.) Limited as its agent for service of legal process in the Island of Jersey and to carry out any order made by the Royal Court of Jersey.

MALTA

The Fund is an open-ended investment company incorporated in Luxembourg on 15 June 1990 and is regulated by Supervisory Commission for the Financial Sector and has a primary listing on the Luxembourg Stock Exchange.

The Fund is licensed as a Collective Investment Scheme by the MFSC in respect of all funds with the exception of the Fidelity Funds EURO STOXX 50™ Fund, World Fund and the Fidelity Advisor World Funds range.

Authorisation has been granted by the Malta Stock Exchange for a secondary listing of, and for permission to deal, in the units issued by the Scheme and licensed by the MFSC.

The information below describes the facilities available to investors in Malta, and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current prospectus of the Fund, the most recent annual report and, if published thereafter, the most recent semi-annual report. Terms defined in the Prospectus have the same meaning in the following information. The prospectus has been registered with the Registrar of Companies in accordance with Section 396 of the Companies Act 1995.

Representative in Malta

Growth Investments Ltd of Middle Sea House, Floriana VLT 16, Malta (telephone +356-226-411) has been appointed as the Representative for the Fund in Malta. Growth Investments Limited is referred to below as the Representative.

The Fund is promoted in Malta by the Representative.

The Fund's regulations, the statutes, the prospectus and the semi-annual and annual reports can be obtained free of charge from the Representative's office.

Complaints concerning the Fund or the Distributor may also be lodged with the Representative for forwarding to the relevant company.

Dealing Procedures

Investors may give instructions to the Representative or any of the Distributors listed in the Prospectus or to the Head Office of the Fund. All instructions can be addressed to the Representative in Malta, to permitted Distributors or to Fidelity Investments International:

Fidelity Investments International
Oakhill House, 130 Tonbridge Road
Hildenborough
Tonbridge, Kent TN11 9DZ
United Kingdom
Telephone: (44) 1732-777377
Telex: 957615 FFUNDS G
Fax: (44) 1732-777262

Investors must ensure that purchases and subscriptions for Shares or dealing instructions are provided to the Representative, permitted Distributor or Fidelity Investments International in writing, in the form prescribed by the Representative or Distributor. Application forms are available from the Representative on request.

Shares may be purchased in other major freely convertible currency as set out in the prospectus. In addition, the Representative will accept Malta Liri. Where the investor subscribes in a currency which differs from the denomination of the relevant fund, the subscription amount will be converted into the currency of denomination prior to investment. Similarly, sales proceeds may be received by the investor in any major freely convertible currency as set out in the prospectus or in Malta Lire via the Representative.

Contract notes will be issued, usually within 24 hours of the determination of the relevant prices and foreign exchange rates. Applications are normally processed on receipt of cleared funds. Full details are set out on the application form and in the Prospectus.

Investors may also apply to redeem shares and obtain payment through the Representative. Investors may also apply to the Representative for the payment of dividends that have been declared and are payable by the Fund.

Publication of Prices

Details of the most recent dealing prices of Shares in the Fund may be obtained from the Representative. The Net Asset Value of the appropriate funds will also generally be published daily in the Financial Times.

Taxation

The directors of the Fund are informed of the following general Maltese income tax and stamp duty implications for investors (excluding investors dealing in securities in the course of their normal trading activity), which implications are based on tax law and practice applicable at the date of this Prospectus. This information does not constitute legal or tax advice and investors and prospective investors are urged to seek professional advice as regards tax legislation applicable to the acquisition, holding and disposal of Shares as well as that applicable to distributions made by the Fund.

General:

Maltese income tax is charged on a worldwide basis on income (including specified capital gains) of persons having both Maltese domicile and ordinary residence. Persons lacking any of these attributes are taxable on income (including capital gains) arising in Malta and on income received in Malta.

In general, the income tax rate for income (including dividends) and capital gains currently stands at 35% for companies and varies between 0% and 35% for other persons.

Shareholders in Fidelity Funds:

Shareholders (both individual and corporate) who are resident in Malta for tax purposes and who are in receipt of dividends from the Fund should declare such income, which is chargeable to tax in accordance with the provisions of the Malta Income Tax Act.

Capital gains realised on transfers or redemptions by non-residents (covered by the relevant exemption of the Income Tax Act) of Shares in the Fund are exempt from Maltese income tax. Capital gains realised by resident investors on transfer or redemptions of the Shares would also be exempt for as long as the Shares are listed on the Malta Stock Exchange.

Acquisitions or disposals of shares issued by the Fund are exempt from Maltese duty on documents and transfers (stamp duty).

Investors should also read the section in Part II of the prospectus which describes additional tax consequences for investors.

Exchange Control

Investors applying for Shares in the Fund must sign a declaration that they are in compliance with the exchange control regulations which are summarised as follows:

Non-residents of Malta do not need any exchange control clearance.

Resident non-bank investors do not need exchange control clearance as long as their participation in the Collective Investment Scheme is

financed from (1) funds held abroad and/or in foreign currency accounts with banks licensed in Malta, and/or (2) purchases of foreign currency not exceeding the annual foreign investment allowance which at present stands at Lm8,000 per person over 18 years of age per calendar year.

The participation in the Collective Investment Scheme by credit institutions and financial institutions licensed in Malta which is paid for in foreign currency is considered as part of their foreign investment limit authorised by the Central Bank of Malta in terms of Section 38B of the Central Bank of Malta Act.

THE NETHERLANDS

The information below describes the facilities available to investors who are resident in The Netherlands, and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Fund, the most recent annual report, and, if published thereafter, the most recent semi-annual report. Terms defined in the Prospectus have the same meaning in the following information.

Dealing Procedures

Dutch investors may only place dealing instructions (either directly, or through their bank or intermediary) with Fidelity Investments International, or alternatively with the Fund at its registered address and not with any other Distributor.

Fidelity Investments International is the Distributor for The Netherlands and acts as agent for the General Distributor, Fidelity Investments Distributors.

All instructions can be addressed to Fidelity Investments International :

Fidelity Investments International
Oakhill House, 130 Tonbridge Road
Hildenborough
Kent TN11 9DZ
Great Britain
Telephone: (44) 1732 777 377
Fax: (44) 1732 777 262
Telex: 957615 FFUNDS G

Investors should note that applications for the purchase of and subscription for Shares or dealing instructions are provided to the Distributor in writing, in the form prescribed by the Distributor. Application forms are available from the Distributor on request.

Investors may purchase for Shares in Guilders or in other major freely convertible currency as set out in the Prospectus. Where the investor subscribes in a currency which differs from the denomination of the relevant portfolio, the subscription amount will be converted into the currency of denomination prior to investment. Similarly, sales proceeds may be received by the investor in Guilders or any other major freely convertible currency.

Representative Office in the Netherlands

Fidelity Investments International maintains a representative office at the following address:
Prins Hendriklaan 43
1075 BA Amsterdam
The Netherlands
The Articles of Incorporation of the Fund together with other documents listed in the prospectus may be inspected, free of charge, at the representative office and copies obtained at a reasonable charge.

Investors may also place orders for the transaction of Shares through the representative office. Investors may also obtain from, or will be sent by, the representative office, free of charge, copies of the annual and semi-annual reports and copies of any notices to Shareholders.

Complaints concerning the Fund or a Distributor may also be lodged with the representative office for forwarding to the relevant company.

Taxation

The Directors of the Fund are informed of the following taxation consequences for investors resident in the Netherlands.

(a) Private individual Shareholders resident in the Netherlands will have to report a fictitious yield in their personal income tax return, if and in so far as this fictitious yield exceeds the amount of the dividend distributions which are actually made by the Fund. In principle, the fictitious yield which should be taken into account amounts to:

- 4.8% of the fair market value at the beginning of the calendar year of Shares held in equity funds; and
- 6% of the fair market value at the beginning of the calendar year of Shares held in the bond funds.

The fictitious yield does not apply to the extent that the actual net investment income (dividend/interest) of the Fund does not allow a dividend distribution up to the amount of the fictitious yield and evidence thereof is produced.

The Fund intends to provide such evidence annually with the tax authorities in the Netherlands, whenever appropriate. In such event, investors should be taxed on these figures rather than the fictitious yields mentioned above.

(b) Generally, a capital gain derived by a private individual Shareholder from the sale of Shares in the Fund will not be subject to Netherlands income tax provided that such Shareholder does not have a substantial interest (aanmerkelijk belang) in the Fund.

(c) Private individual Shareholders who are subject to Netherlands income tax and who carry on an enterprise in the Netherlands to which the Shares in the Fund, or part thereof, are attributable, and corporate Shareholders resident in the Netherlands which are subject to Netherlands corporate income tax, will in principle be liable for tax in respect of dividends, other income distributions received from the Fund and capital gains realised on the alienation of the Shares in the Fund.

(d) Investors should also read the taxation section in Part II of the Prospectus which describes additional tax consequences for investors. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practice, and the levels of taxation, are subject to future alteration.

It should be noted that as of January 1, 2001 a new personal income tax system will come into force based on which in principle all portfolio investments held by a Dutch private individual shareholder will be considered to generate a deemed income of 4% taxed at a special rate of 30%, unless the investment is considered a substantial interest.

This information does not constitute legal or tax advice and investors and prospective investors are urged to seek professional advice as regards tax legislation applicable to the acquisition, holding and disposal of Shares as well as that applicable to distributions made by the Fund. The tax treatment as described in this section refers to the current law and practice as valid at the date of this Prospectus. Both, taxation law and practice, and the levels of taxation, are subject to future alteration.

Paying Agent

Payment of dividends in respect of bearer Shares may be obtained from:
ABN◆AMRO Bank
Herengracht 595
Amsterdam
Netherlands

Publication of Prices
Details of the most recent dealing prices of Shares in the Fund may be obtained from the Distributor or the representative office. The Net Asset Values of the appropriate funds will also generally be published daily in Het Financieele Dagblad.
Further information about the Fund and the relevant dealing procedures may be obtained from Fidelity Funds, Kansallis House, Place de l'Etoile, BP 2174, L-1021 Luxembourg.

NORWAY

The Council Directive 85/611 for marketing in certain Member States of the European Union has been implemented in Norway by Regulation No. 622 of 30 June 1994. The Fund has been registered, and the circulation of this Prospectus has been authorised, by the Banking Insurance and Securities Commission in Norway (Kredittilsynet).

The information below describes the facilities available to investors in Norway, and the procedures which apply to dealing in Shares in the Fund. Further information is also provided as to consequences of purchasing or holding and disposing of Shares. This information must be read in conjunction with the current Prospectus of the Fund. Terms defined in the Prospectus have the same meaning in the following information.

Dealing Procedures
The Fund has appointed Fidelity Investments International in the UK as a Distributor of Shares and as the representative of the Fund.

Fidelity Investments International
Oakhill House
130 Tonbridge Road
Hildenborough, Kent TN11 9DZ
(Regulated by IMRO and the Personal Investment Authority, Registered in England number 1448245)
Telephone: (44) 1732 777 377
Fax: (44) 1732 777 262
Telex: 957615 FFUNDSG

Application forms are available on request from the representative in the UK, the Fund or any other Distributor listed in the Prospectus.

Further information about the Fund and the relevant dealing procedures may be obtained from any Distributor or the Representative.

Fidelity Funds
Kansallis House
Place de l'Etoile
BP 2174
L-1021 Luxembourg

R/C Number B34036

Publication of Prices
Details of the most recent prices of Shares in the Fund may be obtained from the representative in the UK. The Net Asset Value of the appropriate funds will also generally be published daily in the Financial Times and twice a month in the Dagens Næringsliv .

Representative in the UK
The Articles of Incorporation of the Fund together with the other documents listed in the Prospectus may be inspected, free of charge, at the representative's office and copies obtained at a reasonable charge. Copies of the Prospectus and the annual and semi-annual reports of the Fund may be obtained free of charge from the representative in the UK or Oslo Finans ASA in Norway.
Further information about the Fund and the relevant dealing procedures may be obtained from the representative in the UK, from Oslo Finans ASA, PO Box 1543 Vika, N-0117 Oslo, Norway (Telephone (+47) 22 47 95 80, Fax (+47) 22 42 42 89 or from Fokus Bank, Vestre Rosten 77, N-74 66 Trondheim.

Taxation
The Directors of the Fund are informed of the following taxation consequences for individuals resident in Norway ("Individuals") and companies resident in Norway ("Companies"):

(a) Dividends declared in respect of Shares and such capital gains as are made upon a disposal, conversion or redemption of Shares is subject to Norwegian capital gains tax.
(b) The capital income and gains tax rate for both individuals and companies is 28% of such income or gains, subject to what is stated below.
(c) The gain or loss is calculated as the difference between the sales proceeds and the historic cost price. Any transaction cost is deductible.
(d) Individuals or Companies suffering a net loss from capital, e.g. as a result of a capital loss upon disposal, conversion or redemption of Shares or due to interest expenses, may claim a deduction for ordinary income tax purposes i.e. 28%, but not for gross tax purposes.
(e) Dividends declared in respect of Shares held are subject to an income tax of 28%.
(f) A transfer of Shares from one subfund to another is generally treated as a taxable event irrespective of the fact that the conversion of Shares is made within the same fund entity.

SWEDEN

The Fund is an open-ended investment company incorporated in Luxembourg on 15 June 1990.

By virtue of a ruling of the Swedish Financial Supervisory Authority (Finansinspektionen) dated 18 December 1995, the Fund is authorised to sell its Shares to members of the public in Sweden.

The information below describes the facilities available to investors resident in Sweden and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Fund, the most recent annual report and, if published thereafter, the most recent semi-annual report. Amendments to the Prospectus, the Fund's regulations or to the statutes, or any other information will be held available at the offices of the Representative and be filed with the Swedish Financial Supervisory Authority.

The Paying Agency, the place of performance and court of law have been substantiated at the Representative's registered office as regards the Shares distributed in Sweden.

Representative in Sweden
The management of the Fund has appointed Svenska Handelsbanken, Blasieholmstorg 12, S-106 70 Stockholm, Sweden, as the Representative bank for the Fund in Sweden. This bank is referred to below as "the Representative."

The Fund's regulations, statutes, Prospectus and the (semi-) annual report can be obtained free of charge from the Representative's office.

Investors may also apply to redeem Shares and obtain payment through the Representative.

Conditions applying to subscription, purchase, sale and redemption
Investors may give instructions (directly, or through their bank or other financial representative) to the Representative or any of the Distributors listed in the prospectus, or to the head office of the Fund.

Fidelity Investments International is the Distributor for Sweden and acts as agent for the General Distributor, Fidelity Investments Distributors. All instructions can be addressed to the Representative, Fidelity Investments International, or to the Distributor's European Service Centre and processing agent, Fidelity Investments Luxembourg S.A.

European Service Centre
Fidelity Investments Luxembourg S.A.
Kansallis House
Place de l'Etoile
BP2174
L-1021 Luxembourg
Telephone: (352) 251 351 2230
Fax: (352) 250 340
Telex: 957616 (FIDLX)

Investors should bear in mind that applications for the acquisition of Shares or instructions to change from one category of Share to another should be delivered in writing to the Representative, Distributor, or to the European or French Service Centre, and in the form prescribed by the Representative or Distributor.

Application forms may be obtained in Sweden on request from the Representative, the European Service Centre or the Distributor. Investors may apply for Shares in any major freely convertible currency. Where the investor deals in a currency which differs from the denomination of the relevant fund, the investment amount will be converted into the currency of the denomination prior to purchase. Similarly, sales proceeds may be received by the investor in other major freely convertible currency as set out in the Prospectus.

Publication of prices
Prices for Shares of the Fund may be obtained from any Distributor or from the Representative in Sweden. Shares are listed on the Luxembourg stock exchange. The net asset values of the appropriate funds will generally be published with the mention "plus charges" in the Dagens Industri at least twice a month.

Taxation
The Directors of the Fund are informed of the following taxation consequences for individuals resident in Sweden ("Individuals") and companies carrying on a trade in Sweden ("Companies"):

(a) Dividends declared in respect of Shares and such capital gains as are made upon the disposal, conversion or redemption of Shares are, as regards Individuals, subject to Swedish capital income and capital gains tax and, as regards Companies, Swedish corporation tax.

(b) The capital income and gains tax rate for Individuals is generally thirty per cent of such income or gains, subject to what is stated below.

(c) Individuals suffering a net loss from capital, e.g. as a result of a capital loss upon the disposal, conversion or redemption of Shares or due to interest expenses, may claim a reduction in the tax levied on income from employment, business or property for the same tax year.

The tax reduction that may be claimed is equal to thirty per cent of such net losses from capital as do not exceed 100,000 SKr and twenty-one per cent of any exceeding net losses.

Capital losses suffered by an Individual on listed stock, listed financial instruments related to stock, and listed shares in mutual funds that invest more than seventy-five per cent of its total capital in stock and financial instruments related to stock, may be set-off against capital gains made on similar investments, whereby a stock, instrument or share may be considered to be "listed" when it is listed on a recognised stock exchange or market place open to the general public.

(d) Capital gains made by an Individual upon the disposal, conversion or redemption of Shares in a mutual fund that invests in excess of ninety per cent of its total capital in interest bearing SKr denominated financial instruments, or financial instruments related to such interest bearing instruments, are treated as interest, having as a consequence that such capital gains are subject to a thirty per cent capital income tax, while capital losses referable to such shares are deductible in the manner set out in (c) above.

(e) Dividends declared in respect of Shares held and capital gains made by Companies upon the disposal, conversion or redemption of Shares are subject to a corporate income tax of twenty-eight per cent.

(f) Capital losses made by Companies on Shares are deductible, but may be set-off only against capital income and gains referable to such stock and financial instruments as are for tax purposes treated in the same way as stock.

(g) A transfer of Shares from one sub-fund to another is generally treated as a taxable event, irrespective of the fact that the conversion of Shares is made within the same fund entity.

(h) Investors should also read the taxation section in Part II of the Prospectus, which describes additional tax consequences for investors. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practices, and the levels of taxation, are subject to future alteration.

Further information concerning the Fund and procedures for application and redemption may be obtained from a Distributor or the Representative in Sweden or the European Service Centre.

SWITZERLAND

The Fund is an open-ended investment company incorporated in Luxembourg on 15 June 1990.

This is a full Prospectus as required by Luxembourg law.

The Fund has been authorised by virtue of a ruling of the Federal Banking Commission dated 29 May 1991. It should be noted that the following funds are not approved for distribution in Switzerland: Euro Cash Fund, US Dollar Cash Fund, Fidelity Gestion Dynamique, Fidelity Gestion Equilibre, Fidelity Portfolio Selector HK Balanced Growth Fund, and Fidelity Portfolio Selector HK Higher Growth Fund, Fidelity Premium Portfolio Service - Dollar Growth Fund, Fidelity Premium Portfolio Service - Sterling Growth Fund, Privatisation + Fund, Fidelity Sélection Internationale; Fidelity Sélection Europe, Technology Fund - Sterling Class, Telecommunications Fund - Sterling Class, MoneyBuilder European Index Fund, Emerging Japan Fund, Healthcare Fund - Sterling Class, Consumer Industries Fund - Sterling Class, Financial Services Fund - Sterling Class, Industrial Fund - Sterling Class, Asia Technology Fund and the Fidelity Advisor World Funds.

Class B and E Shares are not approved for distribution in Switzerland.

The information below describes the facilities available to investors resident in Switzerland and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Fund. Amendments to the Prospectus, the Fund's regulations or to the statutes, or any other information will be published in the "Feuille Officielle Suisse du Commerce" and in "Le Temps" and "Finanz & Wirtschaft", the official publications for the Fund.

The Paying Agency, the place of performance and the place of jurisdiction have been substantiated at the Representative's registered office as regards the Shares distributed in Switzerland.

Representative in Switzerland
The management of the Fund has appointed Union Bancaire Privée, Genève, 96-98 rue du Rhône, CH-1211 Geneva 1, Switzerland (telephone (+41) 22 819 21 11, fax (+41) 22 819 22 00), the Representative for the Fund in Switzerland. This bank is referred to below as "the Representative."

The Fund's regulations, the statutes, the Prospectus and the (semi-) annual report can be obtained free of charge from the Representative's office.

Investors may also apply to redeem Shares and obtain payment through the Representative.

Conditions applying to subscription and redemption
Investors may give instructions (directly, or through their bank or other financial representative) to the Representative or any of the Distributors listed in the Prospectus, or to the head office of the Fund.

All instructions can be addressed to the Representative in Switzerland, to permitted Distributors, to Fidelity Investments International, or to the European Service Centre, Fidelity Investments Luxembourg S.A.

European Service Centre
Fidelity Investments Luxembourg S.A.
Kansallis House
Place de L'Etoile
BP2174
L-1021 Luxembourg
Telephone: (352) 251 351 2230
Fax: (352) 250 340
Telex: 957616 (FIDLX)

Investors should bear in mind that applications to subscribe for or purchase Shares or instructions to change from one category of Share to another should be delivered in writing to the Representative, to permitted Distributors or to the European Service Centre, and in the form prescribed by the Representative or Distributor.
Application forms may be obtained in Switzerland on request from the Representative, permitted Distributors or the European Service Centre. Investors may apply for Shares in any major freely convertible currency as set out in the prospectus. Where the investor deals in a currency which differs from the denomination of the relevant fund, the investment amount will be converted into the currency of the denomination prior to purchase. Similarly, sales proceeds may be received by the investor in other major freely convertible currency.

Publication of prices
Prices for the Fund's Shares may be obtained from any permitted Distributor or from the Representative in Switzerland. Shares are listed on the Luxembourg stock exchange. The net asset values of the appropriate funds will generally be published with the mention "plus charges" in "Le Temps" and "Finanz & Wirtschaft" at each issue and at each sale of Shares at least twice a month.

Taxation
Investors who hold Shares in mutual funds for private investment purposes, and who are subject to unlimited Swiss tax liability, are referred to the following general tax rules. This information does not take into consideration special tax treatments in specific cases.

- Capital income distributed by Fidelity Funds SICAV is considered taxable income. Retained capital income is taxable as well. Please note, that this tax treatment applies at the federal tax level and in most cantons (with the exception of the Canton of Zurich and other cantons). The tax treatment is also different if the shares are considered as business assets.
- Capital gains on the sale of Shares held for private investment purposes are in principle subject neither to Cantonal nor to Federal Income Taxes. Irrespective of the time for which they have been held capital gains on the redemption of Shares may be taxable in certain circumstances. Should the investment activities of a private investor, due to special circumstances be qualified as having a commercial purpose, any capital gains and losses realised will be considered part of ordinary taxable income. Shareholders should note that Luxembourg SICAVs are treated in the same way as Swiss investment funds with regard to direct federal tax and the majority of Cantonal and local authority taxes in most cantons (with the exception of the Canton of Zurich and other cantons).
- In the course of a purchase, sale or transfer of Shares in a foreign mutual fund through a Swiss securities dealer (e.g. Swiss bank), a security transfer tax of 0.3% will be levied, which has to be equally borne by the seller and purchaser. The Swiss Stock Exchange adds a levy of 0.01%.
- Redemption of Shares is not subject to any stamp duty.
- This information is given as an indication. Investors should nevertheless take advice from their own tax advisors because tax law and practice as well as rates can be subject to modification from time to time.

Further information concerning The Fund and procedures for application and redemption may be obtained from a permitted Distributor or the Representative in Switzerland or the European Service Centre.

UNITED KINGDOM

The information below describes the facilities available to investors in the UK, and the procedures which apply to dealing in Shares in the Fund. Further information is also provided as to consequences of purchasing or holding and disposing of Shares. This information must be read in conjunction with the current Prospectus of the Fund. Terms defined in the Prospectus have the same meaning in the following information.

Dealing Procedures

Investors may place dealing instructions (either directly or through an authorised intermediary) with any of the Distributors listed in the Prospectus, or alternatively direct with the Fund.

The Fund has appointed Fidelity Investments International and Fidelity Investments (C.I.) Limited as Distributors of Shares of the Fund within the UK (addresses shown below). The Fund has also appointed Fidelity Investments International as the UK representative of the Fund. Applications to subscribe for, redeem or switch Shares may be placed with the UK representative either in writing or (subject to the restriction that the investor's first subscription must be made on an application form) by telephone at the following address. An investor may also place instructions using facsimile or telex, where an appropriate authority (contained on the application form) has been received.

Fidelity Investments International
Oakhill House, 130 Tonbridge Road
Hildenborough, Kent TN11 9DZ
(Regulated in the UK by IMRO and the Personal Investment Authority.
Registered in England number 1448245)

Telephone:	**0800 414161 (Private Investors)**
	0800 414181 (Professional Advisors)
Fax:	**01732 777262**
Telex:	**957615 FFUNDS G**

Fidelity Investments (C.I.) Limited
PO Box 488, Ground Floor
St. Andrews Studios, St. Andrews Place
St. Helier, Jersey
Channel Islands

Telephone:	**(44) 1534 888899**
Fax:	**(44) 1534 734244**
Telex:	**419 2260 FICI G**

Application forms are available on request from any Distributor, the UK representative or the Fund.

A description of how an investor may purchase, switch or sell Shares in the Fund and the relevant settlement procedures is contained in Part II of the Prospectus. All dealing in Shares will be on a forward pricing basis. That is, subject to any temporary suspension of dealing in Shares, applications to subscribe for, switch or redeem Shares received by the UK representative on a day that they are Open for Business before 5 p.m. (UK time) on a Valuation Date will be effected that day using the prices at the next calculated Net Asset Value (together with the appropriate sales or switch fee).

Investors may place orders for Shares in pounds sterling or in other major freely convertible currency as set out in the Prospectus. Where the investor deals in a currency which differs from the denomination of the relevant fund, the investment amount will be converted into the currency of denomination prior to purchase. Similarly, redemption proceeds may be received by the investor in pounds sterling or other major freely convertible currency. A savings plan is available to UK investors with a minimum monthly subscription of £50 payable by direct debit. Further details are available on request.

Foreign exchange transactions in respect of such deals will normally be placed at the beginning of the UK Business Day following receipt of the instructions.

Contract notes will be issued, usually within 24 hours of the determination of the relevant prices and foreign exchange rates.

Publication of Prices

Details of the most recent prices of Shares in the Fund may be obtained from the UK representative. The Net Asset Values of the appropriate funds will also generally be published daily in the Financial Times.

UK Representative

The Articles of Incorporation of the Fund together with other documents listed in Appendix C, General Information, in Part II of the Prospectus may be inspected, free of charge, at the representative's office and copies obtained at a reasonable charge. Further copies of the Prospectus or copies of the annual and semi-annual reports of the Fund may also be obtained, free of charge, from the UK representative. Holders of Bearer Certificates may obtain copies of any notices to Shareholders from the UK representative.

Payment of dividends in respect of Bearer Certificates may be obtained by presenting coupons, due for payment, to Midland Bank PLC, International Division, 110-114 Cannon Street, London EC4N 6AA.

Complaints concerning the Fund may be lodged with the UK representative for forwarding to the Fund. The UK representative is regulated by IMRO and the Personal Investment Authority in the conduct of its investment business.

Taxation

The Directors of the Fund are informed of the following taxation consequences for investors resident in the UK:

(a) The Fund is an offshore fund for the purposes of the Income and Corporation Taxes Act 1988 (the "Taxes Act").
Consequently, capital gains realised on the disposal of Shares (including a disposal pursuant to a switch transaction) may constitute income for UK tax purposes unless, for each accounting period in which the investor has held the Shares disposed of, the Fund is certified as a distributing Fund by the Board of the Inland Revenue. An investor in an offshore fund which is not certified for all relevant accounting periods may be subject to income tax on gains (or corporation tax, if a company).

The Fund has been certified as a distributing fund for the period to 30 April 2000. The Directors expect that the Fund will continue to qualify to be certified as a distributing fund, although investors should nevertheless note that the Fund may not be certified or may cease to hold such a certificate in respect of current or future accounting periods.

If certification is received for each relevant accounting period a sale or redemption of Shares will be treated as a disposal for capital gains tax purposes (see paragraph (d) for instances where the disposal contains an element of income equalisation). A switch between Shares in a fund to Shares in another fund (or funds) will also generally be treated as a disposal for capital gains tax purposes.

(b) Subject to paragraph (a) above, capital gains arising on a disposal of Shares by individuals will be liable to capital gains tax i,f together with other net gains and after taper relief/indexation, they exceed the annual exemption, currently £7,200. The applicable rate of capital gains tax will be equivalent to the lower rate of income tax where net income and gains are less than £28,400 and the higher rate of income tax thereafter. The current lower and higher rate of income tax are 20% and 40% respectively. In the case of companies, gains, after indexation, arising on a disposal of Shares by companies, will be liable to corporation tax. The current rate of corporation tax is 30%.

(c) Dividends received by Shareholders liable to UK tax or reinvested on their behalf in further Shares, will be treated as income receipts chargeable under Case V of Schedule D to the Taxes Act. These income receipts should be declared on the investor's tax return and will be taxable at the applicable rate of income tax, or corporation tax, if the Shareholder is a company. For individuals, the current rates are 10% where net income is less than £28,400 and 32.5% thereafter.

(d) Income equalisation arrangements operate in respect of Shares in the cash, bond and balanced funds but not in respect of Shares in the equity funds.
For those funds operating income equalisation arrangements, in the case of the first allocation made in respect of a Share in an accounting period, the amount representing income equalisation is a return of capital and not taxable in the hands of the Investor. This amount should generally be deducted from the base cost of Shares in computing the capital gain realised upon their disposal. A payment on redemption will also include an equalisation payment in respect of the accrued income of the fund to the date of redemption and this is taxable as income in the hands of the Investor. Disposal proceeds for capital gains purposes will exclude any such amounts of accrued income, received on disposal.

On the purchase of Shares of funds not operating income equalisation arrangements during an accounting period, the Net Asset Value of those Shares may include an amount representing income received by the Fund during the then current accounting period. The next distribution of income by the Fund may, therefore, include income already purchased by the investor when subscribing for the Shares. That income will, nevertheless, be taxable in the hands of the investor as an income receipt (in accordance with paragraph (c) above).

(e) Shareholders resident or ordinarily resident in the UK should note the provisions of Sections 739 and 740 of the Taxes Act. These provisions are directed to the prevention of avoidance of income tax through transactions resulting in the transfer of assets or income to persons (including companies) abroad and may render them liable to taxation in respect of any undistributed income and profits of the Fund. In view of the proposed income distribution policy, these provisions should not apply.

(f) Current legislation provides for corporates investing in certain offshore funds to be taxed on their investment on an income basis in accordance with an authorised mark to market basis of accounting. The new rules apply where the market value of qualifying investments held by an offshore fund exceeds 60% of the market value of total investments of the fund.

The Fund currently satisfies the non-qualifying investments test and it is anticipated that the test will continue to be satisfied for the foreseeable future. Should the Fund fail the non-qualifying investments test at any time the income basis of taxation will apply to corporate investors in the Fund.

(g) Investors should also read the taxation section in Part II of the Prospectus which describes additional tax consequences for investors. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practice, and the levels of taxation, are subject to future alteration.

IMPORTANT REGULATORY INFORMATION

The Fund is recognised under the provisions of Section 86 of the Financial Services Act 1986. The Fund is not an authorised person and investors should note that transactions in or a holding of Shares in the Fund, will not be covered by the provisions of the FSA Investors Compensation Scheme, nor by any similar scheme in Luxembourg.

Fidelity Investments (C.I.) Limited as an offshore company is not an authorised person under the UK Financial Services Act 1986. As a result the normal protections available to investors under that act will not apply and the investor will not be eligible for the FSA Investors Compensation Scheme.

The Prospectus and this information sheet constitute an off-the-page advertisement and a UK investor applying for Shares in response only to these documents will not have any right to cancel or withdraw that application under the Financial Services (Cancellation) Rules 1989 if such an application is accepted by the UK representative. No rights of cancellation arise when dealing direct with the Fund or with any other Distributor.

Yields

The estimated net annual yields of the bond, balanced and cash funds as at 22 March 2000 are as follows:

Sterling	- 5.79%
Euro	- 3.48%
International	- 3.61%
US Dollar Bond	- 5.72%
Euro Balanced Fund	- 2.49%*
Euro Cash Fund	- 3.40%**
US Dollar Cash Fund	- 5.80%**

*Estimated net annual yield as at 5 October 1999

*Estimated net annual yield as at 17 April 2000

These yields are quoted in their Fund base currency.

The estimated net annual yields of the Equity funds are usually nil. The estimated yields are based upon the expected size and profile of investments in the relevant funds and are indicative only.

Commissions/Charges

The price of Shares in the Fund (whether acquired through a Share Distributor or the Fund) will consist of the Net Asset Value of the Shares for the relevant fund plus a sales charge of up to 5.25% of the Net Asset Value. On a switch, a fee of up to 1% of the Net Asset Value of the Shares to be issued, will be charged.

Commission may be paid by the UK representative in respect of Shares purchased through a professional adviser at a rate not exceeding the rate of the sales charge. When an investment is switched from one fund to another, commission at a rate not exceeding the switch fee may be paid to the authorised intermediary concerned.

Further information about the Fund and the relevant dealing procedures may be obtained from the UK representative.

Fidelity Funds (SICAV), Kansallis House, Place de l'Etoile, BP 2174, L-1021 Luxembourg.
R/C Number B34036

The Prospectus and the above information has been approved for issue in the UK by Fidelity Investments International, regulated by IMRO and the Personal Investment Authority.

DIRECTORY

FIDELITY FUNDS
Fidelity Funds
(société d'investissement à capital variable)
Kansallis House
Place de l'Etoile
BP 2174
L-1021 Luxembourg
(registered office)

DIRECTORS
E. C. Johnson 3d (Chairman)
B. R. J. Bateman
Sir Charles Fraser K.C.V.O.
J. Hamilius
G. R. Moreno
Dr. Arno Morenz
Frank Mutch
Dr. D. J. Saul
H. F. van den Hoven K.B.E.
Fidelity Investments Luxembourg S.A.

INVESTMENT MANAGER
Fidelity International Limited
Pembroke Hall
42 Crow Lane
Pembroke HM19
Bermuda

GENERAL DISTRIBUTOR
Fidelity Investments Distributors
Pembroke Hall
42 Crow Lane
Pembroke HM19
Bermuda

CUSTODIAN
Brown Brothers Harriman
(Luxembourg) S.C.A.
33 Boulevard Prince Henri
L-1724
Luxembourg

SHARE DISTRIBUTORS
Fidelity Investments International
Oakhill House
130 Tonbridge Road
Hildenborough
Kent TN11 9DZ
United Kingdom
(Regulated by IMRO and the Personal Investment Authority)
Telephone: (44) 1732 777 377
Telex: 957615 FFUNDS G
Fax: (44) 1732 777 262

Fidelity Investments (C.I.) Limited
PO Box 488, Ground Floor,
St. Andrews Studios
St. Andrews Place
St. Helier
Jersey JE2 8WW, Channel Islands
Tel.: (44) 1534 888899
Telex: 419 2260 FICI G
Fax: (44) 1534 734244

Fidelity Investments Luxembourg S.A.
Kansallis House
Place de l'Etoile
BP 2174
L-1021 Luxembourg
Telephone: (352) 251 351 2230
Telex: 957616 (FIDLX)
Fax: (352) 250 340

Fidelity Investment Services GmbH
Eurohaus
Lyoner Straße 24-26
60528 Frankfurt am Main
Germany
Telephone: (49) 69 24 26 020
Fax: (49) 69 23 36 38

Fidelity Investments Management (Hong Kong) Limited
17th Floor
One International Finance Centre
1 Harbour View Street
Central Hong Kong
Telephone: (852) 2629 2629
Fax: (852) 2956 3443

Fidelity Distributors International Limited
PO Box HM670
Hamilton HMCX
Bermuda
Telephone: (1) 441 295 0665
Telex: USA 230 401815 FIDEL BA
Fax: (1) 441 295 9373

REGISTRAR, TRANSFER AGENT, ADMINISTRATIVE SERVICE AGENT AND DOMICILIARY AGENT
Fidelity Investments Luxembourg S.A.
Kansallis House
Place de l'Etoile
BP 2174
L-1021 Luxembourg

LUXEMBOURG BEARER SHARE PAYING AGENT
Deutsche Bank Luxembourg S.A.
14, F. D. Roosevelt
L-2450
Luxembourg

HONG KONG REPRESENTATIVE
Fidelity Investments Management (Hong Kong) Limited
17th Floor
One International Finance Centre
1 Harbour View Street
Central Hong Kong

SWISS REPRESENTATIVE
Union Bancaire Privée Genève
96-98 rue du Rhône
CH-1211 Geneva 1
Switzerland

IRISH REPRESENTATIVE
Bradwell Limited
41-45 St. Stephen's Green
Dublin 2
Ireland

INDEPENDENT AUDITORS
PricewaterhouseCoopers S.àr.l.
400, Route d'Esch, BP 1443
L-1014 Luxembourg

FINANCIERE DE L'ECHIQUIER – E.B.P.F.

17, Avenue George V – 75008 PARIS

Tél. : 01.47.23.90.90 – Fax : 01.47.23.02.41 – www.echiquier-ebpf.fr

AGRESSOR

NOTICE D'INFORMATION

Forme juridique de l'OPCVM	Fonds Commun de Placement
Promoteur	FINANCIERE DE L'ECHIQUIER – E.B.P.F.
Société de Gestion	FINANCIERE DE L'ECHIQUIER – E.B.P.F.
Dépositaire	ING SECURITIES BANK
Etablissement désigné pour recevoir les souscriptions et les rachats	FINANCIERE DE L'ECHIQUIER – E.B.P.F.
Commissaires aux comptes	César CONTI 26, avenue de la Grande Armée - 75017 PARIS

CARACTERISTIQUES FINANCIERES

Classification : FCP ACTIONS FRANCAISES.

Code Sicovam : 41723

Orientation des placements : Le fonds est investi au moins à 60% en actions françaises.
L'objectif de gestion est de rechercher la performance en mettant l'accent sur la plus value.
Dans les limites fixées par la réglementation, le fonds pourra intervenir sur des instruments financiers à termes négociés sur les marchés réglementés français. Dans ce cadre, le fonds pourra prendre des positions en vue de couvrir le portefeuille ; il pourra, en outre, prendre des positions en vue de l'exposer à des secteurs d'activité, à des actions ainsi qu'à des titres ou valeurs assimilées, à des indices afin de respecter l'objectif de gestion. Ces opérations seront effectuées dans la limite de 40% de son actif.
Le Fonds ne pourra investir plus de 10% de son actif en parts ou actions d' OPCVM français et/ou coordonnés.
AGRESSOR peut servir de support à des contrats individuels d'assurance vie à capital variable, libellés en unités de comptes.

Durée minimale de placement recommandée : Supérieure à 3 ans.

Souscripteurs concernés : Tous souscripteurs.

Affectation des résultats : Capitalisation des revenus.
Comptabilisation des coupons encaissés.

MODALITES DE FONCTIONNEMENT

Date de clôture de l'exercice : Dernier jour ouvrable du mois de décembre

Valeur liquidative à l'origine : 95,28 Euros soit 625 Francs

Date et périodicité de calcul de la valeur liquidative : Valorisation quotidienne.
La valeur liquidative ne sera toutefois pas calculée les jours de fermeture de la bourse de Paris

Conditions de souscription et de rachat : Les souscriptions et les rachats sont centralisés chaque jour à 12 heures chez le dépositaire. Les demandes de souscription et de rachat parvenant au dépositaire avant 12 heures sont exécutées sur la base de la prochaine valeur liquidative calculée sur les cours de clôture du jour de la centralisation des demandes. Les demandes de souscription et de rachat parvenant après 12 heures sont exécutées sur la base de la valeur liquidative suivant celle mentionnée ci-dessus.
Les souscriptions et les rachats doivent être effectués en parts entières.

Commission de souscription maximale : 4 % (dont part acquise à l'OPCVM : néant).

Commission de rachat maximale : 0 %

Frais de gestion : 2 % H.T maximum de l'actif net du fonds.
Ces frais sont directement imputés au compte de résultat du FCP.

Libellé de la devise de comptabilité : Euro (€)

Adresse du Promoteur : Financière de l'Echiquier – E.B.P.F. 17, Avenue George V - 75008 PARIS

Adresse de la société de gestion : Financière de l'Echiquier – E.B.P.F. 17, Avenue George V - 75008 PARIS

Adresse du dépositaire : ING Securities Bank La Défense 4 – 110 Esplanade du Gal de Gaulle – 92931 Paris La Défense cedex

Lieu ou mode de publication de la valeur liquidative :
Financière de l'Echiquier – E.B.P.F. 17, Avenue George V – 75008 Paris
Financière de l'Echiquier – E.B.P.F. 7, Place Vendôme 75001 Paris

La présente notice doit obligatoirement être proposée aux souscripteurs préalablement à la souscription, remise à la souscription et mise à la disposition du public sur simple demande.

La note d'information complète de l'OPCVM et le dernier document périodique sont disponibles auprès de la Société de Gestion.

Date d'agrément de l'OPCVM par la Commission : 31 octobre 1991

Date d'édition de la notice d'information : 31 décembre 2002

Franklin Templeton Investment Funds

PROSPECTUS

Société d'Investissement
à Capital Variable
Incorporated in Luxembourg
November, 2001

FRANKLIN TEMPLETON
INVESTMENTS

Franklin Templeton Investment Funds

Société d'investissement à capital variable
Registered office: 26, boulevard Royal, L-2449 Luxembourg

Grand Duchy of Luxembourg
Registration Number B 35 177

Offer

of separate classes of shares ("Shares") of no par value of Franklin Templeton Investment Funds (the "Company"), each linked to one of the following sub-funds (the "Funds") of the Company, at the published offer price for the Shares of the relevant Fund:

– Franklin Aggressive Growth Fund
– Franklin Biotechnology Discovery Fund
– Franklin California Growth Fund
– Franklin European Growth Fund
– Franklin European Small – Mid Cap Growth Fund
– Franklin Global Growth Fund
– Franklin High Yield Fund
– Franklin High Yield (Euro) Fund
– Franklin Income Fund
– Franklin Technology Fund
– Franklin U.S. Equity Fund
– Franklin U.S. Government Fund
– Franklin U.S. Smaller Companies Fund
– Franklin Mutual Beacon Fund
– Franklin Mutual European Fund
– Franklin Templeton Japan Fund
– Franklin Templeton Japan (Euro) Fund
– Templeton Asian Development Equity Fund
– Templeton Asian Growth Fund
– Templeton China Fund
– Templeton Developed Markets Equity Fund
– Templeton Eastern Europe Fund
– Templeton Emerging Markets Fund
– Templeton Emerging Markets Bond Fund
– Templeton Emerging Markets Bond (Euro) Fund
– Templeton Euro Liquid Reserve Fund
– Templeton EuroMarket Bond Fund
– Templeton EuroMarket Growth Fund
– Templeton European Fund
– Templeton Global Balanced Fund
– Templeton Global Bond Fund
– Templeton Global Bond (Euro) Fund
– Templeton Global Growth Fund
– Templeton Global Growth (Euro) Fund
– Templeton Global Smaller Companies Fund
– Templeton Growth (Euro) Fund
– Templeton Japan Fund
– Templeton Korea Fund
– Templeton Latin America Fund
– Templeton Thailand Fund
– Templeton U.S. Dollar Liquid Reserve Fund

Franklin Templeton Investment Funds

IMPORTANT: If you are in any doubt about the contents of this Prospectus, you should consult your bank, stockbroker, solicitor, accountant or other financial adviser. No one is authorised to give any information other than that contained in this Prospectus, or in any of the documents referred to herein.

The Directors of the Company, whose names appear in section "Board of Directors and Other Officers", are responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have 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. The Board of Directors accepts responsibility accordingly.

– The Company does not have any debentures, loans, borrowings or indebtedness in the nature of liabilities under acceptances or acceptance credits, mortgage hire purchase commitments, guarantees or other material contingent liabilities.

– Statements made in this Prospectus are based on the laws and practice currently in force in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

– This Prospectus does not constitute an offer to anyone or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so.

– The Company is not registered in the United States of America under the Investment Company Act of 1940. The Shares of the Company have not been registered in the United States of America under the Securities Act of 1933. The Shares made available under this offer may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals or residents thereof, unless pursuant to an exemption from registration requirements available under the U.S. law, any applicable statute, rule or interpretation. Applicants for Shares may be required to declare that they are not U.S. persons and are not applying for Shares on behalf of any U.S. person.

– The term "U.S. Person" shall mean any person that is a United States person within the meaning of Sections 7701 (a) (30) and (31) of the United States Internal Revenue Code of 1986, as amended (the "Code") or that is a U.S. person within the meaning of Regulation S under the United States Securities Act of 1933, as the definition of such terms under the Code or Regulation S may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

– The Company is a recognised collective investment scheme under section 86 of the Financial Services Act 1986 of the United Kingdom.

– The Company may apply for registration of the Company's Shares in various other legal jurisdictions worldwide.

– The distribution of this Prospectus and the offering of the Shares may be restricted in certain other jurisdictions. It is the responsibility of any persons wishing to make application for Shares pursuant to this Prospectus to inform themselves of, and to observe all applicable laws and regulations of, any relevant jurisdictions. Prospective subscribers for Shares should make themselves aware of the legal requirements with respect to such application and of any applicable taxes in the countries of their respective citizenship, residence or domicile.

– The Company is registered on the official list of collective investment undertakings pursuant to Part I of the law of March 30, 1988 relating to collective investment undertakings (the "law relating to collective investment undertakings"). The Company qualifies as an Undertaking for Collective Investment in Transferable Securities ("UCITS") under the European Council Directive 85/611/EEC of December 20, 1985. It has obtained recognition for marketing its Shares in the following European countries (in addition to the Grand Duchy of Luxembourg): Austria, Belgium, Czech Republic, Finland, France, Germany, Gibraltar, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. The registration of the Shares of the Company in any jurisdiction does not require any authority to approve or disapprove the adequacy or accuracy of this Prospectus or the securities portfolios held by the Company. Any statement to the contrary is unauthorised and unlawful.

The most recent audited annual and unaudited semi-annual reports of the Company, which are available at the registered office of the Company, form an integral part of this Prospectus.

Summary of main features

The information set out under this heading is a summary of the principal features of the Company and should be read in conjunction with the full text of this Prospectus.

Structure

The Company is incorporated in Luxembourg under the laws of the Grand Duchy of Luxembourg as a *société anonyme* and qualifies as a *société d'investissement à capital variable* ("SICAV").

The Board of Directors may authorise the creation of additional Funds in the future with different investment objectives, subject to the amendment of the Prospectus.

Investment Objective

The Company aims to provide investors with a choice of Funds investing in a wide range of transferable securities on a world wide basis and featuring a diverse array of investment objectives, including capital growth and income. The overall objective of the Company is to seek to minimise investment exposure through diversification and to provide Shareholders with the benefit of a portfolio managed by Franklin Templeton Investments according to its successful time-tested investment selection methods.

The Funds

Shares are offered or in issue in the following Funds, Classes and currencies:

Franklin Templeton Investment Funds	Base Currency	Classes	Alternative currency	Classes in alternative currency
Franklin Aggressive Growth Fund	USD	A(acc)+B(acc)		
Franklin Biotechnology Discovery Fund	USD	A(acc)+BX(acc)+B(acc)		
Franklin California Growth Fund	USD	A(acc)+B(acc)		
Franklin European Growth Fund	EURO	A(acc)+BX(acc)		
Franklin European Small - Mid Cap Growth Fund	EURO	A(acc) EUR+BX(acc) EUR	USD	B(acc) USD available from 31.12.01
Franklin Global Growth Fund	USD	A(acc)+BX(acc)		
Franklin High Yield Fund	USD	A(dis)+A(acc)+BX(dis)+BX(acc) +B(dis)		
Franklin High Yield (Euro) Fund	EURO	A(dis)+A(acc)+BX(acc)		
Franklin Income Fund	USD	A(dis)+BX(acc)+B(dis)		
Franklin Technology Fund	USD	A(acc) USD+BX(acc) USD+ B(acc) USD	EURO	BX(acc) EUR available from 31.12.01
Franklin U.S. Equity Fund	USD	A(acc) USD+BX(acc) USD+B(acc) USD	EURO	A(acc) EUR+BX(acc) EUR available from 03.12.01
Franklin U.S. Government Fund	USD	A(dis)+BX(dis)+BX(acc)+B(dis) +I(dis)+IX(acc)		
Franklin U.S. Smaller Companies Fund	USD	A(acc)+BX(acc)		
Franklin Mutual Beacon Fund	USD	A(acc) USD+BX(acc)USD+ B(acc) USD	EURO	A(acc) EUR+BX(acc) EUR available from 31.12.01
Franklin Mutual European Fund	USD	A(acc) USD+BX(acc) USD+ B(acc) USD	EURO	A(acc) EUR+BX(acc) EUR available from 31.12.01
Franklin Templeton Japan Fund	YEN	A(acc)+I(dis)		
Franklin Templeton Japan (Euro) Fund	EURO	A(acc)+BX(acc)+I(dis)		
Templeton Asian Development Equity Fund	USD	A(acc)+BX(acc)		
Templeton Asian Growth Fund	USD	A(dis)+A(acc)		
Templeton China Fund	USD	A(acc)		
Templeton Developed Markets Equity Fund	USD	A(acc)		
Templeton Eastern Europe Fund	EURO	A(acc)+BX(acc)		
Templeton Emerging Markets Fund	USD	A(dis)+A(acc)+BX(acc)+B(acc)+I(dis)		
Templeton Emerging Markets Bond Fund	USD	A(dis)+BX(dis)+BX(acc)+B(dis)+I(dis)		

Franklin Templeton Investment Funds	Base Currency	Classes	Alternative currency	Classes in alternative currency
Templeton Emerging Markets Bond (Euro) Fund	EURO	A(dis)+A(acc)		
Templeton Euro Liquid Reserve Fund	EURO	A(dis)+A(acc)+BX(acc)		
Templeton EuroMarket Bond Fund	EURO	A(dis)		
Templeton EuroMarket Growth Fund	EURO	A(acc)+BX(acc)		
Templeton European Fund	USD	A(dis) USD+A(acc) USD+ BX(acc) USD	EURO	A(acc) EUR+BX(acc) EUR available from 03.12.01
Templeton Global Balanced Fund	USD	A(dis) USD+A(acc) USD+ BX(acc) USD+B(acc) USD	EURO	BX(acc) EUR available from 31.12.01
Templeton Global Bond Fund	USD	A(dis)+BX(dis)+ BX(acc)+B(dis)		
Templeton Global Bond (Euro) Fund	EURO	A(dis)+A(acc)+BX(acc)		
Templeton Global Growth Fund	USD	A(dis)+A(acc)+BX(acc)+B(acc)+I(dis)		
Templeton Global Growth (Euro) Fund	EURO	A(dis)+A(acc)		
Templeton Global Smaller Companies Fund	USD	A(dis)+A(acc)+BX(acc)		
Templeton Growth (Euro) Fund	EURO	A(acc)+BX(acc)+I(dis)		
Templeton Japan Fund	USD	A(acc)		
Templeton Korea Fund	USD	A(acc)		
Templeton Latin America Fund	USD	A(dis)+A(acc)+BX(acc)		
Templeton Thailand Fund	USD	A(acc)		
Templeton U.S. Dollar Liquid Reserve Fund	USD	A(dis)+A(acc)+BX(dis)+BX(acc)+B(dis)		

Class A (distribution) and Class A (accumulation), Class B (distribution) and Class B (accumulation), Class BX (distribution) and Class BX (accumulation), Class I (distribution) Shares and Class IX (accumulation) differ in the types of charges, which are imposed on them and in their dividend policy. Further details of these classes of Shares and the Charges relating to them are set out in the Section "Classes of Shares – Sales Charge Structure". In certain limited circumstances, other classes of Shares may also be offered in certain Funds, as described in that Section.

Types of Shares

The Board of Directors has resolved that no additional shares in bearer form will be issued. The provisions set forth in this Prospectus in relation to Bearer Shares are applicable as long as Bearer Shares are in issue. All Shares are issued in registered form. Registered Shares are issued in uncertificated form unless certificates are requested. Shares can be either distribution Shares or accumulation Shares. Class A (distribution) Shares (abbreviated to "A (dis) Shares") Class A (accumulation) Shares (abbreviated to "A (acc) Shares"), Class BX (distribution) Shares (abbreviated to "BX (dis) Shares"), Class BX (accumulation) Shares (abbreviated to "BX (acc) Shares"), Class I (distribution) Shares (abbreviated to "I (dis) Shares") and Class IX (accumulation) Shares (abbreviated to "IX(acc) Shares") (if available), are available through clearing systems linked through Clearstream Banking S.A. ("Clearstream") and Euroclear.

Purchase of Shares

The Company has appointed Templeton Global Advisors Limited to act as Principal Distributor to organise and oversee the marketing and distribution of Shares. The Principal Distributor may engage sub-distributors, intermediaries, dealers and/or professional investors who may be affiliates of Franklin Templeton Investments and who may receive part of the maintenance charges. In addition, Franklin Templeton International Services S.A. has been appointed to act as Distribution Controller to monitor the appointment and activities of the sub-distributors. The minimum initial investment in the Shares of each Fund is USD 5,000 (or USD 2,500 in the case of exchanges – see "Exchange of Shares", and USD 5,000,000 for Class I (dis) Shares and for Class IX (acc) Shares – see "Classes of Shares – Sales Charge Structure") or the equivalent in any other freely exchangeable currency, except for investment made by professional nominees. Such minimum investment amounts may be waived in whole or in part by the Board of Directors or by the Principal Distributor. Existing holders of Shares in any Fund may add to their holdings in that Fund provided the minimum increase for any subscription is USD 1,000 or the equivalent in any other freely exchangeable currency. Lower minimum investment amounts may apply to Regular Savings Plans and Systematic Withdrawal Plans.

Calculation of Share Prices and Valuation Day

The prices at which Shares of the relevant Classes can be subscribed for, redeemed or exchanged in each Fund are calculated on each Valuation Day by reference to the net asset value of the class concerned and are available on the following Valuation Day. A Valuation Day for all Funds is any day on which the New York Stock Exchange (NYSE) is open or banks in Luxembourg are open for normal business (other than during a suspension of normal dealing).

Listing

All Classes of Shares are or will be listed on the Luxembourg Stock Exchange. The Board of Directors may decide to make application to list the Shares of any Class on any other recognised stock exchange.

Class A (dis) Shares, Class A (acc) Shares, Class BX (dis) Shares, Class BX (acc) Shares, Class I (dis) Shares and Class IX (acc) Shares (if available) have been accepted for clearance by Clearstream and Morgan Guaranty Trust Company of New York, Brussels office, as the operator of the Euroclear system ("Euroclear"). Clearstream and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective customers. Clearstream and Euroclear have established an electronic bridge between their two systems across which their respective customers may settle trades with each other.

Class A (dis) Shares, Class A (acc) Shares, Class BX (dis) Shares, Class BX (acc) Shares and Class I (dis) Shares and Class IX (acc) Shares (if available) held through Clearstream and Euroclear are, or will be, issued in global form and registered in the name of, and held by, the common depository of Clearstream and Euroclear.

Conversions of Shares in registered form to global certificate form will be rounded down to the nearest whole Share. If the costs involved exceed the value of the payment, cheques for the residual balance of fractional Shares will normally not be issued.

Class B (dis) Shares and Class B (acc) Shares are not accepted for clearance by a clearing system approved by the Luxembourg Stock Exchange, such as Clearstream and Euroclear, due to the contingent deferred sales charge structure applicable to such Shares. Accordingly, pursuant to governing measure No. 158 of the Luxembourg Stock Exchange, dated August 24, 1995 and implemented on September 1, 1995, the settlement procedures to be followed in respect of such Class B (dis) Shares and Class B (acc) Shares are as follows:

– As soon as the trade in the relevant Shares has been agreed as a stock exchange transaction, the seller's intermediary must forward the relevant Share certificate or confirmation statement accompanied by a Share transfer form in respect of such Shares agreed to be sold, executed by or on behalf of the seller, to the purchaser's intermediary. Share transfer forms may be obtained from the Transfer Agent.

– The Share certificate or confirmation statement in respect of the Shares sold must reach the purchaser's intermediary within three business days following the trade date to enable the purchaser's intermediary to ensure that the settlement proceeds will be paid on the agreed value date and to verify with the Transfer Agent that the Shares are in good order for transfer. The date on which the Shares were initially acquired will then be confirmed by the Transfer Agent to the purchaser's intermediary, in order to ascertain that the attention of the purchaser is duly drawn to the rates of any contingent deferred sales charge applicable to these Shares when redeemed afterwards (as more fully described under "Classes of Shares – Sales Charge Structure").

– After verification, the purchaser's intermediary must forward the Share certificate or confirmation statement in respect of the Shares sold together with the executed Share transfer form and the appropriate registration instructions to the Transfer Agent.

– The Transfer Agent will then make the necessary changes to the register of Shareholders, cancel the old Share certificate, if applicable, and issue a new Share certificate or confirmation statement in the name of the purchaser (and of the seller in respect of any balance of Shares held by the seller). The new Share certificate or confirmation statement will be sent by the Transfer Agent by mail to the purchaser, or if so requested, to the purchaser's intermediary or to any other designated agent, at the address set out in the registration instructions.

Investors are informed that the above procedures may result in the settlement of trades taking longer than the settlement period, which is customary in Luxembourg (three business days). Any registration problems, which may occur, are to be solved between the seller and the purchaser, in accordance with governing measure No. 158 of the Luxembourg Stock Exchange.

How to Apply

Investors wishing to purchase Shares should send a completed application to the Transfer Agent or any appointed Share Distributor containing the information stated in section "Procedure for Application". Subsequent purchases of Shares may additionally be made, by telephone, facsimile or electronic means as may be approved from time to time, subject to the discretion of the Transfer Agent.

Applications received by the Transfer Agent or by a distributor with written authority on a Valuation Day will be dealt with on that day on the basis of the net asset value per Share of the relevant class calculated on that day.

Settlement

Settlement must be made within five (5) bank business days following the Valuation Day after the date on which the application or its functional equivalent as more fully described on page 41 is received in good form, unless the Board of Directors requires cleared funds on or prior to an application being accepted. Applicants will be required to compensate the Company at the discretion of the Board of Directors for any loss resulting from late settlement.

Currency of Payment

Payment can be made in the base currency or (if applicable) the alternative currency of the selected Fund(s). However, an investor may provide for payment in any other currency which can be freely exchanged for the base currency of the selected Fund(s) (except in the event of applications for Class A (dis) Shares, Class A (acc) Shares, Class BX (dis) Shares, Class BX (acc) Shares, Class I (dis) Shares and Class IX (acc) Shares (if available) held through Clearstream and Euroclear), and the necessary foreign exchange transaction will be arranged on behalf of, and at the expense of, the investor. For payment in the alternative currency of the selected Class of Shares, any necessary foreign exchange transaction will be arranged by, and at the expense of, the Fund.

Investors settling in a currency other than the base currency or (if applicable) the alternative currency of the Fund(s) for which the investment is intended are advised that a delay in processing the application until the next Valuation Day may occur to allow for currency conversion.

Exchange of Shares

Shareholders wishing to exchange Shares from one Fund to Shares of the same or another Class of another Fund or with Shares of another Class of the same Fund (if available) will be entitled to do so on any Valuation Day subject to an exchange charge authorised in exceptional circumstances by the Board of Directors at its discretion which shall not exceed 1% of the value of the Shares being requested for exchange. Other exchange charges and restrictions may apply as set forth in section "Exchange of Shares". Exchange requests may be made in writing or by telephone, facsimile or electronic means, confirmed in writing, subject to the discretion of the Transfer Agent, specifying the Class, the Fund and number of Shares to be exchanged, Fund currency amount or percentage holding of Shares to be exchanged, together with the same details for the Fund(s) into which the exchange is to be made. Restrictions relating to the exchange of Shares of a Class into Shares of another Class are more fully described under the section "Exchange of Shares".

Any request to exchange Shares may not be executed until any previous transaction involving the Shares to be exchanged has been completed and full settlement on those Shares received.

Requests for exchange of Shares on any Valuation Day from a Fund denominated in one currency into a Fund denominated in another currency will require one additional business day in order to effectuate the currency transactions for such exchange.

Redemption of Shares

Shares may be redeemed at a price equal to the relevant net asset value of the relevant Class calculated on the applicable Valuation Day by giving notice to the Transfer Agent in writing or, by telephone, facsimile or electronic means, confirmed in writing subject to the discretion of the Transfer Agent and specifying the Class, the Fund and number of Shares to be redeemed, amount in the Fund's base currency or (if applicable) in the alternative currency or percentage holding of Shares to be redeemed, and giving instructions for the payment of redemption monies. Where a certificate has been issued in the name(s) of the Shareholder(s), the Board of Directors may require that such share certificate, duly endorsed, be returned to the Transfer Agent prior to the transaction being effectuated at any applicable net asset value and therefore prior to payment being made. In the case of bearer Shares, the certificate must be returned together with the unmatured coupons, to the Principal Paying Agent. Any request to redeem Shares may not be executed until any previous transaction involving the Shares to be redeemed has been completed and full settlement on those Shares received.

Redemption requests received by the Transfer Agent on a Valuation Day will be dealt with on that day on the basis of the net asset value per Share of the relevant class calculated on that day.

The proceeds of redemption of Class B (dis) and Class B (acc) Shares may be subject to a deferred sales charge if such Shares are redeemed within four years of the date of issue. Further details of this charge are given on page 39. Certain transactions with respect to Class A (dis) and Class A (acc) Shares may also be subject to a contingent deferred sales charge. For further details with respect to this charge see section "Classes of Shares – Sales Charge Structure".

Regular Savings Plans and Systematic Withdrawal Plans

Regular Savings Plans and Systematic Withdrawal Plans are available for the benefit of Shareholders in various countries. For further information please contact the Transfer Agent or your local Franklin Templeton Investments office.

Anti-Money Laundering Legislation

Pursuant to the Law of April 5, 1993 relating to the financial sector (as amended) and to the IML circulars 91/75 and 94/112 and the BCL circular 98/153, obligations have been imposed on all professionals of the financial sector to prevent the use of UCITS for money laundering purposes. Within this context a procedure for the identification of investors has been imposed. Namely, the Application Form of an investor must be accompanied, in the case of individuals, by a copy of the passport or identification card and, in the case of legal entities, by a copy of the statutes, articles of incorporation or other constitutive documents, an extract from the commercial register and a list of authorised signatories. In the case of a trust, the Application Form must be accompanied by a copy of the trust instrument, copy of the passports and/or statutes or other appropriate constitutive documents of the trustee(s) and a list of authorised signatories. Any copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary or police officer. Such identification procedure must be complied with in the following circumstances:

(a) in the case of direct subscriptions to the Company; and

(b) in the case of subscriptions received by the Company from any intermediary resident in a country which does not impose on such intermediary an obligation to identify investors equivalent to that required under the laws of the Grand Duchy of Luxembourg for the prevention of money laundering.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the conclusions of the Financial Action Task Force (*Groupe d'action financière internationale* ("GAFI")) are deemed to be intermediaries having an identification obligation equivalent to that required under the laws of the Grand Duchy of Luxembourg.

The following countries, as well as the Grand Duchy of Luxembourg, have ratified the conclusions of the Financial Action Task Force: Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.

Any information provided to the Company in this context is collected for anti-money laundering compliance purposes only.

November 2001

Table of contents

	Page
Board of Directors and Officers	10
Administration and Advisers	15
Investment Objectives and Policies	17
Hedging Practice and other Risk Considerations	30
Dividend Policy	34
Management and Administration	35
Investment Managers	35
Custodian	36
Registrar and Transfer, Corporate, Domiciliary and Administrative Agent	36
Form of Shares	36
Classes of Shares – Sales Charge Structure	36
Issue of Shares	41
Procedure for Application	41
Redemption of Shares	44
Exchange of Shares	45
Publication of Share Prices	47
Temporary Suspension of Issues, Redemptions and Exchanges	47
Management and Company Charges	47
Taxation of the Company	49
Taxation of Shareholders	49
Meetings and Reports	49
Documents Available for Inspection	50
Certificates and Registration	50
Appendix A – Investment Restrictions	51
Appendix B – General Information	57
Appendix C – Determination of the Net Asset Value of Shares	59
Appendix D – Class I Shares and Class IX (acc) Shares (Management Fees)	62

Board of Directors and Officers

Chairman:

Charles E. Johnson
President and Director
FRANKLIN RESOURCES, INC.
One Franklin Parkway
San Mateo, CA 94403-1906, U.S.A.

Directors:

Dr. J. B. Mark Mobius
Director Emeritus
TEMPLETON ASSET MANAGEMENT LIMITED
7 Temasek Boulevard
38-03 Suntec Tower One
Singapore 038987

Martin L. Flanagan
Senior Vice President, Chief Financial Officer and Chief Operating Officer
FRANKLIN RESOURCES, INC.
One Franklin Parkway
San Mateo, CA 94403-1906, U.S.A.

Mark G. Holowesko
President
TEMPLETON GLOBAL HOLDINGS LIMITED
P.O. Box N-7759
Lyford Cay
Nassau, Bahamas

Gregory E. McGowan
Executive Vice President and General Counsel
TEMPLETON WORLDWIDE, INC.
500 East Broward Boulevard, Suite 2100
Fort Lauderdale, FL 33394-3091, U.S.A.

His Grace the Duke of Abercorn, James Hamilton KG
Chairman
ABERCORN ESTATES
Barons Court
Omagh BT78 4EZ, Northern Ireland, U.K.

The Honorable Nicholas F. Brady
Chairman and Chief Executive Officer
DARBY ADVISORS, INC.
16 North Washington Street,
Easton MD 21601, U.S.A.

The Right Reverend Michael A. Mann
The Cottage
Lower End Farm, Eastington
Northleach GL54 3PN, England, U.K.

Richard H. Frank
Managing Director
DARBY OVERSEAS INVESTMENTS LIMITED
1133 Connecticut Avenue NW
Suite 400
Washington DC 20036, U.S.A.

Keith A. C. Swinley
Chief Legal Counsel, Europe
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
Exchange Tower
19 Canning Street
Edinburgh EH3 8EG, Scotland, U.K.

General Manager:

William Lockwood
Director
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.
26, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

Investment Managers:

As to: Templeton Developed Markets Equity Fund;
Templeton EuroMarket Growth Fund;
Templeton European Fund;
Templeton Global Balanced Fund;
Templeton Global Growth (Euro) Fund;
Templeton Global Smaller Companies Fund; and

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
Exchange Tower
19 Canning Street
Edinburgh EH3 8EG, Scotland, U.K.

Franklin Templeton Investment Management Limited has appointed Templeton Investment Counsel LLC. as sub-advisor in relation to Templeton Global Balanced Fund.

As to: Templeton Asian Development Equity Fund;
Templeton Asian Growth Fund;
Templeton China Fund;
Templeton Eastern Europe Fund;
Templeton Emerging Markets Fund;
Templeton Japan Fund;
Templeton Korea Fund;
Templeton Latin America Fund; and
Templeton Thailand Fund

TEMPLETON ASSET MANAGEMENT LIMITED
7 Temasek Boulevard
38-03 Suntec Tower One
Singapore 038987

As to: Franklin Aggressive Growth Fund;
Franklin Biotechnology Discovery Fund;
Franklin California Growth Fund;
Franklin European Growth Fund;
Franklin European Small – Mid Cap Growth Fund;
Franklin Global Growth Fund;
Franklin High Yield Fund;
Franklin High Yield (Euro) Fund;
Franklin Income Fund;
Franklin Technology Fund;
Franklin U.S. Equity Fund;
Franklin U.S. Government Fund;
Franklin U.S. Smaller Companies Fund;
Templeton Emerging Markets Bond Fund;
Templeton Emerging Markets Bond (Euro) Fund;
Templeton Euro Liquid Reserve Fund;
Templeton EuroMarket Bond Fund;
Templeton Global Bond Fund;
Templeton Global Bond (Euro) Fund; and
Templeton U.S. Dollar Liquid Reserve Fund

FRANKLIN ADVISERS, INC.
777 Mariners Island Boulevard
San Mateo, CA 94404-7777, U.S.A.

Franklin Advisers, Inc. has appointed FTI – Banque Fiduciary Trust as sub-advisor in relation to Franklin European Growth Fund; Fiduciary International Inc. as sub-advisor in relation to Franklin Global Growth Fund and Fiduciary Trust Company International as sub-advisor in relation to Franklin European Small – Mid Cap Growth Fund.

As to: Templeton Global Growth Fund; and
Templeton Growth (Euro) Fund

TEMPLETON GLOBAL ADVISORS LIMITED
P.O. Box N-7759
Lyford Cay
Nassau, Bahamas

Templeton Global Advisors Limited has appointed Franklin Templeton Investment Management Limited as sub-advisor in relation to Templeton Global Growth Fund.

As to: Franklin Mutual Beacon Fund
Franklin Mutual European Fund
FRANKLIN MUTUAL ADVISERS, LLC
51 John F. Kennedy Parkway
Short Hills, NJ 07078, U.S.A.

As to: Franklin Templeton Japan Fund; and
Franklin Templeton Japan (Euro) Fund

FRANKLIN TEMPLETON INVESTMENTS JAPAN LIMITED
14-1, Kyobashi 2-chome
Chuo-Ku, Tokyo

Principal Distributor:

TEMPLETON GLOBAL ADVISORS LIMITED
P.O. Box N7759
Lyford Cay
Nassau, Bahamas

Distribution Controller:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.
26, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

Share Distributors and Consultants:

FRANKLIN/TEMPLETON SECURITIES INVESTMENT CONSULTING
(SINOAM) INC. (CONSULTANT)
8th Floor, 87, Chung Hsiao E. Road, Sec. 4
Taipei
Taiwan, R.O.C.

FRANKLIN TEMPLETON FRANCE S.A.
16-18 avenue Georges V
F-75008 Paris
France

FRANKLIN TEMPLETON INVESTMENT SERVICES (ASIA) LIMITED
2701, Shui On Centre
6-8, Harbour Road
Hong Kong

FRANKLIN TEMPLETON INVESTMENT SERVICES GmbH
Mainzer Landstraße 16
D-60325 Frankfurt am Main
Germany

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.
26, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED
Exchange Tower, 19 Canning Street
Edinburgh EH3 8EG, Scotland, U.K.

FRANKLIN TEMPLETON NIB ASSET MANAGEMENT (Pty) LTD.
Harrow Court II, Isle of Houghton
Boundary Road, Parktown 2193
Johannesburg
South Africa

FRANKLIN TEMPLETON ITALIA S.I.M. SpA
Via Borgonuovo 24
I-20121 Milan
Italy

TEMPLETON (SWITZERLAND) LIMITED (until December 31, 2001)
Bahnhofstrasse 22
8022 Zurich
Switzerland

FTI – BANQUE FIDUCIARY TRUST (with effect from January 1, 2002)
Route de Pré-Bois 29
1215 Genève 15
Switzerland

Custodian:

J.P. MORGAN BANK LUXEMBOURG S.A.
5, rue Plaetis
L-2338 Luxembourg
Grand Duchy of Luxembourg

Registrar and Transfer, Corporate, Domiciliary and Administrative Agent:

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.A.
26, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

Administration and Advisers

Auditors:

PRICEWATERHOUSECOOPERS Sàrl
400, route d'Esch
B.P. 1443
L-1014 Luxembourg
Grand Duchy of Luxembourg

Legal Advisers:

ELVINGER, HOSS & PRUSSEN
2, Place Winston Churchill
L-2014 Luxembourg
Grand Duchy of Luxembourg

Listing Agent:

J.P. MORGAN BANK LUXEMBOURG S.A.
5, rue Plaetis
L-2338 Luxembourg
Grand Duchy of Luxembourg

Principal Paying Agent:

J.P. MORGAN BANK LUXEMBOURG S.A.
5, rue Plaetis
L-2338 Luxembourg
Grand Duchy of Luxembourg

Local Paying Agents:

in Austria:
Creditanstalt-Bankverein
Schottengasse 6
A-1010 Wien

in Belgium:

Bank Brussel Lambert N.V./Banque Bruxelles Lambert S.A.
Marnixlaan, 24/Avenue Marnix, 24
B-1000 Brussel/B-1000 Bruxelles

in France:

BNP Paribas S.A.
Agence Paris Investisseurs & Banquiers
63, boulevard Haussmann
F-75008 Paris

in Germany:

J.P. MORGAN AG, FRANKFURT
Ulmenstraße 30
D-60325 Frankfurt
and
Marcard, Stein & Co
Ballindamm 36
D-20095 Hamburg

in Italy:

Banca Popolare Commercio e Industria
Via della Moscova 33
I-20121 Milano

in Spain:

Bankinter SA
Paseo de la Castellana 29
Sp-28046 Madrid

in Switzerland:

Rüd, Blass & Cie AG, Bankers (until December 31, 2001)
Selnaustrasse 32
CH-8039 Zürich

FTI - BANQUE FIDUCIARY TRUST (with effect from January 1, 2002)
Route de Pré-Bois 29
1215 Genève 15
Switzerland

Local Financial Services Agents:

in Ireland:

The Governor and Company of the Bank of Ireland
International Financial Services Centre
1 Harbourmaster Place
Dublin 1

in the Netherlands:

ING (Nederland) Trust
P.O. Box 2838
Prinses Irenestraat 61
1000 CV Amsterdam Zuid

in Sweden:

SE Banken
Sergels Torg 2
10640 Stockholm

Registered Office:

26, boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg

Investment Objectives and Policies

The Company aims to provide investors with a choice of Funds investing in a wide range of transferable securities on a worldwide basis and featuring a diverse array of investment objectives including capital growth and income. The overall objective of the Company is to seek to minimise investment exposure through diversification and to provide Shareholders with the benefit of a portfolio managed by Franklin Templeton Investments according to its successful timetested investment selection methods.

Each Fund may invest in "when issued" securities, lend its portfolio securities and borrow money, all within the limits of the Company's investment restrictions.

Further, subject to the limits set forth in the investment restrictions, the Company may with respect to each Fund invest in options on securities and enter into financial futures contracts for efficient portfolio management.

In addition, the Company may also seek to protect and enhance the asset value of its different Funds through hedging strategies consistent with the Funds' investment objectives by utilising currency options, forward contracts and futures contracts.

Each Fund may, on an ancillary basis, hold liquid assets. Such assets may be kept in the form of cash deposits or in shortterm money market instruments.

The specific investment objectives and policies of each of the different Funds are subject to the following interpretation:

- Funds that bear in their name a reference to a particular type of security, or a particular country, region or industry, will invest at least two thirds of their net assets in investments corresponding to such security, country, region or industry.
- If a description of a Fund's investment policy states that investments will be made "primarily", "mainly" or "principally" in a particular type of security, or a particular country, region or industry, such Fund will invest at least two thirds of its net assets in investments corresponding to such security, country, region or industry. If a description of a Fund's investment policy states that the Investment Manager retains the flexibility to invest in other securities than the categories or countries, regions or industries in which it will "primarily", "mainly" or "principally" invest, such other investments will not exceed one third of the net invested assets of the corresponding Fund. If a description of a Fund's investment policy is related to investments in corporations of a particular country or region, such reference means (in the absence of any further specification in the Prospectus) investments in companies incorporated or having their principal business activities in such country or region.

The Investment Objectives and Policies described below are binding on the respective Investment Managers of the Funds.

The specific investment objectives and policies of the different Funds are the following:

Franklin Aggressive Growth Fund

The Fund's investment objective is capital appreciation. The Fund invests primarily in equity securities of U.S. issuers demonstrating accelerating growth, increasing profitability, or above-average growth or growth potential as compared with the overall economy. Equity securities generally entitle the holder to participate in a company's general operating results. They include common stocks, convertible securities and warrants on securities.

The Fund primarily invests in small, medium, and large capitalisation companies with strong growth potential across a wide range of sectors. In choosing equity investments, the Fund's manager will focus on sectors that have exceptional growth potential and fast growing, innovative companies within these sectors. In addition, solid management and sound financial records are factors the manager also considers. Although the manager will search for investments across a large

number of sectors, it expects to have significant positions in particular sectors. These sectors may include, for example, technology (including computers and telecommunications), health care (including biotechnology), consumer products, and consumer services (including media, broadcasting and entertainment). Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Franklin Biotechnology Discovery Fund

The Fund's objective is to seek capital appreciation. The Fund invests primarily in equity securities of biotechnology companies and discovery research firms located in the U.S. and other countries and to a lesser extent in debt securities of any type of foreign or U.S. issues. The Fund invests a substantial portion of its assets in smaller capitalisation companies, which are generally companies with a market capitalisation of less than USD 2 billion at the time of the Fund's investment.

For the Fund's investment purposes, a biotechnology company is one that has at least 50% of its earnings derived from biotechnology activities, or at least 50% of its assets devoted to such activities based on the company's most recent fiscal year. Biotechnology activities are research, development, manufacture, and distribution of various biotechnological or biomedical products, services and processes. This may include companies involved with genomics, genetic engineering, and gene therapy. It also includes companies involved in the application and development of biotechnology in areas such as health care, pharmaceuticals, and agriculture.

To the extent that the Fund invests in debt securities, it generally buys securities that are rated investment grade or unrated securities that it determines to be of comparable quality. Investment grade debt securities are rated in the top four ratings categories by independent rating organisations such as Standard & Poor's Corporation or Moody's Investors Service, Inc.

The Fund anticipates that under normal conditions, it will invest more of its assets in U.S. securities than in those of any other single country although the Fund may have more than 50% of its total assets in non-U.S. securities.

The manager may take a temporary defensive position when it believes the securities trading markets or the economies of countries where the Fund invests are experiencing excessive volatility or prolonged general decline, or other adverse conditions exist. Under these circumstances, the Fund may be unable to pursue its investment goal. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Franklin California Growth Fund

The Fund's investment objective is long-term capital appreciation. The Fund invests primarily in equity securities of companies incorporated or having their principal business activities in California. The Fund invests in small to mid-size companies as well as in relatively well-known, larger capitalisation companies in mature industries that the manager believes have the potential for capital appreciation. Equity securities generally entitle the holder to participate in a company's general operating results. They include common stocks, preferred stocks, convertible securities and warrants. The Investment Manager expects to invest a portion of the Fund's assets in transferable securities of companies in the technology sector, including computer companies. Typically the Fund will invest in technology companies that market their products or services globally rather than only domestically or regionally. The base currency of this Fund is U.S. Dollar.

Franklin European Growth Fund

The Fund's investment objective is long-term capital appreciation. The Fund will seek to achieve its investment objective by investing no less than half of its net assets in a portfolio of listed equity or equity-related securities, which qualify as transferable securities (including warrants and convertible securities). At least two thirds of the Fund's net assets will be invested in transferable

securities issued by companies or government or public bodies having their place of incorporation or their principal business activities in various European countries including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the Czech Republic, Hungary, Poland and Turkey. No more than 5% of the Fund's net assets will be invested in transferable securities issued by companies, governments or public bodies in the Czech Republic, Hungary, Poland or Turkey. The base currency of the Fund is Euro.

Franklin European Small – Mid Cap Growth Fund

The Fund's investment objective is long-term capital appreciation. The Fund invests primarily in small and mid-cap growth equity securities of companies located throughout Europe. The Fund invests in a diversified portfolio of equity and equity related securities (including warrants and convertible securities). The Fund invests in companies with a market capitalisation above EURO 100 million and below EURO 8 billion or the equivalent in local currencies at the time of purchase. The base currency of the Fund is Euro.

Franklin Global Growth Fund

The Fund's investment objective is long-term capital appreciation through investment in growth transferable securities. The Investment Manager will seek to achieve the investment objective of the Fund by investing primarily in listed equities and equity related securities, which qualify as transferable securities (including convertible securities and warrants) throughout the world. The Fund's exposure to various regions and markets will vary from time to time according to the Investment Manager's opinion as to the prevailing conditions and prospects for these markets.

The Fund invests in growth stocks, including convertible securities and warrants, in both developed and Emerging Markets, and in companies listed on the stock markets in the following regions and countries: North America; Continental Europe: Austria, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom; Asia: Hong Kong, Japan, Malaysia, Singapore and Australia. The Fund may also invest in Emerging Markets. Investment in Emerging Markets countries are subject to a higher degree of risk, as described in the Section "Hedging Practice and other Risk Considerations" in the Prospectus. The base currency of the Fund is U.S. Dollar.

Franklin High Yield Fund

The Fund's principal investment objective is to earn a high level of current income. As a secondary objective, the Fund seeks capital appreciation, but only when consistent with its principal objective. The Fund will seek to achieve these objectives by investing primarily in fixed income debt securities of U.S. or non-U.S. issuers that, in the judgement of the Investment Manager, offer the highest yield available without excessive risk at the time of the purchase. The Fund normally will be invested in fixed income debt securities with investment grade or lower grade ratings, if issued by U.S. issuers, or, if issued by non-U.S. issuers or unrated, their equivalent. The Investment Manager will attempt to avoid excessive risk by performing independent credit analyses of issuers and by diversifying the Fund's investments among different issuers. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may also, temporarily and/or on an ancillary basis, seek investment opportunities in any other types of securities such as government securities, preferred stock, common stock and other equity linked securities, warrants and securities convertible into common stock. The base currency of the Fund is U.S. Dollar.

Franklin High Yield (Euro) Fund

The Fund's principal investment objective is to earn a high level of current income. As a secondary objective, the Fund seeks capital appreciation, but only when consistent with its principal objective. The Fund will seek to achieve these objectives by investing primarily in fixed income debt securities of European or non-European issuers that, in the judgement of the Investment

Manager, offer the highest yield available without excessive risk at the time of the purchase. The Fund will principally invest in Euro-denominated or non-Euro denominated Euro-hedged, fixed income debt securities with non-investment grade ratings, or if unrated, their equivalent. The Investment Manager will attempt to avoid excessive risk by performing independent credit analyses of issuers and by diversifying the Fund's investments among different issuers. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may also, temporarily and/or on an ancillary basis, seek investment opportunities in any other types of Euro-denominated securities such as government securities, preferred stock, common stock and other equity linked securities, warrants and securities convertible into common stock. The base currency of the Fund is Euro. The name of this Fund reflects the base currency of the Fund being in Euro, and does not imply that any particular proportion of the Fund's net invested assets will be made in Euro.

Franklin Income Fund

The investment objective of the Fund is to maximise income while maintaining prospects for capital appreciation. The Fund will invest in a diversified portfolio of transferable securities consisting of equity securities and long and short-term debt securities. Equity securities generally entitle the holder to participate in a company's general operating results. These include common stocks, preferred stocks and convertible securities. Debt securities represent an obligation of the issuer to repay a loan of money to it, and generally provide for the payment of interest. These include bonds, notes and debentures.

In its search for growth opportunities, the Fund invests in common stocks of companies from a variety of industries such as utilities, oil, gas, real estate and consumer goods. The Fund seeks income by selecting investments such as corporate, foreign and U.S. Treasury bonds, as well as stocks with attractive dividend yields. The Fund may invest in debt securities that are rated below investment grade. Investment grade debt securities are rated in the top four ratings categories by independent rating organisations such as Standard & Poor's Corporation (S&P) and Moody's Investors Service, Inc. (Moody's). The Fund generally invests in securities rated at least CAA by Moody's or CCC by S&P or unrated securities that the Fund's Investment Manager determines are of comparable quality. Generally, lower rated securities offer higher yields than more highly rated securities to compensate investors for the higher risk. Further information is contained under "Hedging Practice and other Risk Considerations".

The Fund may invest up to 25% of its net invested assets in non-U.S. securities. It ordinarily buys non-U.S. securities that are traded in the U.S. or American Depository Receipts, which are certificates typically issued by a bank or trust company that give their holders the right to receive securities issued by a U.S. or a non-U.S. company.

The Fund's Investment Manager searches for undervalued or out-of-favour securities it believes offer opportunities for income today and significant growth tomorrow. It performs independent analysis of the securities being considered for the Fund's portfolio, rather than relying principally on the ratings assigned by rating agencies. In its analysis, the Investment Manager considers a variety of factors, including:

- the experience and managerial strength of the company;
- responsiveness to changes in interests and business conditions;
- debt maturity schedules and borrowing requirements;
- the company's changing financial condition and market recognition of the change; and
- a security's relative value based on such factors as anticipated cash flow, interest or dividend coverage, asset coverage, and earnings prospects.

The Investment Manager may take a temporary defensive position when it believes the markets or the economy are experiencing excessive volatility, a prolonged general decline or when other adverse conditions may exist. Under these circumstances, the Fund may be unable to pursue its investment goal. The base currency of the Fund is U.S. Dollar.

Franklin Technology Fund

The Fund's investment objective is capital appreciation. The Fund will invest at least two thirds of its total net invested assets in equity securities of companies expected to benefit from the development, advancement, and use of technology. These may include, for example, companies in the following industries:

- technology services, including computer software, data services, and internet services;
- electronic technology, including computers, computer products, and electronic components;
- telecommunications, including networking, wireless, and wire-line services and equipment;
- media and information services;
- semiconductors and semiconductor equipment; and
- precision instruments.

The Fund will invest in securities of large, well-established companies, as well as small to medium-sized companies that the Investment Manager believes provide good emerging growth opportunities.

The Fund will use a growth approach that employs intensive, bottom-up, fundamental research of companies. The Investment Manager will also take into consideration broad-based trends when considering the selection of investments. In general, the Investment Manager will look for companies it believes display, or will display, some of the following characteristics, among others: quality management; robust growth prospects; strong market positioning; high, or rising profit margins; and good return on capital investment. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Franklin U.S. Equity Fund

The investment objective of the Fund is capital appreciation. The Fund's investment strategy is to invest primarily in U.S. equity securities, including common and preferred stocks, or securities convertible into common stocks, as well as American Depository Receipts and American Depository Shares that are listed on the major U.S. stock exchanges. The Investment Manager will focus investments on companies that exhibit growth characteristics in revenue and/or earnings. The Fund will follow an active management style utilising all the portfolio management tools available including fundamental, technical and quantitative analysis. On an ancillary basis, the Fund may employ hedging techniques and hold cash reserves from time to time. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Franklin U.S. Government Fund

The investment objective of the Fund is safety of principal and income, which it seeks to achieve primarily through a policy of investing in debt obligations issued or guaranteed by the United States of America government and its agencies. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Franklin U.S. Smaller Companies Fund

The Fund's investment objective is long-term capital growth. The Fund will invest at least two thirds of its net assets in the equity securities of U.S. small capitalisation (small cap) companies. For this Fund, small cap companies are those companies with market capitalisation

values not exceeding: (i) $1.5 billion; or (ii) the highest market cap value in the Russell 2000 Index, whichever is greater at the time of the purchase. The base currency of the Fund is U.S. Dollar.

Franklin Mutual Beacon Fund

The primary objective of the Fund is capital appreciation. A secondary objective is income. The Fund will pursue its objective primarily through investments in common stock and preferred stock, and as an ancillary matter in debt securities and securities convertible into common stock (including convertible preferred and convertible debt securities). No more than 30% of the Fund's net assets will be invested in securities of non-U.S. issuers. The opinions of the Investment Manager are based upon analysis and research, taking into account, among other factors, the relationship of book value (after taking into account accounting differences among countries) to market value, cash flow, multiple of earnings of comparable securities, creditworthiness of issuers, as well as the value of collateral securing a debt obligation, with the objective of purchasing equity and debt securities at below their intrinsic value. Within the limits established by the investment restrictions, the Fund will also seek to invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations or as to which there exist tender or exchange offers, and may participate in such transactions. Such indebtedness may be in the form of loans, notes, bonds or debentures. The Fund may purchase indebtedness and participations therein, both secured and unsecured, of debtor companies in reorganisation or financial restructuring. The base currency of the Fund is U.S. Dollar.

Franklin Mutual European Fund

The Fund's principal investment objective is capital appreciation, which may occasionally be short term. Its secondary objective is income. The Fund will primarily invest in equity securities of companies incorporated or having their principal activities in European countries that the manager believes are available at prices less than their actual value based on certain recognised or objective criteria (intrinsic value). Equity securities generally entitle the holder to participate in a company's general operating results. These include common stocks, preferred stocks and convertible securities. The Fund will invest at least two thirds of its total net invested assets in the securities of issuers organised under the laws of or whose principal business operations are located in European countries. For purposes of the Fund's investments, European countries means all of the countries that are members of the European Union, the United Kingdom, Eastern and Western Europe and those regions of Russia and the former Soviet Union that are considered part of Europe. The Fund currently intends to invest primarily in securities of issuers in Western Europe. The Fund will normally invest in securities from at least five different countries, although, from time to time, it may invest all of its assets in a single country. The Fund may also invest up to one third of its total net invested assets in securities of U.S. issuers, as well as in securities of issuers from the Levant, the Middle East and the remaining regions of the world. The base currency of the Fund is U.S. Dollar.

Franklin Templeton Japan Fund

The Fund's investment objective is long-term capital appreciation, which it seeks to achieve through a policy of investing primarily in equity securities of issuers incorporated or having their principal business activities in Japan. In addition, the Fund may also seek investment opportunities in other types of securities such as preferred stock, securities convertible into common stock, and corporate and government debt obligations which are Japanese Yen and non-Japanese Yen denominated. The base currency of the Fund is Japanese Yen.

Franklin Templeton Japan (Euro) Fund

The Fund's investment objective is long-term capital appreciation, which it seeks to achieve through a policy of investing primarily in equity securities of issuers incorporated or having their principal business activities in Japan. In addition, the Fund may also seek investment

opportunities in other types of securities such as preferred stock, securities convertible into common stock, and corporate and government debt obligations which are Euro and non-Euro denominated. The base currency of the Fund is Euro. The name of the Fund reflects the base currency of the Fund being in Euro, and does not imply that any particular proportion of the Fund's net invested assets will be made in Euro.

Templeton Asian Development Equity Fund

The investment objective of the Fund is to maximise opportunities to seek capital growth from investing in a managed portfolio primarily of equities of Asian developing countries ("ADCs"). The investment policy of the Fund is to enhance and to participate in the economic growth of ADCs, which include but are not limited to the following countries: Bangladesh, Bhutan, Cook Islands, East Timor, Fiji Islands, Hong Kong, India, Indonesia, Kiribati, Korea, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Papua New Guinea, People's Republic of China, Philippines, Singapore, Solomon Islands, Sri Lanka, Taiwan, Tajikistan, Thailand, Tonga, Turkey, Turkmenistan, United Arab Emirates, Uzbekistan, Vanuatu, Vietnam and Western Samoa. At least two thirds of the Fund's assets will be invested either in securities of companies in ADCs or in securities of companies that have their main area of activity in ADCs, but which may be admitted to official listing on a stock exchange or dealt on another regulated market outside the ADCs' securities markets. The Fund will seek to maximise the overall long-term return of its portfolio by investing, mainly in shares, convertible bonds and other equity related securities of entities, including warrants. The Investment Manager will give greater consideration to long-term capital gains rather than to dividend, interest and other income. The base currency of the Fund is U.S. Dollar. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Asian Growth Fund

The Fund's investment objective is long-term capital appreciation, which it seeks to achieve through a policy of investing primarily in equity securities of entities which are incorporated, or have their area of primary activity, in the Asia Region. The Fund may also invest in equity securities, which are listed on recognised exchanges in capital markets of the Asia Region (excluding Australia, New Zealand and Japan). The Asia Region includes but is not limited to the following countries: Hong Kong, India, Indonesia, Korea, Malaysia, People's Republic of China, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan and Thailand. Under normal market conditions, the Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of transferable securities, including fixed income securities. The base currency of the Fund is U.S. Dollar. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton China Fund

The investment objective of the Fund is long-term capital appreciation, which it seeks to achieve through a policy of investing primarily in equity securities of companies (i) organised under the laws of or with their principal offices in the People's Republic of China ("China"), Hong Kong or Taiwan or (ii) which derive the principal portion of their revenue from goods or services sold or produced, or have the principal portion of their assets in China, Hong Kong or Taiwan. The Fund may also invest in equity securities of companies (i) for which the principal market for the trading of securities is China, Hong Kong or Taiwan or (ii) that are linked to assets or currencies in China, Hong Kong or Taiwan. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may also seek investment opportunities in other types of securities such as preferred stock, securities convertible into common stock, and corporate and government debt obligations which are U.S. Dollar and non-

U.S. Dollar denominated. The base currency of the Fund is U.S. Dollar. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Developed Markets Equity Fund

The Fund's investment objective is long-term capital growth, which it seeks to achieve through a policy of investing primarily in equity of companies of any developed market. The Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock and securities convertible into common stock, which are U.S. Dollar and non-U.S. Dollar denominated. For purposes of this Fund's investment objective, the term "developed market" will include those countries that are included in the MSCI World (Ex-Emerging Markets) Index. The base currency of the Fund is U.S. Dollar.

Templeton Eastern Europe Fund

The Fund's investment objective is long-term capital appreciation, which it seeks to achieve by investing primarily in listed equity securities of issuers organised under the laws of, or with their principal activities within, the countries of Eastern Europe, as well as the New Independent States, i.e. the countries in Europe and Asia that were formerly part of or under the influence of the Soviet Union in the past ("the Region"). The Fund may also invest in securities issued by the governments of the above-mentioned countries and privatisation certificates of companies located, or with their principal activities, within the Region. Eastern Europe includes the following countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the Czech Republic, Greece, Hungary, the Former Yugoslav Republic of Macedonia, Malta, Montenegro, Poland, Romania, Russia, Serbia, the Slovak Republic, Slovenia, and Turkey. The New Independent States that were formerly part of the Soviet Union, apart from Russia itself, include: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. The Investment Manager anticipates that the Fund will invest primarily in companies (i) of which, if listed, the principal equity securities market is in the Region; or (ii) that derive at least 50% of their revenues or profits from goods produced or sold, investments made, or services performed, in the Region or that have at least 50% of their assets situated in the Region. The Fund will primarily invest in equity securities of publicly traded companies. Preference will be given to the countries with functioning stock markets where foreign investment is permitted and appropriate custodial arrangements exist. The base currency of the Fund is Euro. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Emerging Markets Fund

The Fund's investment objective is long-term capital growth, which it seeks to achieve through a policy of investing primarily in equity securities, and as an ancillary matter in debt obligations, issued by corporations incorporated or having their principal business activities in, and governments of, developing or emerging nations. The Fund may also invest in those companies which derive a significant proportion of their revenues or profits from emerging economies or have a significant portion of their assets in emerging economies. The Fund may also invest in equity and debt securities of issuers that are linked to assets or currencies of emerging nations. The Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock, securities convertible into common stock, and corporate and government debt obligations which are U.S. Dollar and nonU.S. Dollar denominated. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Emerging Markets Bond Fund

The investment objective of the Fund is to maximise, consistent with prudent investment management, total investment return, consisting of a combination of interest income and capital appreciation. The Fund will seek to achieve this objective through a policy of investing primarily in fixed and floating rate debt securities and obligations issued by corporations, governments or government-related entities of developing or emerging nations, including Brady bonds (issued as a result of an exchange for previously defaulted bank debt), and debt obligations issued by supranational entities organised or supported by several national governments in Emerging Markets. In addition, the Fund may purchase preferred stock, common stock and other equity linked securities, warrants, and debt securities exchangeable or convertible into common stock. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's net invested assets into equity securities. The Fund may also invest, in accordance with the investment restrictions, in securities or structured products linked to assets or currencies in any developing or emerging nation. The securities and debt obligations the Fund invests in may be denominated in U.S. Dollar or any other currency. The base currency of the Fund is U.S. Dollar. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Emerging Markets Bond (Euro) Fund

The Fund's investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains. The Fund will seek to achieve this objective by investing primarily in fixed or floating rate debt securities and obligations issued by corporations, governments, or government-related entities of developing or emerging nations, including Brady bonds (issued as a result of an exchange for previously defaulted bank debt), and debt obligations issued by supranational entities organised or supported by several national governments in emerging markets. In addition, the Fund may purchase preferred stock, common stock and other equity-linked securities, warrants, and debt securities convertible or exchangeable into common stock. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's net invested assets into equity securities. The Fund may also invest, in accordance with the investment restrictions, in securities or structured products linked to assets or currencies of any developing or emerging nation. The Fund may purchase Euro and non-Euro denominated securities and debt obligations and may, at such times the Investment Manager deems it advisable to best meet the investment objective, hedge the non-Euro component of its portfolio into Euro in accordance with the investment restrictions described hereafter. The base currency of the Fund is Euro. The name of this Fund reflects the base currency of the Fund being in Euro, and does not imply that any particular proportion of the Fund's net invested assets will be made in Euro. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Euro Liquid Reserve Fund

The investment objective of the Fund is to provide Shareholders with the opportunity to invest in a portfolio of high quality securities primarily Euro denominated, or hedged back into Euro to avoid any currency exposure. The Fund will consist principally of transferable securities issued or guaranteed by the governments of any nation worldwide and eligible securities of corporate issuers of any nation. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The average term to maturity of all assets of the Fund will at no time exceed twelve months; no individual investments will have a term to maturity of more than three years. The base currency of the Fund is Euro.

Templeton EuroMarket Bond Fund

The investment objective of the Fund, in accordance with prudent investment management, is to maximise total investment return, through a combination of interest income and capital appreciation. The Fund will seek to achieve its objective by investing primarily in a portfolio of Euro-denominated fixed, floating rate and asset backed transferable debt securities, and in Euro-denominated debt obligations of government, supranational, government-related and corporate issuers worldwide.

To best facilitate the investment objective, the Fund may purchase, on an ancillary basis, Euro-denominated securities issued by non-European Monetary Union member states or other issuing entities. In this respect the Fund will hold no more than 15% of its net assets in securities issued by (i) non-European Monetary Union member states and/or (ii) such issuers with Standard & Poor's and Moody's ratings of BB+ or below and Ba1 or below respectively. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's net invested assets into equity securities. The base currency of the Fund is Euro.

Templeton EuroMarket Growth Fund

The Fund's investment objective is long-term capital growth, which it seeks to achieve primarily through a policy of investing in equity and debt obligations of any issuer in a member country of the European Monetary Union including corporations and governments, whether denominated in Euro or relevant national currency, and in stock or debt obligations denominated in Euro of any other issuer. The Fund will invest primarily in equity securities. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of transferable securities, such as preferred stock and securities convertible into common stock of any such issuers as described above. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is Euro.

Templeton European Fund

The Fund's investment objective is long-term capital growth, which it seeks to achieve through a policy of investing in equity and debt obligations issued by European corporations and governments. The Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock, securities convertible into common stock, and fixed income securities, including debt obligations issued by European governments. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Templeton Global Balanced Fund

The investment objective of the Fund is to seek capital appreciation and current income, consistent with prudent investment management, by investing in equity and corporate debt securities and, to a lesser extent, government securities issued by entities throughout the world. The Investment Manager anticipates that the majority of the Fund's portfolio will normally be invested in equity or equity-linked securities, including debt or preferred stock convertible or exchangeable into equity securities, selected primarily on the basis of their capital growth potential. The Fund will seek income by investing in fixed or floating rate securities and debt obligations of government, government-related and corporate issuers in countries around the world. The Fund may purchase U.S. Dollar and non-U.S. Dollar denominated equities, fixed income securities and debt obligations. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities, as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Templeton Global Bond Fund

The Fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains. The Fund will seek to achieve its objectives by investing primarily in a portfolio of fixed or floating rate debt securities and debt obligations of government, government-related or corporate issuers worldwide. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products linked to assets or currencies of any nation. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. The Fund may purchase U.S. Dollar and non-U.S. Dollar denominated fixed income securities and debt obligations and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The base currency of the Fund is U.S. Dollar.

Templeton Global Bond (Euro) Fund

The investment objective of the Fund is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains. The Fund will seek to achieve its objective by investing primarily in a portfolio of fixed or floating debt rate securities and debt obligations of government, government-related or corporate issuers worldwide. The Fund may also, in accordance with the investment restrictions, invest in securities or structured products linked to assets or currencies of any nation. The Fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank. Secondarily, the Fund may purchase dividend-paying common stocks. The Fund may purchase Euro and non-Euro denominated securities and debt obligations and may, at such times the Investment Manager deems it advisable to best meet the investment objective, hedge the non-Euro component of its portfolio into Euro, in accordance with the investment restrictions described hereafter. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency and at no time will the Investment Managers invest more than 10% of the Fund's net invested assets into equity security. The base currency of the Fund is Euro. The name of this Fund reflects the base currency of the Fund being in Euro, and does not imply that any particular proportion of the Fund's net invested assets will be made in Euro.

Templeton Global Growth Fund

The Fund's investment objective is longterm capital growth, which it seeks to achieve through a policy of investing in equity and debt obligations of companies and governments of any nation. The Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock, securities convertible into common stock, and fixed income securities which are U.S. Dollar and non-U.S. Dollar denominated. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Templeton Global Growth (Euro) Fund

The Fund's investment objective is longterm capital growth, which it seeks to achieve through a policy of investing in equity and debt obligations of companies and governments of any nation. The Fund will invest primarily in common stocks. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock, securities

convertible into common stock, and fixed income securities which are Euro and nonEuro denominated. The base currency of the Fund is Euro. The name of the Fund reflects the base currency of the Fund being in Euro, and does not imply that any particular proportion of the Fund's net invested assets will be made in Euro.

Templeton Global Smaller Companies Fund

The Fund's investment objective is longterm capital growth, which it seeks to achieve through a policy of investing in equity and debt obligations of smaller companies (companies with a market capitalisation of under USD 2 billion or equivalent at the time of purchase) throughout the world. The Fund will invest primarily in common stocks of such companies. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in companies with larger market capitalisations, as well as in other types of securities, such as preferred stock, securities convertible into common stock and fixed income securities, which are U.S. Dollar and non-U.S. Dollar denominated. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Templeton Growth (Euro) Fund

The Fund's investment objective is long-term capital appreciation. The Fund invests primarily in the equity securities of companies located anywhere in the world, including emerging markets.

Equity securities generally entitle the holder to participate in a company's general operating results. These include common stocks and preferred stocks. The Fund will also invest in American, European, and Global Depository Receipts. These are certificates issued typically by a bank or a trust company that give their holders the right to receive securities issued by a foreign or domestic company.

Depending upon current market conditions, the Fund generally invests up to 25% of its net assets in debt securities of companies and governments located anywhere in the world. Debt securities represent an obligation of the issuer to repay a loan of money to it and generally provide for the payment of interest. These include bonds, notes and debentures.

In choosing equity investments, the Investment Manager will focus on the market price of a company's securities relative to its evaluation of the company's long-term earnings, asset value and cash flow potential.

The base currency of the Fund is Euro. The name of the Fund reflects the base currency of the Fund being in Euro and does not imply that any particular proportion of the Fund's net invested assets will be made in Euro. Investments in Emerging Market countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Japan Fund

The investment objective of the Fund is long-term capital appreciation, which it seeks to achieve through a policy of investing primarily in equity securities of issuers incorporated or having their principal business activities in Japan. The Fund may also invest in equity securities of issuers having assets, earnings or profits in Japan. The Fund will invest in both equities and other securities, including securities issued by the Japanese government and, to a lesser extent, warrants of issuers on the Japanese stock market. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The base currency of the Fund is U.S. Dollar.

Templeton Korea Fund

The investment objective of the Fund is long-term capital growth, which it seeks to achieve through a policy of investing primarily in equity securities issued by Korean incorporated companies or companies having their principal business activities in Korea. The Fund may also invest in equity securities of issuers having assets, earnings or profits in Korea. The Fund will invest in equities and other securities, including securities issued by the Korean government and, to a lesser extent, warrants of issuers on the Korean stock market. The base currency of the Fund is U.S. Dollar. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Latin America Fund

The Fund's investment objective is long-term capital appreciation, which it seeks to achieve, under normal market conditions, through a policy of investing primarily in equity securities and as an ancillary matter in debt securities of issuers incorporated or having their principal business activities in the Latin American region. The Latin American region includes, but is not limited to, the following countries: Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, French Guyana, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Surinam, Trinidad/Tobago, Uruguay and Venezuela. The balance of the Fund's assets may be invested in equity securities and debt obligations of companies and government entities of countries other than those named above. However, since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, the Fund may seek investment opportunities in other types of securities, such as preferred stock, securities convertible into common stock and fixed income securities which are denominated in currencies other than Latin American currencies such as U.S. Dollar or Euro. The base currency of the Fund is U.S. Dollar. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton Thailand Fund

The investment objective of the Fund is long-term capital appreciation, which it seeks to achieve through a policy of investing primarily in equity securities of issuers incorporated in Thailand or issuers having their principal business activities in Thailand. The Fund may also invest in equity securities of issuers having their assets, earnings or profits in Thailand. The Fund will invest in equities and other securities, including securities issued by the Thailand government and, to a lesser extent, warrants of issuers on the Thailand stock market. The base currency of the Fund is U.S. Dollar. Investments in Emerging Markets countries are subject to a higher degree of risk, as described more fully in the Section "Hedging Practice and other Risk Considerations" in the Prospectus.

Templeton U.S. Dollar Liquid Reserve Fund

The investment objective of the Fund is to provide shareholders with the opportunity to invest in a portfolio of high quality securities primarily U.S. Dollar denominated, or hedged back into U.S. Dollar to avoid any currency exposure. The Fund will consist principally of transferable securities issued or guaranteed by the governments of any nation worldwide and eligible securities of corporate issuers of any nation. Notwithstanding the foregoing, at no time will the Investment Manager invest more than 10% of the Fund's total net assets into non-investment grade debt securities as defined by an accredited rating agency. The average term to maturity of all assets of the Fund will at no time exceed twelve months; no individual investments will have a term to maturity of more than three years. The base currency of the Fund is U.S. Dollar.

Note: Investors in Funds investing in Emerging Markets should be aware of the specific risks of such funds. Investors are in particular informed that securities issued by corporations and public-law entities in Emerging Markets are subject to higher volatility than securities in industrialised countries. In addition the liquidity of such securities may be substantially smaller than with comparable securities in industrialised countries. Please find further information in the section "Hedging Practice and other Risk Considerations".

Hedging Practice and Other Risk Considerations

All Funds investing in the securities of issuers (by corporations, governments, and public-law entities) in different nations and denominated in different currencies involve certain risks. These risks are typically heightened in developing countries and emerging markets . Such risks, which can have adverse affects on portfolio holdings, may include (1) investment and repatriation restrictions, (2) currency fluctuations, (3) the potential for unusual market volatility as compared to more industrialised nations, (4) government involvement in the private sector, (5) limited investor information and less stringent investor disclosure requirements, (6) shallow and substantially smaller liquid securities markets than in more industrialised countries, which means a Fund may at times be unable to sell certain securities at desirable prices, (7) certain local tax law considerations, (8) limited regulation of the securities markets, (9) international and regional political and economic developments, (10) possible imposition of exchange controls or other local governmental laws or restrictions, (11) the increased risk of adverse effects from deflation and inflation, and (12) the possibility of limited legal recourse for the Fund.

Since the Company values the portfolio holdings of each of its Funds in either U.S. Dollar, Japanese Yen or Euro, changes in currency exchange rates adverse to those currencies may affect the value of such holdings and each respective Fund's yield thereon.

All **equity and equity related securities** may fluctuate in value due to economic, political, market, and issuer specific developments. Such developments may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these developments. Such fluctuations are often exacerbated in the short-term as well. The risk that one or more companies in a Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

The stock prices of **smaller and mid-sized companies** can perform differently than larger, more recognized, companies and have the potential to be more volatile. A lower degree of liquidity in their securities, a greater sensitivity to changes in economic conditions and interest rates, and uncertainty over future growth prospects may all contribute to such increased price volatility. Additionally, smaller companies may be unable to generate new funds for growth and development, may lack depth in management, and may be developing products in new and uncertain markets all of which are risks to consider when investing in such companies.

Funds investing in "**growth stocks**" can be more volatile and may react differently to economic, political, market, and issuer specific developments than the overall market. Historically, the prices of growth stocks have been more volatile than other securities, especially, over short-term periods of time. Growth stocks may also be more expensive, relative to their earnings, than the market in general. As such, growth stocks can experience greater volatility in reaction to changes in earnings growth.

Credit risk, a fundamental risk relating to all fixed income securities, is the chance that an issuer will fail to make principal and interest payments when due. Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields. Generally, government securities are considered to be the safest in terms of credit risk, while corporate debt, especially those with poorer credit ratings, have the highest credit risk. Changes in the financial condition of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer, all of which are factors that may have an adverse impact on a firm's credit quality and security values.

Some Funds may invest in initial public offerings (IPO's). IPO risk, is the risk that the market values of IPO shares may experience high volatility from factors such as the absence of a prior public market, unseasoned trading, the limited number of shares available for trading, and limited information about the issuer. Additionally, a Fund may hold IPO shares for a very short period of time, which may increase a Fund's expenses. Some investments in IPO's may have an immediate and significant impact on a Fund's performance.

The Franklin High Yield Fund, the Franklin High Yield (Euro) Fund, the Franklin Mutual Beacon Fund, the Franklin Income Fund, the Templeton Global Bond Fund, the Templeton Global Bond (Euro)

Fund, the Templeton Emerging Markets Bond Fund, the Templeton Emerging Markets Bond (Euro) Fund and the Templeton EuroMarket Bond Fund may invest in higher-yielding securities rated lower than investment grade. Accordingly, an investment in these Funds is accompanied by a higher degree of credit risk. Below investment grade securities such as, for example, high yield debt securities, may be considered a high risk strategy and can include securities that are unrated and/or in default. Lower-quality, higher-yielding, securities may also experience greater price volatility when compared to higher-quality, lower-yielding, securities. Additionally, default rates tend to rise for companies with poorer rated securities during economic recessions or in times of higher interest rates.

The Franklin Mutual Beacon Fund and the Franklin Mutual European Fund may also invest in the securities of companies involved in mergers, consolidations, liquidations and reorganisations or as to which there exist tender or exchange offers, and may participate in such transactions; they may also purchase indebtedness and participations therein, both secured and unsecured, of debtor companies in reorganisation or financial restructuring. Such investments also involve greater credit risks.

Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such "pre-payment risk" may force the Fund to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the Fund's interest income.

Investment in the biotechnology and technology sectors may present a greater risk and a higher volatility than investment in a broader range of securities covering different economic sectors. In addition, these sectors may be subject to greater government regulation than other sectors and, as a result, changes to such government regulation may have a material adverse effect on these sectors. Such investments may therefore drop sharply in value in response to market, regulatory or research setbacks in addition to possible adverse effects from the competition of new market entrants, patent considerations and product obsolescence. Particularly within technology, short product cycles and diminishing profit margins are additional factors to consider when investing.

Other Funds may invest in equity securities of issuers in, as well as in public and private debt and other fixed income securities of issuers in Russia, the countries of Eastern Europe as well as the New Independent States and the countries being under the influence of the Soviet Union in the past. These securities involve significant risks and special considerations which are not typically associated with investing in securities of issuers in the EU Member States and the United States of America. They are additional to the normal risks inherent in any such investments and include political, economic, legal, currency, inflation and taxation risks. There is also risk of loss due to lack of adequate systems for transferring, pricing, accounting for and safekeeping or recordkeeping of securities.

In particular, the Russian market presents a variety of risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities do not exist; as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. The result is a broad geographic distribution of several hundred registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "Commission") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are actually still in the process of being established. When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is vested in the records of the registrar but is not evidenced by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. However, the extract is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obligated to notify the Custodian or its local agents in Russia, if or when it amends the register of Shareholders. Russian securities are not on physical deposit with the Custodian or its local agents in Russia.

Therefore, neither the Custodian nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Custodian or its local agents in Russia. The Custodian's liability only extends to its own negligence and wilful default and to that caused by negligence or wilful misconduct of its local agents in Russia, and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the Company will have to pursue its rights directly against the issuer and/or its appointed registrar.

Certain Funds may invest in securities of issuers in countries whose markets do not qualify as regulated markets and therefore these Funds may not invest more than 10% of their net assets in such securities.

Investments in and holding of warrants may result in increased volatility of the net asset value of certain Funds, which may make use of warrants, and accordingly is accompanied by a higher degree of risk.

For the purpose of efficient portfolio management, the Company may, within the context of each Fund's overall investment policy, and within the limits set forth in the investment restrictions, engage in certain transactions involving the use of derivative instruments, including (i) put and call options on securities, debt obligations, indices and currencies (including over-the-counter ("OTC") options); (ii) stock index and interest rate futures contracts and options thereon; (iii) structured products, where the security is linked to or derives its value from another security; and (iv) delayed delivery or when-and-if issued securities such as may be created as a result of a debt restructuring. The Company may engage, within the limits established by the investment restrictions, in various portfolio strategies involving the use of the hedging instruments in order to hedge against market and currency risks. For the purpose of hedging risks connected with the evolution of stock markets, for example, the Company may sell stock index futures, write call options on stock indices and purchase put options on stock indices. For the purpose of hedging interest rates, the Company may sell interest rate futures contracts, write call options and purchase put options on interest rates, and enter into interest rate swaps.

In order to hedge against currency fluctuations in any Fund(s), the Company may enter into forward currency contracts and purchase and write call and put options (including OTC options) on currencies, including through the use of cross-currency transactions and transactions involving the purchase or sale of one or more currencies against assets denominated in another currency that fluctuate in a substantially similar manner to such currencies. Guidelines followed in determining that one currency moves in a substantially similar manner to another currency include the following: (i) the correlation of one currency to another currency is proven over a significant period of time to be over 85%; (ii) the two currencies are, by explicit government policy, scheduled to participate in European Monetary Union on a set future date (which would include using the Euro itself as a proxy for hedging bond positions denominated in other currencies scheduled to become part of the Euro on a set future date); and (iii) the currency used as the hedging vehicle against the other currency is part of a currency basket against which the central bank for that other currency explicitly manages its currency within a band or corridor that is either stable or sloping at a predetermined rate. There can be no assurance that the objective sought to be obtained from the use of such instruments will be achieved.

The use of derivative instruments and hedging transactions may or may not achieve its intended objective and involves special risks.

Included among the issuers of debt securities or obligations in which the Company may invest are entities organised and operated solely for the purpose of restructuring the investment characteristics of various securities or obligations. These entities may be organised by investment banking firms, which receive fees in connection with establishing each entity and arranging for the placement of its securities.

The Company may enter into interest rate, index and currency exchange rate swap agreements for purposes of attempting to obtain a particular desired return at a lower cost to the Company than if the Company had invested directly in an instrument that yielded that desired return. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few days to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or

instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount", i.e., the return on or increase in value of a particular U.S. Dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. The "notional amount" of the swap agreement is only a fictive basis on which to calculate the obligations which the parties to a swap agreement have agreed to exchange. The Company's obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). The Company's obligations under a swap agreement will be accrued daily (offset against any amounts owing to the Company) and any accrued but unpaid net amounts owed to a swap counterparty will be covered by the maintenance of a segregated account consisting of cash, United States of America government securities, or high grade debt obligations, to avoid any potential leveraging of the Company's portfolio. The Company will not enter into a swap agreement with any single party if the net amount owed or to be received under existing contracts with that party would exceed 5% of the Company's assets.

Whether the Company's use of swap agreements will be successful in furthering its investment objective will depend on the ability of the Investment Managers to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Because they are two party contracts and because they may have terms of greater than seven days, swap agreements may be considered to be illiquid. Moreover, the Company bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The Investment Managers will cause the Company to enter into swap agreements only with counterparties that would be eligible for consideration as repurchase agreement counterparties under the Company's repurchase agreement guidelines.

The Company may lend each Fund's portfolio securities to specialised banks, credit institutions and other financial institutions of high standing, or through recognised clearing institutions such as Clearstream or Euroclear. The lending of securities will be made for periods not exceeding thirty (30) days. Loans will be secured continuously by collateral consisting of cash, and/or securities issued or guaranteed by member states of the Organisation for Economic Cooperation and Development ("OECD") or by their local authorities which at the conclusion of the lending agreement, must be at least equal to the value of the global valuation of the securities of each Fund lent. The collateral must be blocked in favour of the Company until the termination of the lending contract. Lending transactions may not be carried out on more than 50% of the aggregate market value of the securities of each Fund's portfolio; provided, however, that this limit is not applicable where the Company has the right to terminate the lending contract at any time and obtain restitution of the securities lent. Any transaction expenses in connection with such loans may be charged to the concerned Fund.

The Company may, on behalf of each Fund, from time to time enter, on an ancillary basis, into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement. The Company can act either as purchaser or seller in repurchase agreement transactions or in a series of continuing repurchase agreement transactions. The Company may not buy or sell securities using a repurchase agreement transaction unless the counterpart in such transaction is a financial institution of high standing specialising in this type of transaction. During the life of a repurchase agreement under which the Company has bought securities, the Company cannot sell the securities which are the object of the transaction before the right to repurchase these securities has been exercised by the counterpart or before the repurchase term has expired. The Company must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its obligations to redeem its Shares.

Shareholders should understand that all investments involve risk and there can be no guarantee against loss resulting from an investment in any Fund(s), nor can there be any assurance that the Fund(s) investment objective(s) will be attained. Neither the Investment Managers, nor any of their worldwide affiliated entities, guarantee the performance or any future return of the Company or any of its Funds.

Dividend Policy

In respect of all Funds which issue distribution Shares, it is the intention of the Board of Directors to distribute substantially all of the income attributable to the distribution Shares. Subject to any legal or regulatory requirements, the Board of Directors reserves the right to introduce new classes of Shares which may retain and re-invest their net income.

Annual dividends may be declared separately in respect of each Fund at the Annual General Meeting of Shareholders.

Interim share dividends may be paid upon a decision of the Board of Directors in relation to any of the Funds.

It is, moreover, anticipated that distributions will be made under normal circumstances as set out below:

Monthly (following the end of each calendar month) in the case of Shares relating to the following Funds:

– Franklin High Yield Fund
– Franklin Income Fund
– Franklin U.S. Government Fund
– Templeton Global Bond Fund
– Templeton U.S. Dollar Liquid Reserve Fund

Quarterly (following the end of each calendar quarter) in the case of Shares relating to the following Funds:

– Templeton Emerging Markets Bond Fund
– Templeton Global Balanced Fund

Annually (in December of each year, further to the resolution of the Shareholders at the Annual General Meeting) in the case of Shares relating to the following Funds:

– Franklin High Yield (Euro) Fund
– Franklin Templeton Japan Fund
– Franklin Templeton Japan (Euro) Fund
– Templeton Asian Growth Fund
– Templeton Emerging Markets Fund
– Templeton Emerging Markets Bond (Euro) Fund
– Templeton Euro Liquid Reserve Fund
– Templeton EuroMarket Bond Fund
– Templeton European Fund
– Templeton Global Bond (Euro) Fund
– Templeton Global Growth Fund
– Templeton Global Growth (Euro) Fund
– Templeton Global Smaller Companies Fund
– Templeton Growth (Euro) Fund
– Templeton Latin America Fund

Dividends of registered distribution Shares will normally be reinvested in the subscription of further distribution Shares of the Fund and Class to which such dividends relate, unless otherwise stated in the Application Form. Such further distribution Shares, which will be in registered form without Share certificate, will be issued on the date on which the relevant dividend is paid at a price which will be calculated in the same way as for other issues of Shares of that Fund on the Valuation Day on which the price of the distribution Shares of that Fund goes ex-dividend. No initial sales charge will be payable. Applicants not wishing to use this reinvestment facility should complete the appropriate section of the Application Form. In the event that cash dividends are payable, they will be paid to holders of registered distribution Shares who have elected to receive dividends in cash either as requested by the Shareholder by transfer of funds or by cheque mailed to their address shown on the register of Shareholders (any charges in either case being at the expense of the Shareholder).

In the event that upon specific request of a Shareholder, as aforesaid, dividends are to be paid in cash in the base currency of the particular Fund(s) or (if applicable) in its alternative currency or, at the Shareholder's expense, in any other freely convertible currency, they will be paid to holders of registered distribution Shares by transfer or cheque mailed, at their own risk, to their address shown on the register of Shareholders. Dividend cheques not cashed within five (5) years will be forfeited and will accrue for the benefit of the relevant Fund.

Dividends on bearer Shares will be paid at the offices of the Principal Paying Agent in Luxembourg or at the offices of any local Paying Agent designated in the dividend announcement. Dividends will be announced (together with the name(s) and address(es) of the Principal Paying Agent and/or local Paying Agent(s)) in the following newspapers: *Expansion, Dagens Naeringsliv, De Financieele Economische Tijd, Handelsblatt, Hong Kong Economic Times, Il Sole 24 Ore, La Tribune, L'Echo, Luxemburger Wort, South China Morning Post* and *The Financial Times* as well as in any other newspapers or on any Internet site which the Board of Directors may from time to time determine.

If a dividend has been declared but not paid on a bearer Share, and no coupon has been tendered for such dividend within a period of five years, the Company will, as it is entitled to do under the laws of the Grand Duchy of Luxembourg, declare the dividend forfeited and such unpaid dividend will accrue for the benefit of the relevant Fund.

In respect of each dividend declared, the Board of Directors may determine if, and to what extent, such dividend is to be paid out of realised and unrealised capital gains regardless of capital losses, increased or decreased, as the case may be, by the portion of net investment income and capital gains attributable to Shares issued and to Shares repurchased.

It should be remembered that dividend distributions are not guaranteed, that the Company's Funds do not pay interest and that the price of Shares in the Company's Funds and any income earned on the Shares may go down as well as up. It should also be remembered that any dividend distribution lowers the value of the Shares in the Company's Funds by the amount of the distribution. Future earnings and investment performance can be affected by many factors, including changes in exchange rates, not necessarily within the control of the Company, its directors, officers or any other person. No guarantees as to future performance of, or future return from, the Company can be given by the Company itself, or by any director or officer of the Company, by Franklin Templeton Investments, or any of its worldwide affiliates, or by any of their directors, officers or employees.

The Company's Funds use an accounting practice known as equalisation, by which a portion of the proceeds from sales and costs of redemption of Shares, equivalent on a per Share basis to the amount of undistributed net investment income on the date of the transaction, is credited or charged to undistributed income. As a result, undistributed net investment income per Share is unaffected by sales or redemptions of Shares. However, in respect of any Fund offering only accumulation Shares, the Board of Directors reserves the right not to apply equalisation.

Management and Administration

The Board of Directors is responsible for the Company's management and control, including the determination of investment policy, and has appointed the Franklin Templeton Investment Managers mentioned below under the heading "Investment Managers".

Investment Managers

Franklin Templeton Investment Management Limited, Templeton Asset Management Limited., Franklin Advisers, Inc., Templeton Global Advisors Limited, Franklin Mutual Advisers, LLC, and Franklin Templeton Investments Japan Limited act as investment managers to the Funds of the Company as may other affiliated investment advisory companies within Franklin Templeton Investments and provide daytoday management in respect of the investment and reinvestment of the assets of the Funds.

The Investment Managers and their affiliates serve as advisers for a wide variety of public investment mutual funds and private clients in many nations. Franklin Templeton Investments has been investing globally over the past 54 years and provides investment management and advisory services to a worldwide client base, including approximately 9 million mutual fund shareholders, foundations and endowments, employee benefit plans and individuals. The Franklin Templeton Investment Managers are indirect wholly owned subsidiaries of Franklin Resources, Inc. ("Franklin"). Through its subsidiaries, Franklin is engaged in various aspects of the financial services industry. As of July 31, 2001, the Franklin Templeton Investments managed over USD 266.6 billions in assets worldwide.

Custodian

J.P. Morgan Bank Luxembourg S.A. has been appointed Custodian of the Company's assets, including the securities and cash of the Company, which will be held either directly or through correspondents, nominees, agents or delegates of the Custodian. The Custodian was appointed by an agreement dated August 31, 1994, as amended, which may be terminated on 90 days' notice.

J.P. Morgan Bank Luxembourg S.A. performs the custodial functions in accordance with the law relating to collective investment undertakings.

J.P. Morgan Bank Luxembourg S.A. was incorporated as a *société anonyme* for a duration of 30 years from May 16, 1973 unless extended by a decision of its shareholders, and has its registered office at 5, rue Plaetis, L-2338 Luxembourg, Grand Duchy of Luxembourg. On December 31, 2000, its capital and reserves amounted to USD 86,716,549.12.

The Custodian shall further ensure that the subscriptions and redemptions of Shares in the Company effected by the Company are carried out in accordance with the provisions of the law relating to collective investment undertakings and the Articles; ensure that in transactions involving the Company's assets any consideration is remitted to the Custodian within the usual time limits, and ensure that the Company's income is applied in accordance with the provisions of the law relating to collective investment undertakings and the Articles.

Registrar and Transfer, Corporate, Domiciliary and Administrative Agent

As the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent, Franklin Templeton International Services S.A. is responsible for processing the issue, redemption and exchange of Shares, the maintenance of accounting records and all other administrative functions as required by the laws of the Grand Duchy of Luxembourg.

Form of Shares

Shares of each Fund are available in registered form only. In the absence of a request for Shares to be issued in any particular form, investors will be deemed to have requested that their Shares be issued in registered form without certificates.

Physical bearer Shares already in issue may be exchanged into registered Shares or be held under the global holdings of Clearstream or Euroclear. Registered Shares may not be exchanged for physical bearer Shares, but may be exchanged to be held under the global holdings of Clearstream or Euroclear.

The Board has resolved that the Company may not issue warrants, options or other rights to subscribe for Shares in the Company to its Shareholders or other persons.

Classes of Shares – Sales Charge Structure

The Shares relating to certain Funds of the Company are in two classes, Class A and Class B as more fully described on pages 3 and 4.

The difference in Class A Shares and Class B Shares relates to the sales charge structure applicable to each of them as more fully described hereafter.

The issue proceeds of Class A Shares and Class B Shares are invested in one common underlying portfolio of investments but the net asset value of each class will be different as a result of the different issue price of, and the specific distribution charge imposed on Class B Shares, as more fully described hereafter.

Class A and Class B Shares may either be distribution Shares or accumulation Shares.

The Board of Directors intends to distribute substantially all the income attributable to distribution Shares, whereas no distribution of dividends shall be made for accumulation Shares but the net income attributable will be reflected in the increased value of the Shares.

Class BX (dis) Shares, Class BX (acc) Shares, Class I (dis) Shares and Class IX (acc) Shares may also be offered in certain Funds as described below.

In addition, the Company may offer within a Sub-Fund classes with the same characteristics as described above (A, B, BX, I or IX) denominated in another currency than the Fund base currency (an "alternative currency"). In relation to such Sub-Fund, the net asset value of the Class concerned will be calculated and published in the alternative currency and subscription proceeds for such classes are to be paid by investors, and redemption proceeds are paid to redeeming shareholders in such alternative currency. **The Company does not currently intend to hedge the currency risks to which these classes are exposed.**

Class A Shares

Class A Shares may either be distribution Shares (Class A (dis) Shares) or accumulation Shares (Class A (acc) Shares). No distribution of dividends will be made in respect of Class A (acc) Shares but the net income attributable will be reflected in the increased value of the Shares. All other terms and conditions applicable to Class A(acc) Shares are the same as those which apply for Class A (dis) Shares.

– Initial Sales Charge

Class A Shares will be offered at the applicable net asset value, plus an initial sales charge of up to 6.5% of the total amount invested. This maximum charge, assuming no other charges or expenses are applicable, amounts to approximately 6.95% of the aggregate Share price of the Shares being acquired and out of this charge the Principal Distributor may make payments to sub-distributors, intermediaries, dealers and/or professional investors, who may include affiliates of Franklin Templeton Investments. The initial sales charge may be waived in whole or in part by the Principal Distributor either for individual investors or for particular groups of investors. The balance of the amount invested after the deduction of any applicable initial sales charge will then be applied to the purchase of Shares in the relevant Fund.

If in any country in which the Shares are offered, local law or practice requires or permits a lower sales charge or a different minimum than that stated above for any individual purchase order, the Principal Distributor may sell Class A Shares, and may authorise sub-distributor(s), intermediary(ies), dealer(s) and/or professional investor(s) to sell Class A Shares, within such country at a total price less than the applicable price set forth above, but in accordance with the amounts permitted by the law or practice of such country.

– Deferred Sales Charge

In addition, in order to recover commissions paid to sub-distributors, intermediaries, dealers and/or professional investors on qualified investments of USD 1 million or more in respect of Class A Shares, a contingent deferred sales charge of 1% applies to certain of those redemptions within the first year after investing. The charge is 1% of the lesser of the value of the Shares redeemed (exclusive of reinvested dividends distributions) or the total cost of such Shares, and is retained by the Principal Distributor.

– Maintenance Charge

In addition, a maintenance charge of up to a certain percentage per annum of the applicable average net asset value is deducted and paid to the Principal Distributor, in order to compensate the Principal Distributor for any expenses incurred by it in connection with Shareholders liaison and administration of the Shares. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

The following maintenance charge apply in respect of the different Funds:

– Franklin Aggressive Growth Fund	up to	0.50%
– Franklin Biotechnology Discovery Fund	up to	0.50%
– Franklin California Growth Fund	up to	0.50%
– Franklin European Growth Fund	up to	0.50%
– Franklin European Small – Mid Cap Growth Fund	up to	0.50%
– Franklin Global Growth Fund	up to	0.50%
– Franklin High Yield Fund	up to	0.40%
– Franklin High Yield (Euro) Fund	up to	0.40%
– Franklin Income Fund	up to	0.50%
– Franklin Technology Fund	up to	0.50%
– Franklin U.S. Equity Fund	up to	0.50%
– Franklin U.S. Government Fund	up to	0.30%
– Franklin U.S. Smaller Companies Fund	up to	0.50%
– Franklin Mutual Beacon Fund	up to	0.50%
– Franklin Mutual European Fund	up to	0.50%
– Franklin Templeton Japan Fund	up to	0.50%
– Franklin Templeton Japan (Euro) Fund	up to	0.50%
– Templeton Asian Development Equity Fund	up to	0.50%
– Templeton Asian Growth Fund	up to	0.50%
– Templeton China Fund	up to	0.50%
– Templeton Developed Markets Equity Fund	up to	0.50%
– Templeton Eastern Europe Fund	up to	0.50%
– Templeton Emerging Markets Fund	up to	0.50%
– Templeton Emerging Markets Bond Fund	up to	0.50%
– Templeton Emerging Markets Bond (Euro) Fund	up to	0.50%
– Templeton Euro Liquid Reserve Fund	up to	0.10%
– Templeton EuroMarket Bond Fund	up to	0.30%
– Templeton EuroMarket Growth Fund	up to	0.50%
– Templeton European Fund	up to	0.50%
– Templeton Global Balanced Fund	up to	0.50%
– Templeton Global Bond Fund	up to	0.30%
– Templeton Global Bond (Euro) Fund	up to	0.30%
– Templeton Global Growth Fund	up to	0.50%
– Templeton Global Growth (Euro) Fund	up to	0.50%
– Templeton Global Smaller Companies Fund	up to	0.50%
– Templeton Growth (Euro) Fund	up to	0.50%
– Templeton Japan Fund	up to	0.50%
– Templeton Korea Fund	up to	0.50%
– Templeton Latin America Fund	up to	0.50%
– Templeton Thailand Fund	up to	0.50%
– Templeton U.S. Dollar Liquid Reserve Fund	up to	0.10%

The maintenance charge paid to the Principal Distributor may be used to defray certain charges for individual investors or for particular groups of investors.

Class B Shares

Class B Shares may either be distribution Shares (Class B (dis) Shares) or accumulation Shares (Class B (acc) Shares). No distribution of dividends will be made in respect of Class B (acc) Shares, but the net income attributable will be reflected in the increased value of the Shares. All other terms and conditions applicable to Class B (acc) Shares are the same as those which apply for Class B (dis) Shares.

The price at which Class B Shares will be offered is the net asset value per Share next determined after the purchase order is received, as defined herein. Purchases of Class B Shares are not subject to an

initial sales charge. However, Class B Shares are subject to a Contingent Deferred Sales Charge (CDSC) if an investor redeems Shares within four years of purchase. The CDSC for these Class B Shares is based on the net asset value of the shares being redeemed or their net asset value when purchased, whichever is less. The net asset value of the shares being redeemed will be used as a basis for the calculation of the CDSC in respect of Shares sold through specific authorised Canadian distributors and shall be specified in documentation to be provided by these distributors to investors prior to subscription. There is no CDSC on Shares acquired through reinvestment of dividends. To keep the CDSC as low as possible, each time a request to sell Shares is placed, any Shares in the Shareholder's account not subject to a CDSC will be sold first. If there are not enough of these to meet the request, additional Shares will be sold in the order they were purchased. The amount of the CDSC is calculated by multiplying the following percentages by the net asset value of the Shares being redeemed or their net asset value when purchased whichever is less. The following table sets for the rate of CDSC applicable to redemptions of Class B Shares:

Years since purchase	*CDSC*
Less than one year	4%
One year and above but less than two years	3%
Two years and above but less than three years	2%
Three years and above but less than four years	1%
Four years and above	0%

In determining the applicability and rate of any Contingent Deferred Sales Charge, it will be assumed in a redemption of Class B Shares that, first, a redemption will be made of those Shares representing reinvestment of dividends and then of the remaining Shares held by the Shareholder for the longest period of time, employing the current value of the Shares being sold or their net asset value when purchased, whichever is less. The holding period for the purposes of applying a Contingent Deferred Sales Charge on Class B Shares of a particular Fund acquired through an exchange of Class B Shares from another Fund having Class B Shares will be measured from the date that such Class B Shares were initially acquired in the other Fund. These determinations will result in any Contingent Deferred Sales Charge being imposed at the lowest possible rate.

Class B Shares of a Fund can only be exchanged (see "Exchange of Shares" below) into Class B Shares of a Fund which continues to issue Class B Shares. Shareholders should be aware that this restriction may limit their possibility to acquire Shares of another Fund through exchange because Class B Shares are not available in all Funds and the further issue of Class B Shares of any Fund may be suspended at any time by the Board of Directors.

Class B Shares in the Templeton U.S. Dollar Liquid Reserve Fund will be issued only in exchange for Class B Shares in another Fund. Any such exchange from Class B Shares of any particular Fund to the Templeton U.S. Dollar Liquid Reserve Fund may only be made into Class B Shares of that Fund. In the event of such exchange, the Contingent Deferred Sales Charge applicable on the Class B Shares exchanged at the date of the transaction shall be taken to apply to the acquisition of the B Shares in the Templeton U.S. Dollar Liquid Reserve Fund and will continue accordingly.

Amounts assessed as a CDSC are paid to the Principal Distributor, or such other party as the Company may from time to time appoint to defray distribution costs incurred by the Principal Distributor or such other party. The Contingent Deferred Sales Charge may be waived in whole or in part by the Principal Distributor and/or such other party at its discretion either for individual investors or for particular groups of investors.

Investors should note that a redemption of Shares may take place at a price that is more or less than the Shareholder's original acquisition cost, depending upon the net asset value of the Shares at the time of redemption compared to the shareholder's acquisition cost and, with respect to Class B Shares, upon the imposition of any applicable CDSC.

– Maintenance Charge

In addition, in the case of Class B Shares, a maintenance charge of up to 0.75% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor, in order to compensate the Principal Distributor for any expenses incurred by it in connection with Shareholders liaison and administration of the Shares and the proper handling of the CDSC. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor.

The maintenance charge paid to the Principal Distributor may be used to defray certain charges for individual investors or for particular groups of investors.

– Servicing Charge

In addition, in the case of Class B Shares, a servicing charge of 1.00% per annum of the applicable average net asset value is deducted and paid to the Principal Distributor and/or other party (as described above), in order to compensate the Principal Distributor and/or other party for any financing costs and expenses incurred by it in connection with sales of Class B Shares. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor and/or other party.

– Shares issued upon reinvestment of dividends

Shares issued pursuant to the automatic reinvestment of dividends are not subject to any initial sales charge or any CDSC.

Class BX Shares

Class BX Shares may either be distribution Shares (Class BX (dis) Shares) or accumulation Shares (Class BX (acc) Shares). No distribution of dividends will be made in respect of Class BX (acc) Shares, but the net income attributable will be reflected in the increased value of the Shares. All other terms and conditions applicable to Class BX (acc) Shares are the same as those which apply for Class BX (dis) Shares.

Class BX Shares may be offered in certain limited circumstances; in respect of existing instructions for automatic reinvestment of dividends relating to Class BX Shares in issue (having the same characteristics as the Class BX Shares in issue to which such reinvested dividends relate), or for distribution in certain countries and/or through certain sub-distributors, dealers and/or professional investors at the discretion of the Principal Distributor, in which case any local supplement to this Prospectus or marketing material, including that used by the relevant intermediaries, will refer to the possibility and terms to subscribe for Class BX Shares. In addition to any other terms, Class BX Shares are subject to a distribution charge of up to 1.25% per annum of the applicable average net asset value, deducted and paid to the Principal Distributor for providing distribution and Shareholder liaison services to the Company. This charge is accrued daily and is deducted and paid monthly to the Principal Distributor. Class BX Shares issued on or after July 1, 1999 are not subject to a CDSC.

Class I (distribution) Shares

Class I (dis) Shares are only offered to institutional investors as defined from time to time by the guidelines or recommendations of the competent Luxembourg supervisory authority, in certain limited circumstances, for distribution in certain countries and/or through certain sub-distributors and/or professional investors at the discretion of the Principal Distributor, in which case any local supplement to this Prospectus or marketing material, including that used by the relevant intermediaries, will refer to the possibility and terms to subscribe for Class I Shares.

The price at which Class I (dis) Shares will be offered is the net asset value per Share next determined after the purchase order is received, as defined herein. Purchases of Class I (dis) Shares are not subject to a CDSC or any maintenance, distribution or servicing charge. Class I Shares have a minimum initial investment of US$ 5,000,000.– (except for the Class I (dis) Shares of the Franklin U.S. Government Fund which has a minimum initial investment of US$ 1,000,000.–) which may be waived in whole or part at the discretion of the Principal Distributor ("Minimum Account Balance").

Class IX (accumulation) Shares

Class IX (acc) Shares are only offered to institutional investors as defined from time to time by the guidelines or recommendations of the competent Luxembourg supervisory authority, in certain limited circumstances, for distribution in certain countries and/or through certain sub-distributors and/or professional investors at the discretion of the Principal Distributor, in which case any local supplement to this Prospectus or marketing material, including that used by the relevant intermediaries, will refer to the possibility and terms to subscribe for Class IX (acc) Shares.

The price at which Class IX (acc) Shares will be offered is the net asset value per Share next determined after the purchase order is received, as defined herein. Purchase of Class IX (acc) Shares are not subject to a CDSC nor any distribution or servicing charge. There is a maintenance charge of up to 0.50% per annum of the applicable net asset which is deducted and paid to the Principal Distributor. In order to compensate the Principal Distributor for any expense incurred by it in connection with Shareholders liaison and administration of the Shares. This maintenance charge paid to the Principal Distributor may be used to defray certain charge for institutional investors or for particular group of institutional investors. Class IX (acc) Shares have a minimum initial investment of US$ 5,000,000.– which may be waived in whole or part at the discretion of the Principal Distributor ("Minimum Account Balance").

Alternative currency Class of Shares

A Euro alternative currency Class of Shares will be offered in respect of the following Funds and Share classes:

– Franklin Technology Fund	BX (acc) EUR	from 31.12.01
– Franklin U.S. Equity Fund	A (acc) EUR and BX (acc) EUR	from 03.12.01
– Franklin Mutual Beacon Fund	A (acc) EUR and BX (acc) EUR	from 31.12.01
– Franklin Mutual European Fund	A (acc) EUR and BX (acc) EUR	from 31.12.01
– Templeton European Fund	A (acc) EUR and BX (acc) EUR	from 03.12.01
- Templeton Global Balanced Fund	BX (acc) EUR	from 31.12.01

A U.S. Dollar alternative currency Class of Shares will be offered in respect of the following Fund and Share class:

– Franklin European Small – Mid Cap Growth Fund	B (acc) USD	from 31.12.01

The terms and conditions applicable to the Classes of Shares available in alternative currency are the same as those which apply for the same Classes of Shares offered in the base currency.

Issue of Shares

Shares are made available through the Principal Distributor pursuant to a Distribution Agreement dated November 6, 1990, duly assigned on October 30, 1992, for distribution of Shares and the Principal Distributor will, from time to time, enter into contractual agreements with several other sub-distributors, intermediaries, dealers and/or professional investors for the distribution of those Shares.

Shares of each Fund may be issued by the Company on any Valuation Day. Shares of each Fund shall be issued or sold at the net asset value per Share of the relevant Fund (see Appendix C), calculated on the Valuation Day on which the application is received, plus any applicable initial sales charge as described above, provided such application is received in Luxembourg on that Valuation Day. The applicable net asset value will be available on the following Valuation Day.

Procedure for Application

The Articles provide that Shares may not be issued or sold at less than the relevant net asset value per Share (as to the computation of which, see Appendix C). Applications received by the Company in Luxembourg or by a distributor duly authorised in written on a Valuation Day will be dealt with at the relevant net asset value per Share determined on that Valuation Day.

Applications for Shares may be made at the discretion of the Board of Directors, and should be made either (i) on the standard Application Form or (ii) by written application giving the information stated below. Any subsequent purchase of Shares may also be made by telephone, facsimile or electronic request confirmed in writing unless otherwise advised by the Transfer Agent from time to time. Applications should be sent or made to the office of the Transfer Agent or the relevant appointed Share Distributor; however, processing of applications received by a relevant Share Distributor will only commence once they have been forwarded to the Transfer Agent or to a distributor duly authorised in written. Subscription monies may be required to be received by the Transfer Agent or the relevant Share Distributor in cleared funds prior to processing of the applications.

Applicants settling in a currency other than the base currency or (if applicable) the alternative currency of the Fund concerned are advised that a delay in processing the application until the next Valuation Day may occur to allow for currency conversion.

Applications not made on the Application Form enclosed with this Prospectus should:

(a) state the name of the Fund(s) and the class and number of Shares applied for in the Fund(s) or the amount to be invested (which should include provision for any applicable initial sales charge);

(b) state how payment has been or will be made;

(c) acknowledge receipt of this Prospectus and confirm that the application is made on the basis of and subject to the information contained in this Prospectus and the Articles and agree to abide by the terms and conditions thereof;

(d) state the name (and reference, if any) of the Applicant and the address to which the confirmation statement is to be dispatched;

(e) confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any U.S. person or on behalf of any person in any other jurisdiction that would be restricted or prohibited from acquiring Shares and that the Applicant will not sell, transfer or otherwise dispose of any such Shares, directly or indirectly, to or for the account of any U.S. person or in the United States of America or to or for the account of any person in such other jurisdiction, unless pursuant to an exemption from registration requirements available under U.S. law, any applicable statute, rule or interpretation;

(f) to the extent that the Applicant has chosen to have dividends in respect of Shares in any Fund(s) reinvested in further Shares, instruct the Company to receive payment of any dividends paid in respect of such Shares on the Applicant's behalf and to apply such dividends in subscription for further Shares in the Fund(s) in respect of which the dividends are paid at the net asset value on the Valuation Day on which the price of the Shares of that Fund goes ex-dividend. If, however, no indication is given to the contrary, all dividends in respect of a Fund will automatically be reinvested in additional Shares of the relevant Fund; and

(g) state whether the application is for Shares with or without Share certificates.

In addition, investors should provide the documentation required for anti-money laundering purposes and as more fully described in the section "Anti-Money Laundering Legislation".

As soon as the price at which the Shares are to be issued has been determined, the Company will inform the Applicant, if practicable, of the total amount receivable, including any applicable initial sales charge, in respect of the number of Shares applied for, or, in the case where a subscriber has indicated the amount to be invested, the number of Shares to be allotted. Payment of the total amount due should be made in the base currency of denomination of the relevant Fund or (if applicable) of the relevant Class of Shares. However, payment can be made in any freely convertible currency (except in the event of applications for Class A (dis) Shares, Class A (acc) Shares, Class BX (dis) Shares, Class BX (acc) Shares, Class I (dis) Shares and Class IX (acc) Shares if available held through Clearstream and Euroclear, in which case payment must be made in the currency of denomination of the relevant Fund or (if

applicable) of the relevant Class of Shares and the necessary foreign exchange transactions will be arranged on behalf of, and at the expense of, the Applicant.

The Board of Directors is also authorised to accept applications for Shares in whole or in part in specie, having due regard to the applicable requirements prescribed by the laws of the Grand Duchy of Luxembourg.

Payment should be made to the bank account set forth by the Principal Distributor as appropriate to the currency of settlement. Cheques and bank drafts should be remitted to the Distribution Controller, a relevant Share Distributor or a designated Paying Agent, whichever is applicable.

The allotment of Shares is conditional upon receipt of subscription monies, including any applicable initial sales charge, which must be paid within five (5) bank business days of the Valuation Day. Any confirmation statement or Share certificate and any monies returnable to the Applicant will be retained by the Company pending clearance of the remittance. If timely settlement is not made, an application may lapse and be cancelled. In such circumstances, the Company has the right to bring an action against the defaulting Applicant to obtain compensation for any loss directly or indirectly resulting from the failure by the Applicant to make good settlement by the settlement date. The Board of Directors may decide from time to time, with respect to specific applications for subscription, that subscription monies in cleared funds must be received on the Valuation Day.

The Articles allow the Company to exclude or restrict the holding of Shares by any person or company. Pursuant thereto, the beneficial ownership of Shares in the Company by U.S. persons is excluded except in a transaction that does not violate U.S. law. The sale of Shares to or on behalf of any person in any other jurisdiction is excluded except in a transaction that complies with the laws of that jurisdiction. The Company is entitled to require any person applying for, or claiming ownership rights in, any Shares to provide satisfactory information to establish that person's nationality and country of residence.

Subject to receipt of the subscription monies in full and the registration particulars, confirmation statements together with registered Share certificates, if requested, will, within fourteen (14) bank business days of completion of the subscription process, be dispatched in accordance with the Applicant's instructions to the Applicant or its nominated agent, at the risk of the Applicant.

If any application is not accepted in whole or in part, the subscription monies will be returned to the Applicant through the post or by wire transfer at the risk of the Applicant. The Company reserves the right to present all cheques and drafts for payment on receipt and to withhold, in respect of registered Shares, registration and share certificates, pending clearance of the Applicant's cheque(s) or wire transfer order.

The right is reserved by the Board of Directors to reject any application. In addition, the Board of Directors reserves the right at any time, without notice, to discontinue the issue or sale of Shares pursuant to this Prospectus.

The notice required by the laws of the Grand Duchy of Luxembourg in respect of the issue and sale of Shares by the Company has been deposited with the *Greffe du Tribunal d'Arrondissement de et à Luxembourg*.

No Shares of any class of any Fund will be issued by the Company during any period when calculation of the net asset value per Share is suspended by the Company pursuant to the power reserved to it by its Articles and described in Appendix C. Notice of any such suspension will be given to Applicants for Shares, and applications made or pending during such suspension may be withdrawn by notice in writing received by the Company prior to the lifting of such suspension. Unless withdrawn, applications will be considered on the first Valuation Day following the end of the suspension, as if received on that Valuation Day.

Investors should promptly check the confirmation statement that is mailed after each transaction in order to ensure that it has been accurately recorded in their account.

Redemption of Shares

Shares of any class in any Fund can be redeemed on any Valuation Day. The Board of Directors may require that redemption requests be given by such notice prior to the Valuation Day on which the redemptions will be effective as it will reasonably determine. A Shareholder wishing to have all or any of his Shares redeemed should ask to do so by written request or by facsimile, telephone or electronic request confirmed in writing unless otherwise advised by the Transfer Agent from time to time. Redemption requests should indicate the number and class of Shares to be redeemed, the name of the relevant Fund, amount in the currency of the relevant Fund or (if applicable) of the relevant Class of Shares or percentage holding of Shares to be redeemed. Documentation procedures are set forth below. Any request to redeem Shares may not be executed until any previous transaction involving the Shares to be redeemed has been completed and full settlement on those Shares received. Such request to redeem will be dealt with at the net asset value per shares determined on the Valuation Day during which the previous transaction is completed and fully settled.

All Shares tendered for redemption shall be redeemed, in the case of redemption requests received by the Transfer Agent in Luxembourg, on any date that is a Valuation Day, at the relevant net asset value per Share determined on that Valuation Day, subject to any applicable contingent deferred sales charge, as described on page 39. The net asset value per Share will be calculated on the basis of the statements set out in "Calculation of the Net Asset Value" in Appendix C.

If a redemption request would result in a Shareholder's investment in any one Fund being less than USD 2,500 (or equivalent), the Company may redeem the full shareholding in that Fund and pay the proceeds to the Shareholder.

Payment for Shares redeemed will be made not later than five (5) bank business days after the redemption request has been received in good order. For registered Shares, the redemption proceeds will be remitted either as requested by the Shareholder, by transfer of funds or by cheque made out in the name of the Shareholder and mailed to his address of record as shown in the Shareholders' register (any charges in either case being at the expense of the Shareholder). For bearer Shares, the cheque will be mailed to the Shareholder, or at the request and expense of the Shareholder, by transfer of funds, to the account indicated by the Shareholder. Cheques will normally be drawn in the currency of the relevant Fund. However, cheques can be drawn in any freely convertible currency and the necessary foreign exchange transactions will be arranged. All such transactions will be made on behalf of, and at the expense of, the Shareholder. All payments are made at the Shareholder's risk with no responsibility on the part of the Principal Distributor, the Distribution Controller, the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent, the Share Distributors and/or the Investment Managers or the Company.

Payment of redemption proceeds for any redemption request made in respect of Shares recently purchased by cheque or banker's draft may be delayed for up to fifteen (15) bank business days or more to allow the cheque or banker's draft to clear. A certified or banker's cheque may clear in less time.

If, in exceptional circumstances more fully described herein in Appendix C, the liquidity of the relevant Fund is insufficient to enable redemption proceeds to be paid within five (5) bank business days after the redemption request has been received in good order, payment will be made as soon as reasonably practicable thereafter, but without interest. Payments by transfer, if requested by the Shareholder, will normally be made at the expense of the Shareholder.

The Company reserves the right not to be bound to redeem or exchange on any one Valuation Day more than 10% of the value of the Shares of any Fund. In these circumstances, the Board of Directors may declare that part or all of such Shares for redemption will be deferred for a period not exceeding ten (10) bank business days and will be valued at the relevant net asset value per Share determined on the Valuation Day(s) on which the Shares are redeemed. On such Valuation Day(s) these requests for redemption will be complied with in priority to later requests.

The Board of Directors is also authorised to extend the period for payment of redemption proceeds to such period, not exceeding thirty (30) bank business days (shorter periods may however apply in some jurisdictions), as may be required by settlement and other constraints prevailing in the financial

markets of countries in which a substantial part of the assets attributable to any Fund shall be invested, and this exclusively with respect to those Funds of the Company of which the investment objectives and policies provide for investments in equity securities of issuers in developing countries (namely, the Templeton Asian Development Equity Fund, the Templeton Asian Growth Fund, the Templeton China Fund, the Templeton Eastern Europe Fund, the Templeton Emerging Markets Fund, the Templeton Korea Fund, the Templeton Latin America Fund and the Templeton Thailand Fund).

With the consent of the Shareholder(s) concerned, and having due regard to the principle of equal treatment of Shareholders, the Board of Directors may satisfy redemption requests in whole or in part in specie by allocating to the redeeming Shareholder(s) portfolio securities of any Fund equal in value to the net asset value attributable to the Shares to be redeemed.

Under normal circumstances, prior to a redemption request, and before any payment will be made, the Transfer Agent must have received the registered Share certificate(s), if any, to be redeemed and the duly completed transfer information on the reverse side of the certificate(s).

The price at which Shares in any Fund are redeemed may be more or less than the cost to the Shareholder depending on the net asset value per Share of the Fund at the time of redemption.

A Shareholder may not withdraw his request for redemption except in the event of a suspension of the valuation of assets of the Company (see Appendix C) and, in such event, a withdrawal of a redemption request will be effective only if written notification is received by the Transfer Agent before termination of the period of suspension. If the request is not so withdrawn, the redemption will be made on the Valuation Day next following the end of the suspension.

If the total value of the Shares of any Fund is at any time below USD 20 million or the equivalent thereof in the currency of the relevant Fund, the Board of Directors may decide to redeem all the Shares outstanding of such Fund. Notice of such redemption will be sent to the registered Shareholders by registered mail and will, if bearer Shares are outstanding, be published in certain newspapers worldwide. The price at which Shares will be redeemed will be the net asset value per Share of such Fund determined upon realisation of all assets attributable to such Fund.

Holders of bearer Share certificates are advised to make appropriate security arrangements with the Principal Paying Agent for the delivery of certificates and all unmatured coupons to the Company in Luxembourg.

It is recommended to Shareholders to promptly check the confirmation statement that is mailed after each transaction in order to ensure that it has been accurately recorded in their account.

Exchange of Shares

Shareholders may exchange Shares of one Class with Shares of the same or another Class of another Fund or with Shares of another Class of the same Fund, if available. Class B Shares can only be exchanged with Class B Shares of another Fund. Only institutional investors as defined in the section "Classes of Shares – Sales Charge Structure" above can exchange their Shares into or with Class I (dis) Shares or Class IX (acc) Shares. The exchange of Class BX Shares with Class A Shares will be subject to the initial sales charge applicable to subscription in Class A Shares, except for institutional investors.

Shareholders wishing to exchange Shares will be entitled to do so on any day which is a Valuation Day by tendering the Share certificates (if issued) to the Transfer Agent, accompanied by an irrevocable written request or by facsimile, telephone or electronic request confirmed in writing unless otherwise specified by the Transfer Agent from time to time, to exchange to Shares of the other Fund. Such request should specify the number of Shares to be exchanged, the name in which they are to be registered, the amount in the currency of the relevant Fund or (if applicable) Class of Shares or percentage holding of Shares to be redeemed. Requests for exchange of Shares on any Valuation Day from a Fund denominated in one currency into a Fund denominated in another currency will require one additional business day in order to effectuate the currency transactions for such exchange.

The number of Shares issued upon exchange will be based upon the respective net asset value of the Shares of the two relevant Funds on the Valuation Day on which the exchange request is effected and will be calculated as follows:

$$A=\frac{[B\times(C-D)]\times E}{F}$$

where

A = the number of Shares in the new Fund to which the Shareholder shall become entitled;

B = the number of Shares in the original Fund which the Shareholder has requested to be exchanged;

C = net asset value per Share of the original Fund;

D = calculated amount of exchange charge (if any) payable per Share;

E = the relevant currency exchange rate (defined as the currency exchange factor determined by the Board of Directors for the relevant valuation date, as representing the effective rate of exchange between the two relevant currencies) after adjusting such rate to reflect the effective costs of making the transfer, when the original Fund and the new Fund are not designated in the same currency and, in any other case, 1;

F = net asset value per Share of the new Fund.

In exceptional circumstances, the Board of Directors may, at its discretion, authorise an exchange charge which calculated amount shall not exceed 1% of the value of the Shares being requested for exchange. It is at present intended that the exchange charge will be paid to the Principal Distributor (who may, in turn, pay a portion thereof to the sub-distributors, intermediaries, dealers and/or professional investors receiving the order for exchange) after deducting the total transaction expense payable to the Transfer Agent. Such charge shall be automatically deducted when the number of Shares is calculated and paid by the Company as described above.

Additionally, the Company does not knowingly allow investments by market timers. In general, market timers include any person or group that uses market timing or asset allocation services, accounts administered so as to buy, sell or exchange shares based on predetermined market indicators, or any person or group whose transactions seem to follow a timing pattern or whose transactions include frequent or large exchanges. The Company will combine Shares under common ownership or control for purposes of ascertaining whether a person or group constitutes a market timer. To that end, the Board of Directors reserves the right to refuse to issue Shares to investors whom it considers market timers.

Exchanges may not, however, be effected if the result thereof would be that the Shareholder would be registered as holding less than USD 2,500 (or the equivalent in the currency of denomination of the Fund) in value of Shares of the original Fund(s) and also of the Fund(s) into which his Shares are to be exchanged.

Any request to exchange Shares may not be executed until any previous transaction involving the Shares to be exchanged has been completed and full settlement on those Shares received.

In addition to the exchange charge described above, in certain circumstances an exchange from any one Fund will necessitate a fee equivalent to the difference between the two levels of charges unless the Shareholder can document that as a result of prior exchanges, he had already paid the commission rate differential. It is currently anticipated that any exchange rate differential will be paid to the Principal Distributor, who may, in turn, pay a portion of each differential to a sub-distributor, intermediary, dealer and/or professional investor. However, the exchange rate differential may be waived at the discretion of the Company.

A new registered Share certificate, if requested, will not be delivered or posted to the Shareholder until the old Share certificate has been received in good form by the Transfer Agent. In addition, new registered Share certificates will not be issued unless specifically requested by the Shareholder. In the

event that a new Share certificate is requested, such new Share certificate will not be issued until such time as the exchange has been transacted.

Shareholders may, under certain circumstances, exchange Shares of the Company into Shares or units of certain other investment Funds offered by Franklin Templeton Investments. Information on the investment Funds into which Shares may be exchanged, and details of the procedure, terms and conditions for exchange may be obtained from the Transfer Agent upon request.

It is recommended to Shareholders to promptly check the confirmation statement that is mailed after each transaction in order to ensure that it has been accurately recorded in their account.

Publication of Share Prices

The net asset value per Share of each Fund and Class of Shares is made public at the registered office of the Company and is available at the offices of the Principal Distributor and the Transfer Agent. The Company will arrange for the publication of the net asset value per Share of relevant Funds in the following newspapers: *Handelsblatt, International Herald Tribune, The Financial Times* and *The Wall Street Journal* as well as in other leading financial newspapers worldwide. This information is also available on the Internet site: *http://www.franklintempleton.lu*. The Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices.

Temporary Suspension of Issues, Redemptions and Exchanges

The determination of the prices of Shares of each Fund may be suspended during a period when trading on a relevant stock exchange is substantially restricted or when other specified circumstances exist which make it impracticable to dispose of or value any of the Company's investments (see Appendix C). No Share may be issued, redeemed or exchanged during a period of suspension. A notice of any suspension shall be published, if appropriate, in such newspapers as the Board of Directors may from time to time determine.

Management and Company Charges

Templeton Global Advisors Limited, a Bahamian corporation, acts as Principal Distributor of the Shares, pursuant to an assignment of a Distribution Agreement dated as of November 6, 1990, between the Company and Templeton, Galbraith & Hansberger Ltd., a Cayman Islands corporation, concluded for an unlimited duration, which may be terminated by either the Company or the Principal Distributor upon three months' notice. The Principal Distributor may enter into contractual arrangements with various sub-distributors, intermediaries, dealers and/or professional investors for the distribution of Shares outside the United States of America.

The Principal Distributor is entitled to receive any applicable initial sales charge (of up to 6.5% of the total amount invested in the case of Class A (dis) and Class A (acc) Shares). The initial charge shall in no case exceed the maximum permitted by the laws, regulations and practice of any country where the Shares are sold.

The Investment Managers receive from the Company a monthly fee equivalent to a certain percentage per annum (more fully described below) of each Fund's average daily net assets during the year. The following apply in respect of the different Funds for Class A (dis), Class A (acc), Class B (dis), Class B (acc), Class BX (dis) Shares, and Class BX (acc) Shares:

– Franklin Aggressive Growth Fund	1.00%
– Franklin Biotechnology Discovery Fund	1.00%
– Franklin California Growth Fund	1.00%
– Franklin European Growth Fund	1.00%
– Franklin European Small - Mid Cap Growth Fund	1.00%
– Franklin Global Growth Fund	1.00%

– Franklin High Yield Fund	0.80%
– Franklin High Yield (Euro) Fund	0.80%
– Franklin Income Fund	0.85%
– Franklin Technology Fund	1.00%
– Franklin U.S. Equity Fund	1.00%
– Franklin U.S. Government Fund	0.65%
– Franklin U.S. Smaller Companies Fund	1.00%
– Franklin Mutual Beacon Fund	1.00%
– Franklin Mutual European Fund	1.00%
– Franklin Templeton Japan Fund	1.00%
– Franklin Templeton Japan (Euro) Fund	1.00%
– Templeton Asian Development Equity Fund	1.35%
– Templeton Asian Growth Fund	1.35%
– Templeton China Fund	1.60%
– Templeton Developed Markets Equity Fund	1.00%
– Templeton Eastern Europe Fund	1.60%
– Templeton Emerging Markets Fund	1.60%
– Templeton Emerging Markets Bond Fund	1.00%
– Templeton Emerging Markets Bond (Euro) Fund	1.00%
– Templeton Euro Liquid Reserve Fund	0.40%
– Templeton EuroMarket Bond Fund	0.65%
– Templeton EuroMarket Growth Fund	1.00%
– Templeton European Fund	1.00%
– Templeton Global Balanced Fund	0.80%
– Templeton Global Bond Fund	0.75%
– Templeton Global Bond (Euro) Fund	0.75%
– Templeton Global Growth Fund	1.00%
– Templeton Global Growth (Euro) Fund	1.00%
– Templeton Global Smaller Companies Fund	1.00%
– Templeton Growth (Euro) Fund	1.00%
– Templeton Japan Fund	1.00%
– Templeton Korea Fund	1.60%
– Templeton Latin America Fund	1.40%
– Templeton Thailand Fund	1.60%
– Templeton U.S. Dollar Liquid Reserve Fund	0.40%

In respect of Class I (dis) Shares and Class IX (acc) Shares, the Investment Managers receive from the Company a monthly fee equivalent to a certain percentage per annum of each Fund's average daily net assets during the year, as more fully described in Appendix D.

The Company pays fees to the Custodian in accordance with normal practice in Luxembourg. The Custodian fee is expressed as a percentage of the net asset value of the Company and is payable monthly.

The Registrar and Transfer, Corporate, Domiciliary and Administrative Agent receives fees in accordance with normal practice in Luxembourg. Such fees may be based on the net asset value of each Fund or expressed as a fixed dollar amount per Shareholder account over a certain period.

The Investment Managers may, from time to time, pay a part of their investment management fee to various sub-distributor(s), intermediary(ies), dealer(s) and/or professional investor(s) as compensation for rendering Shareholder services to their respective clients.

The Company bears its other operational costs including, but not limited to, the costs of buying and selling underlying securities, governmental and regulatory charges, legal and auditing fees, insurance premiums, interest charges, reporting and publication expenses, postage, telephone and facsimile expenses. All expenses are estimated and accrued daily in the calculation of the net asset value of each Fund.

Taxation of the Company

The Company is not liable in the Grand Duchy of Luxembourg to any tax on its profits or income nor are dividends paid by the Company liable to any withholding tax.

The Company, however, is liable in the Grand Duchy of Luxembourg to a tax of 0.06% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter. However, in order to qualify under the current reduced tax rate of 0.01% (instead of the tax of 0.06% referred to above), the Templeton U.S. Dollar Liquid Reserve Fund and the Templeton Euro Liquid Reserve Fund will be invested in a manner that the weighted average remaining maturity of all securities and instruments comprised in the portfolios of the respective Funds does not exceed twelve months. For the purpose of calculating the residual maturity of each single security or instrument, the financial instruments attached thereto shall be taken into account. For the securities or instruments whose terms of issue provide for an adjustment of their interest rate by reference to market conditions, the residual maturity until the date on which the rate is adjusted shall be considered.

Class I (dis) Shares and Class IX (acc) Shares may also qualify for the reduced tax rate of 0.01% if all the shareholders of this class of Shares are institutional investors and subject to prior application with the relevant Luxembourg authorities as may be legally required.

No stamp duty or other tax is payable in the Grand Duchy of Luxembourg on the issue of the Shares in the Company.

Under current laws and practice, no capital gains tax is payable in the Grand Duchy of Luxembourg on the realised or unrealised capital appreciation of the assets of the Company.

Investment income received or capital gains realised by the Company may be subject to tax in the countries of origin at varying rates. The Company may benefit in certain circumstances from double taxation treaties, which the Grand Duchy of Luxembourg has concluded with other countries.

Taxation of Shareholders

Luxembourg

Shareholders are not subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in the Grand Duchy of Luxembourg (except for Shareholders domiciled, resident or having a permanent establishment in the Grand Duchy of Luxembourg and except for certain former residents of the Grand Duchy of Luxembourg if owning more than 25% of the Share capital of the Company).

Investors should consult their professional advisers as to the possible tax or other consequences of buying, holding, transferring or selling any of the Company's Shares under the laws of their countries of citizenship, residence and domicile.

Meetings and Reports

The annual general meeting of Shareholders is held at the registered office of the Company on the 30th day of November in each year or, if such day is not a business day in Luxembourg, on the business day immediately preceding the 30th day of November. Notices of all meetings will be published in the following newspapers: *Luxemburger Wort* and *Mémorial* and such other newspapers as the Board of Directors shall from time to time determine and will be sent to the holders of registered Shares by post at least eight (8) days prior to the meeting at their addresses in the register of Shareholders. Such notices may also be made available on Internet sites as the Board of Directors shall from time to time determine. They will include the agenda and specify the time and place of the meeting, the conditions of admission and will refer to the requirements of the laws of the Grand Duchy of Luxembourg with regard to the necessary quorum and majorities required for the meeting. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in articles 67 and 671 of the law of August 10, 1915 (as amended) relating to commercial companies and in the Articles.

Abridged audited annual reports and unaudited semi-annual reports are mailed to the Shareholders at their registered addresses. The complete audited annual reports and unaudited semi-annual reports are available at the registered office of the Company. The accounting year of the Company ends on June 30 of each year.

Documents Available for Inspection

Copies of the Articles may be obtained at the registered office of the Company. The material contracts referred to in Paragraph 5 of Appendix B on page 57 of this Prospectus are available for inspection at the same address during normal business hours.

Certificates and Registration

Applicants should state whether registered Shares applied for are to be issued in:

(i) registered form without Share certificates (to be issued unless requested otherwise) or

(ii) registered form with Share certificates.

Shares of each Fund are available in registered form. The Application Form should be completed with the full name and address of each of the persons in whose name the Shares are to be registered and, in the case of a joint application, who is to be the first named Shareholder. Unless otherwise requested, registered Share certificates will be dispatched to the address given on the Application Form or to that of the first named Applicant.

Share certificates will normally be posted at the risk of the subscriber within fourteen (14) bank business days of receiving a properly completed Application Form and payment.

Appendix A

Investment Restrictions

The Board of Directors shall, based upon the principle of spreading risks, have power to determine the corporate and investment policy for the investments relating to each Fund and the course of conduct of the management and business affairs of the Company, provided, however, that:

1.(a) the Company may not invest more than 10% of the net assets of any Fund in transferable securities other than those referred to hereafter:

(i) transferable securities admitted to official listing on a stock exchange in an EU Member State and/or;

(ii) transferable securities dealt in or on another regulated market in an EU Member State which operates regularly and is recognised and open to the public (hereafter referred to as a "regulated market");

(iii) transferable securities admitted to official listing on a recognised stock exchange in any other country in Europe, the American continents, Asia, India, the Pacific Basin, Australia and Africa;

(iv) transferable securities dealt in on another regulated market in the countries of the areas referred to under (iii) above, which operates regularly and is recognised and open to the public;

(v) recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market, in the countries of the areas referred to under (i), (ii) and (iii) above, which operates regularly and is recognised and open to the public, and such admission is secured within a year of issue;

(b) the Company may invest up to 10% of the net assets of any Fund in transferable securities other than those referred to in (a) above; and the Company may invest up to 10% of the net assets of any Fund in debt instruments which are equivalent to transferable securities because of their characteristics, and which are, *inter alia,* transferable, liquid, and having a value which can be accurately determined at any Valuation Day, including money market instruments regularly traded; provided that the total of the investments referred to under this paragraph above shall not exceed 10% of the net assets of any Fund;

(c) each Fund of the Company may hold ancillary liquid assets;

(d) the Company may not purchase securities of any one issuer if upon such purchase more than 10% of the net assets of any Fund would consist of the securities of such issuer provided that:

(i) the total value of the transferable securities held in issuers of the transferable securities in which such Fund invests more than 5% of its total net assets must not exceed 40% of its total net assets;

(ii) where any Fund has invested in securities issued or guaranteed by an EU Member State, its local authorities, or by public international bodies of which one or more EU Member States are members, or by any other state, the above limit of 10% shall be 35%;

(iii) the securities under (ii) above are not to be included in the calculation of the limit of 40% in (i) above;

(iv) **where any Fund has invested in accordance with the principle of risk spreading in transferable securities issued or guaranteed by any EU Member State, its local authorities, or public international bodies of which one or more of such EU Member States are members or by any other State of the OECD, the Company may invest 100% of the net assets of any Fund in such securities provided that such Fund must hold securities from at least six different issues and securities from one issue must not account for more than 30% of that Fund's assets.**

2. The Company may not invest more than 5% of the net assets of any Fund in securities of other collective investment undertakings of the openended type. Such investment may be made by the Company provided that:

   (a) the collective investment undertaking is recognised as an undertaking for collective investments in transferable securities;

   (b) in the case of a collective investment undertaking linked to the Company by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the Investment Managers, (i) the collective investment undertaking has specialised, in accordance with its rules, in investment in a specific geographical area or economic sector, and (ii) the Investment Managers waive any preliminary or initial charge in relation to the making of such investment and make an appropriate reduction in the management fee payable to them out of the assets of the Company for the period during which such units in that collective investment undertaking are retained by the Company in order to make allowance for any management fee received by the investment manager of the relevant collective investment undertaking, provided further, that common management or control, for the purposes of this provision, includes management or advice by a Connected Person (as defined in the Articles) of the Investment Managers;

   (c) no sales charge in relation to such investment, fees or costs on account of transactions relating to securities and other assets in that collective investment undertaking may be charged to the Company.

3. The Company may not purchase real estate, nor acquire any options, rights or interest in respect thereof, provided that the Company may invest for the account of any Fund in securities secured by real estate or interest therein or in securities of companies investing in real estate.

4. The Company may not make investments in precious metals or certificates representing them.

5. The Company may not enter into transactions involving commodities or commodity contracts, except that the Company may, in order to hedge risks, enter into financial futures within the limits laid down in clause 15 below.

6. The Company or any Fund may not invest in voting shares of companies allowing it to exercise a notable influence in the management of the issuer provided that this restriction shall not apply in the cases where, as a result of the proviso set out below, the restrictions hereafter are nonapplicable; further, the Company may acquire no more than 10% of the nonvoting shares of any single issuing body, 10% of the debt securities of any single issuing body, 10% of the units of any single collective investment undertaking, 10% of any class of securities of any issuer; provided that the limits laid down in the second and third clauses may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or the net amount of the securities in issue cannot be calculated, and provided further, that these limits shall not apply to (i) transferable securities issued or guaranteed by a Member State of the EU, its local authorities, or public international bodies of which one or more Member States of the EU are members or by any other State, nor to (ii) shares held by the Company in the capital of a company incorporated in a State which is not a Member State of the EU investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State, provided that, however, the Company, in its investment policy, complies with the limits laid down in Articles 42 and 44 and in paragraphs (1) and (2) of Article 45 of the law relating to collective investment undertakings.

7. The Company may not purchase any securities on margin (except that the Company may, within the limits set forth in clause 9 below, obtain such shortterm credit as may be necessary for the clearance of purchases or sales of securities) or make short sales of securities or maintain a short position; except that the Company may make initial and maintenance margin deposits in respect of futures and forward contracts (and options thereon).

8. The Company may not make loans to other persons or act as a guarantor on behalf of third parties or assume, endorse or otherwise become directly or contingently liable for, or in connection with, any obligation or indebtedness or any person in respect of borrowed monies, provided that for the purpose of this restriction:

   (a) the acquisition of bonds, debentures or other corporate or sovereign debt obligations (whether wholly or partly paid) and investment in securities issued or guaranteed by a member country of the OECD or by any supranational institution, organisation or authority, shortterm commercial paper, certificates of deposit and bankers' acceptances of prime issuers or other traded debt instruments shall not be deemed to be the making of a loan; and

   (b) the purchase of foreign currency by way of a backtoback loan shall not be deemed to be the making of a loan.

9. The Company may not borrow for the account of any Fund, other than amounts which do not in aggregate exceed 10% of the net assets of the Fund, taken at market value and then only as a temporary measure. The Company may, however, acquire foreign currency by means of a backtoback loan.

10. The Company may not mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness, any of the securities or other assets of any Fund, except as may be necessary in connection with the borrowings mentioned in clause 9 above, and provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed the pledge of the assets.

11. The Company may not a) acquire for the benefit of any Fund securities which are partly paid or not paid or involving liability (contingent or otherwise) unless according to the terms of issue such securities will or may at the option of the holder become free of such liabilities within one year of such acquisition and b) underwrite or subunderwrite securities of other issuers for any Fund.

12. The Company may not purchase or otherwise acquire any investment in which the liability of the holder is unlimited.

13. The Company may not purchase securities or debt instruments issued by the Investment Managers or any Connected Person or by the Custodian or Registrar and Transfer, Corporate, Domiciliary and Administrative Agent of the Company.

14. The Company may, in respect of each Fund, for the purpose of hedging currency risks, have commitments in outstanding forward currency contracts, currency futures, written call options and purchased put options on currencies and currency swaps.

    Commitments in one currency may not exceed the aggregate value of securities and other assets held by the Company denominated in such currency (or other currencies that fluctuate in a substantially similar manner to such currency); provided, however, that the Company may also enter into such commitments through cross transactions when entered into through the same counterparties should the costs thereof be more advantageous to the Company. Guidelines followed in determining that one currency moves in a substantially similar manner to another currency include the following: (i) the correlation of one currency to another currency is proven over a significant period of time to be over 85%; (ii) the two currencies are, by explicit government policy, scheduled to participate in European Monetary Union on a set future date (which would include using the Euro itself as a proxy for hedging bond positions denominated in other currencies scheduled to become part of the Euro on a set future date); and iii) the currency used as the hedging vehicle against the other currency is part of a currency basket against which the central bank for that other currency explicitly manages its currency within a band or corridor that is either stable or sloping at a predetermined rate.

15. The Company may, in respect of each Fund, for the purpose of efficiently managing its assets and for providing protection against exchange rate risks, employ techniques and instruments under the conditions and within the limits described below.

(a) Options on Securities:

The total premiums paid for the acquisition of call and put options, together with the premiums paid for the acquisition of call and put options on financial instruments, may not exceed 15% of any Fund's net assets.

The Company only writes call options on securities where the Company holds such securities or appropriate instruments capable of ensuring adequate coverage of the open option positions, provided however that the Company may, in respect of any Fund, write uncovered call options if the exercise price thereof does not exceed 25% of the net assets of the relevant Fund and the Company must be at any time in a position to ensure the coverage of such positions.

The Company may not write put options on securities unless the Company holds sufficient liquid assets to cover the aggregate exercise price of such put options.

(b) Dealing in Financial and Index Futures:

In order to hedge against the risk of fluctuations in the value of securities held by the Company, the Company may enter into financial and index futures sale contracts not exceeding the corresponding risk of such fluctuations and provided that there exists sufficient correlation between the composition of the index used and the corresponding portfolio of the relevant Fund.

For the purpose of efficient portfolio management, the Company may also enter into financial and index futures purchase contracts, provided that the Company has sufficient cash, short-term debt securities and instruments (other than liquid assets held by the Company against put options it has written under paragraph (a) above) and securities to be disposed of at predetermined prices to match the underlying exposure created by such contracts.

(c) Dealings in Index Options:

In order to hedge against the risk of fluctuations in the value of securities held by the Company, the Company may sell call options on indices or acquire put options on indices, provided that there exists a sufficient correlation between the composition of the index used and the corresponding portfolio of the relevant Fund. The value of the underlying securities included in the relevant index option does not exceed, when aggregated with outstanding commitments in financial futures contracts entered into for the same purpose, the aggregate value of the portion of the securities of the Company to be hedged.

For the purpose of efficient portfolio management, the Company may also purchase call options on indices, provided that the Company has sufficient cash, short-term debt securities and instruments and securities to be disposed of at predetermined prices to cover the value of the underlying securities included in the relevant index options.

The aggregate acquisition cost (in terms of premiums paid) of options on securities and index options purchased by the Company may not exceed 15% of any Fund's net assets.

(d) Interest Rate Transactions:

In order to hedge against interest rate fluctuations, the Company may sell interest rate futures contracts, write interest rate call options or purchase interest rate put options or enter into interest rate swaps with leading financial institutions experienced in such transactions. In principle, the aggregate of the commitments of any Fund relating to futures

contracts, options and swap transactions on interest rates may not exceed the aggregate estimated market value of the assets to be hedged and held by the Company for the relevant Fund in the currency corresponding to those contracts.

(e) Overall Limits:

The Company will only enter into the transactions referred to in this clause (other than forward currency contracts and currency and interest rate swap agreements as described above) if the relevant contracts or options are traded on a regulated market that operates regularly and is recognised and open to the public except that options may also be OTC options entered into with broker-dealers who make markets in these options and who are first class financial institutions that specialise in these types of transactions and are participants in the over-the-counter markets.

The aggregate commitments arising for any Fund from the writing of put and call options (including swap arrangements with first class financial institutions but excluding call options written in respect of which the Fund concerned has adequate coverage) and the aggregate of the commitments resulting from the purchase and sale of futures contracts and options on financial instruments for purposes other than hedging may not, at any time, exceed this Fund's net assets.

Notwithstanding the above, the aggregate commitments arising from the transactions described in paragraphs 14 and 15, and other derivative instruments may not, at any time, exceed 15% of a Fund's net assets.

16. The Company may lend each Fund's portfolio securities to specialised banks, credit institutions and other financial institutions of high standing, or through recognised clearing institutions such as Clearstream or Euroclear. The lending of securities will be made for periods not exceeding thirty (30) days. Loans will be secured continuously by collateral consisting of cash, and/or securities issued or guaranteed by member states of the OECD or by their local authorities which at the conclusion of the lending agreement, must be at least equal to the value of the global valuation of the securities of each Fund lent. The collateral must be blocked in favour of the Company until the termination of the lending contract. Lending transactions may not be carried out on more than 50% of the aggregate market value of the securities of each Fund's portfolio; provided, however, that this limit is not applicable where the Company has the right to terminate the lending contract at any time and obtain restitution of the securities lent. Any transaction expenses in connection with such loans may be charged to the concerned Fund.

17. If and for so long as the Company is authorised by the Securities and Futures Commission in Hong Kong then in so far as any Fund concerned which qualifies as a "money market fund" as defined in the Code on Unit Trusts and Mutual Funds, being a fund which has the sole objective of investing in short-term deposits and debt securities, the following shall apply:

(a) the Company may borrow up to 10% of its net asset value, but only on a temporary basis for the purpose of meeting redemption requests, or defraying operating expenses, subject always to the borrowing limit in paragraph 9 above;

(b) the assets of such Fund may only be invested in deposits with banks or financial institutions, or in debt or loan instruments, subject to the provisions set out below;

(c) the weighted average period to maturity of all deposits and instruments comprised in such Fund shall not exceed 90 days and, for this purpose, each deposit and instrument shall be weighted according to the proportion which its value bears to the aggregate value of all such deposits and instruments;

(d) such Fund shall not purchase any instruments with a remaining maturity of more than:

(i) in the case of government and other public securities – two years;

(ii) in any other case – one year;

(e) the aggregate value of such Fund's holding of instruments issued by a single issuer may not exceed 10% of the total net asset value of the Fund except:

(i) where the issuer is a substantial financial institution (being a financial institution having a paid-up capital of not less than HKD 150 million (or its equivalent in another currency) and the total amount does not exceed 10% of the issuer's paid-up capital and published reserves, the limit may be increased to 25%;

(ii) in the case of government and other public securities, up to 30% may be invested in the same issue;

(iii) in respect of any deposit of less than USD 1,000,000 (or its equivalent in the base currency of the Fund), where the Fund cannot otherwise diversify as a result of its size.

For the purpose of the limits referred to above:

> "government and other public securities" means any investment issued by, or the payment of principal and interest on, which is guaranteed by the Government of any member state of the Organisation For Economic Co-operation and Development (OECD) or any fixed interest investment issued in any OECD country by a public or local authority or nationalised industry of any OECD country or anywhere in the world by an other body which is, in the opinion of the custodian, of similar standing;

> government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise.

The Company need not comply with the limits laid down above when exercising subscription rights attaching to transferable securities, which form part of its assets.

If the limits referred to in the preceding paragraphs are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must take, as a priority objective, all steps as necessary within a reasonable period of time to remedy the situation, taking due account of the interests of its Shareholders.

Appendix B

General Information

1. The Company is an investment company with limited liability organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and is qualified as a *société d'investissement à capital variable*. The Company was incorporated in Luxembourg on November 6, 1990, for an undetermined period. The Articles were published in the *Mémorial* on January 2, 1991. Amendments to the Articles were published in the *Mémorial* on October 25, 1994, November 4, 1996 and May 22, 2000. The Company is registered with the *Registre de Commerce et des Sociétés de et à Luxembourg,* under number B. 35 177. Copies of the Articles as amended are available for inspection at the *Registre de Commerce et des Sociétés de et à Luxembourg* and the registered office of the Company.

2. The minimum capital of the Company is fifty million Luxembourg Francs (LUF 50,000,000) or the equivalent in USD.

3. The Company may be dissolved upon decision of an extraordinary general meeting of its Shareholders. If the capital of the Company falls below twothirds of the minimum capital, the Board of Directors must submit the question of the dissolution of the Company to a general meeting for which no quorum shall be prescribed and which shall be decided by a simple majority of the holders of Shares represented at the meeting. If the capital of the Company falls below onefourth of the minimum capital, the Board of Directors must submit the question of the dissolution of the Company to a general meeting for which no quorum shall be prescribed; dissolution may be resolved by Shareholders holding onefourth of the Shares at the meeting. If the Company should be liquidated, its liquidation will be carried out in accordance with the provisions of the laws of the Grand Duchy of Luxembourg which specifies the steps to be taken to enable Shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts which have not been promptly claimed by any Shareholders. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of the laws of the Grand Duchy of Luxembourg.

4. The Board of Directors may decide to liquidate a Fund if the net assets of such Fund fall below USD 20 million or if a change in the economic or political situation relating to the Fund concerned would justify such liquidation. The decision of the liquidation will be published by the Company prior to the effective date of the liquidation and the publication will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders of the Fund concerned may continue to request redemption or conversion of their Shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation period of the Fund will be deposited with the custodian for a period of six (6) months after the closed of liquidation. After such time, the assets will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

   Under the same circumstances as described in the preceding paragraph, the Board of Directors may decide to close down one Fund by contributions into another Fund. In addition, such merger may be decided by the Board of Directors if required by the interests of the Shareholders of the relevant Funds. Such decision will be published in the same manner as described in the preceding paragraph and, in addition, the publication will contain information in relation to the other Fund. Such publication will be made within one month before the date on which the merger becomes effective in order to enable Shareholders to request redemption or exchange of their Shares, free of charge, before the operation involving contributions into another Fund becomes effective.

   Under the same circumstances as provided above, the Board of Directors may also decide to close down one Fund by contributions into another undertaking for collective investment governed by

the laws of the Grand Duchy of Luxembourg. In addition, such merger may be decided by the Board of Directors if required by the interests of the Shareholders of the relevant Fund. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the other undertaking for collective investment. Such publication will be made within one (1) month before the date on which the merger becomes effective in order to enable Shareholders to request redemption or exchange of their Shares, free of charge, before the operation involving contributions into another undertaking for collective investment becomes effective.

The Board of Directors may also decide upon the reorganisation of any Fund by means of a division into two or more separate Funds, if required by the interests of the Shareholders of the Fund concerned or if a change in the economic or political situation relating to the Fund concerned would justify such reorganisation. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more separate Funds resulting from the reorganisation. Such publication will be made within one (1) month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or exchange of their Shares, free of charge, before the reorganisation becomes effective.

5. The following contracts, not being contracts entered into in the ordinary course of business, have been entered into and are, or may, be material:

   (a) An Investment Management Agreement dated March 1, 1997, as amended, made between the Company and Franklin Templeton Investment Management Limited. An Investment Management Agreement dated February 2, 1995, as amended, made between the Company and Templeton Asset Management Limited. An Investment Management Agreement dated February 15, 1996, as amended, made between the Company and Franklin Advisers, Inc. An Investment Management Agreement dated February 15, 1996, as amended, made between the Company and Templeton Global Advisors Limited. An Investment Management Agreement dated July 7, 1997, as amended, made between the Company and Franklin Mutual Advisers, LLC. An Investment Management Agreement dated August 7, 2000 as amended, made between the Company and Franklin Templeton Investments Japan Limited. These Agreements may be terminated by either the Company or the other relevant party by giving three (3) months written notice to the other.

   (b) An Agreement dated August 31, 1994, as amended, made between the Company and J.P. Morgan Bank Luxembourg S.A., pursuant to which the latter was appointed custodian of the assets of the Company. The Agreement contains a provision for the Company to indemnify J.P. Morgan Bank Luxembourg S.A. against all costs, liabilities and expenses resulting from it having acted as custodian and upon receipt of proper instructions. The Agreement may be terminated by either party by giving not less than ninety (90) days' written notice to the other.

   (c) An Agreement dated June 1, 1994, as amended, made between the Company and Franklin Templeton International Services S.A. pursuant to which the latter was appointed Registrar and Transfer, Corporate, Domiciliary and Administrative Agent. The Agreement contains a provision for the Company to indemnify Franklin Templeton International Services S.A. against all costs, liabilities and expenses resulting from it having acted upon the instructions of the Company. The Agreement may be terminated by either party by giving three (3) months' notice to the other.

   (d) An Assignment dated October 30, 1992, of a Distribution Agreement dated November 6, 1990, made between the Company and Templeton, Galbraith & Hansberger Ltd., a Cayman Islands corporation, under which the latter assigns its obligations under the Distribution Agreement to Templeton Global Advisors Limited, a Bahamian corporation.

   Any such contract may be amended by mutual consent of the parties thereto, any decision on behalf of the Company being made by its Board of Directors.

Appendix C

Determination of the Net Asset Value of Shares

Calculation of the Net Asset Value

The net asset value of each class of Shares of each Fund shall be expressed in the currency of the relevant Fund or of the relevant class as a per Share figure, and shall be determined in respect of any Valuation Day by dividing the net assets of the Company corresponding to each class of Shares of each Fund, being the value of the assets of the Company corresponding to such Fund less liabilities attributable to such Fund, by the number of Fund Shares then outstanding and shall be rounded up or down to two decimal places as the Board of Directors may decide. If, since the close of business on the relevant date, there has been a material change in the quotations on the markets on which a substantial portion of the investments of the Company attributable to a particular Fund are dealt or quoted, the Company may, in order to safeguard the interests of Shareholders and the Company, cancel the first valuation and carry out a second valuation.

Valuation

The assets of the Company shall be deemed to include:

(a) all cash on hand or on deposit, including any interest accrued thereon;

(b) all bills and demand notes and accounts receivable (including proceeds of securities sold but not delivered);

(c) all bonds, time notes, shares, stock, debenture stocks, subscription rights, warrants, options and other investments and securities owned or contracted for by the Company;

(d) all stock, stock dividends, cash dividends and cash distributions receivable by the Company (provided that the Company may make adjustments with regard to fluctuations in the market value of securities caused by trading exdividends, exrights, or by similar practices);

(e) all interest accrued on any interest bearing securities owned by the Company, except to the extent that the same is included or reflected in the principal amount of such security;

(f) the formation expenses of the Company in so far as the same have not been written off; and

(g) all other assets of every kind and nature, including prepaid expenses.

Total liabilities include:

(a) all loans, bills and accounts payable;

(b) all accrued or payable administrative expenses (including investment advisory fees, custodian fees, and corporate agents' fees);

(c) all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid dividends declared by the Company where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;

(d) an appropriate provision for future taxes based on capital and income to the Valuation Day, as determined from time to time by the Company, and other provisions , if any, authorised and approved by the Board of Directors covering among other liabilities liquidation expenses; and,

(e) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares in the Company. In determining the amount of such liabilities the Company shall take into account all expenses payable by the Company comprising formation expenses, fees payable to the Investment Managers, the Custodian, the Registrar and Transfer, Corporate, Domiciliary and Administrative Agent, the Principal Paying Agent and local Paying Agents and permanent representatives in places of registration, any other agent employed by the Company, fees for legal and auditing services, insurance premiums, printing, reporting and publishing expenses, including

the cost of preparing and printing of the prospectuses, explanatory memoranda or registration statements, taxes or governmental charges, all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and facsimile. The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

In determining the value of the assets of the Company, each security which is quoted or dealt in on a stock exchange will be valued at its latest available price on the stock exchange which is normally the principal market for such security, and each security dealt in on an organised market will be valued in a manner as near as possible to that for quoted securities.

The value of securities not quoted or dealt in on a stock exchange or an organised market and of securities which are so quoted or dealt in, but in respect of which no price quotation is available or the price quoted is not representative of the securities' fair market value shall be determined by the Investment Managers.

Suspension of Calculation of Net Asset Value

1. The Company may suspend the determination of the net asset value of the Shares of any particular Fund and the issue and redemption of the Shares and the exchange of Shares from and to such Fund during:

   (a) any period when any of the principal stock exchanges or markets of which any substantial portion of the investments of the Company attributable to such class of Shares from time to time are quoted is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;

   (b) the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Company attributable to such class of Shares would be impracticable;

   (c) any breakdown in the means of communication normally employed in determining the price or value of any of the investments of any particular class of Shares or the current price or values on any stock exchange or market; or

   (d) any period when the Company is unable to repatriate funds for the purpose of making payments due on redemption of such Shares or any period when the transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;

   (e) any period when the net asset value of Shares of any class of the Company may not be determined accurately.

2. Any such suspension shall be publicised by the Company and shall be notified to Shareholders requesting redemption or exchange of their Shares by the Company at the time of the filing of the irrevocable written request for such redemption or exchange.

Allocation of Assets and Liabilities

The Board of Directors shall establish a pool of assets for the Shares of each Fund in the following manner:

1. (a) the proceeds from the issue of Shares of each class of each Fund shall be applied in the books of the Company to the pool of assets established for that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool;

   (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same pool as the assets from which it was derived and in each revaluation of an asset, the increase or diminution in value shall be applied to the relevant pool;

   (c) where the Company incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability shall be allocated to the relevant pool;

   (d) in the case where any asset or liability of the Company cannot be considered as being attributable to a particular pool, such asset or liability shall be equally divided between all the pools or, as in so far as justified by the amounts, shall be allocated to the pools pro rata to the net asset value of the relevant pool;

   (e) upon the record date for determination of the person entitled to any dividend on the Shares of each class of any Fund, the net asset value of the Shares of such Fund shall be reduced by the amount of such dividend declared.

2. If there have been created within any Fund two or several classes of Shares, the allocation rules set out above apply, mutatis mutandis, to such classes.

3. For the purpose of the calculation of the net asset value, the valuation and the allocation as aforesaid, Shares of the Company to be redeemed shall be treated as existing and taken into account until immediately after the close of business on the Valuation Day, and from time to time, until paid the price therefore, shall be deemed to be a liability of the Company; all investments, cash balances and other assets of the Company expressed in currencies other than the currency of the relevant Fund shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the net asset value of Shares; and effect shall be given on any Valuation Day to any purchases or sales of securities contracted for by the Company on such Valuation Day, to the extent practicable.

Appendix D

Class I (dis) Shares and Class IX (acc) Shares – Management Fees

In respect of Class I Shares, the following Management fees apply:

Name of the Funds	Class of Shares	Management fees
– Franklin U.S. Government Fund	Class I (dis)	0.40%
– Franklin U.S. Government Fund	Class IX (acc)	0.65%
– Franklin Templeton Japan Fund	Class I (dis)	0.70%
– Franklin Templeton Japan (Euro) Fund	Class I (dis)	0.70%
– Templeton Emerging Markets Fund	Class I (dis)	1.25%
– Templeton Emerging Markets Bond Fund	Class I (dis)	0.70%
– Templeton Global Growth Fund	Class I (dis)	0.70%
– Templeton Growth (Euro) Fund	Class I (dis)	0.70%

Franklin Templeton International Services S.A.
26, boulevard Royal
L-2449 Luxembourg
Tel: (352) 46 66 67 1
Fax: (352) 46 66 76

FTIF PGBP 11/01

Pillans & Wilson, Edinburgh. 67245

Schroders

Schroder International Selection Fund

Société d'investissement à capital variable (SICAV)

This Explanatory Memorandum may not be distributed without the addendum dated August 2000.

This Explanatory Memorandum will be issued as a continuing Explanatory Memorandum. Factual references should be read as made at the date of this Explanatory Memorandum

April 2000

Schroders

SCHRODER INTERNATIONAL SELECTION FUND

Société d'investissement à capital variable
Registered Office 5, rue Höhenhof, L-1736 Senningerberg
RC Luxembourg B 820**2**

Addendum, dated August 2000, to Explanatory Memorandum dated April 2000

1. New Sub-Funds

The Directors of the Fund resolved to launch the European High Income (Denominated in EUR) Sub-Fund (the "Sub-Fund") with the following investment policy:

> "To provide investors with a high absolute yield over the medium term primarily through investment in European bond markets. The fund will invest in fixed income securities issued by corporate and government issuers, principally denominated in euro. The fund is unlikely to invest in any security denominated below the equivalent of B- (Standard & Poor's) at the time of purchase.
> Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk*"
>
> *The European High Income Class may invest in lower rated, higher yielding securities. Accordingly, an investment in this Class is accompanied by a higher degree of credit risk than is present with investment in higher rated, lower yielding securities.

The Sub-Fund offers only Accumulation Shares.

From 3 July 2000 the shares of the Sub-Fund were available for purchase, redemption or conversion on any Valuation Day at offer and redemption prices calculated by reference to the net asset value of the Shares of the Sub-Fund.

Schroder Investment Management International Limited has been appointed the Investment Manager of the Sub-Fund. The management fee for 'A' and 'B' Shares will be 1.00 per cent. per annum and 0.50 per cent. per annum for 'C' Shares. The distributor's fee applied to 'B' Shares will be 0.50 per cent per annum.

The Directors of the Fund resolved to launch the **European Technology** (Denominated in EUR) Sub-Fund (the "Sub-Fund") with the following investment policy:

> "To achieve capital growth through investment primarily in European technology companies, as well as new and emerging industries where growth prospects have been enhanced by technology developments. The Fund may invest in companies headquartered or quoted outside Europe where those companies have material or critical operations within, or derive a significant proportion of profits from, the European region."

The Sub-Fund offers only Accumulation Shares.

The initial offering price of EUR 10 will be applicable from 21 to 31 August 2000.

From 1 September 2000 the shares of the Sub-Fund will be available for purchase, redemption or conversion on any Valuation Day at offer and redemption prices calculated by reference to the net asset value of the shares of the Sub-Fund.

Schroder Investment Management International Limited has been appointed the Investment Manager of the Sub-Fund. The management fee for 'A' and 'B' Shares will be 1.50 per cent. per annum and 0.80 per cent. per annum for 'C' Shares. The distributor's fee applied to 'B' Shares will be 0.60 per cent per annum.

2. Operational Amendments:

The Directors of the Fund have decided to implement some changes that impact the operations of the Fund. These amendments will become effective on 1 November 2000, subject to necessary regulatory approval.

a. Subscription, Redemption and Conversion Deadlines:

The closing time for the receipt of subscription, redemption and conversion orders will move from 17.00 hours Luxembourg time to 15.00 hours Luxembourg time.

This change will not affect the European Defensive Sub-Fund as the deadline for the receipt of subscription, redemption and conversion orders will remain unchanged, at 12.00 noon Luxembourg time on Wednesdays.

b. Settlement Procedure:

The Directors of the Fund have resolved to shorten the settlement period for subscriptions and redemptions from five to three business days. This reflects the move across global capital markets to shorter settlement periods for all securities transactions. As a result, investors must make payment in cleared funds, to be received within three business days after the relevant Valuation Day by the Fund's Transfer Agent (Schroder Investment Management (Luxembourg) S.A.) at which point an application for subscription will be accepted. Conversely, payment to investors for Shares redeemed will be effected by the Fund's Transfer Agent no later than three business days after the relevant Valuation Date.

In connection with the above, the Directors of the Fund resolved to add the following statement under the subscription section of the Explanatory Memorandum: "If timely settlement is not made (or a completed Application Form is not received for an initial subscription) the relevant allotment of Shares may be cancelled."

3. 'Danish' Investment Restrictions:

Following recent changes to Danish tax laws, the Directors of the Fund resolved to amend, with effect from 1 November 2000, the investment objectives of the Schroder International Selection Fund Japanese Equity, Schroder International Selection Fund Latin American, Schroder International Selection Fund Emerging Markets, Schroder International Selection Fund Japanese Smaller Companies, Schroder International Selection Fund European Smaller Companies and Schroder International Selection Fund US Smaller Companies Classes of Share by deleting in the Explanatory Memorandum of the Fund the following paragraph from their respective investment objectives:

> "Pursuant to Danish real-interest-tax legislation (paragraph 3 e, section 1) with respect to the taxation of pension funds, pension and life insurance companies, the Class is prohibited from investing in bonds, convertible bonds and collective investment undertakings of the open-ended type."

In connection with the aforesaid, the Directors of the Fund resolved to delete the following paragraphs from Appendix II, Investment Safeguards, section 16 on page 36, of the Explanatory Memorandum:

> "In any single class where the statement of investment policy prohibits investment in specified asset classes, the aggregate amount of cash and underlying value of hedging instruments must not exceed 25 per cent. of the remaining net assets.
>
> In these classes the aggregate value of the commitments relating to the use of financial instruments may not exceed the estimated market value of the assets to be hedged."

4. Changes to the Board of Directors:

Mr Nigel Burnham, Managing Director, Schroder Investment Management (Luxembourg) S.A., was appointed to the Board of Directors of the Fund with effect from 4 May 2000 in replacement of Mr Peter Wolton who resigned.

Mrs Gisèle Detaille-Ochelen, Director, Schroder Investment Management (Luxembourg) S.A., was appointed to the Board of Directors of the Fund with effect from 30 May 2000.

Mr Frédérick Hizette, Director, Schroder Investment Management (Luxembourg) S.A., was appointed to the Board of Directors of the Fund with effect from 1 June 2000.

Mr William Burke, Assistant Director, Schroder Investment Management (Luxembourg) S.A., was appointed to the Board of Directors of the Fund with effect from 9 August 2000 in replacement of Mr Vince McMahon who resigned.

This addendum shall not be distributed without the Explanatory Memorandum dated April 2000.

The Directors of the Fund are responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors accept responsibility accordingly.

This Explanatory Memorandum does not constitute an offer or solicitation to subscribe for Shares by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Shares in the Fund have not been registered under the United States Securities Act of 1933 and may not be directly or indirectly offered or sold in the United States of America, or in any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States person except by way of an Offshore Transaction. For this purpose, United States person includes a national or resident of the United States of America and a partnership or corporation organised or existing in any state, territory or possession of the United States of America. For further details see page 41. "Offshore Transaction" means an offshore transaction for the purposes of Rules 901 to 904 under the United States Securities Act of 1933 and includes a transaction in which the buyer is outside the United States of America when the offer is made and accepted and when the securities are delivered to the buyer.

The Articles of Incorporation of the Fund give powers to the Directors of the Fund to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by (a) any person in breach of the law or requirement of any country or governmental authority or (b) any person in circumstances which in the opinion of the Directors might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered and, in particular, by any United States person as referred to on page 41. The Fund may compulsorily redeem all Shares held by any such person.

Any information or representation given or made by any dealer, salesman or other person not contained in this Explanatory Memorandum and/or in the documents referred to herein and which are available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Explanatory Memorandum nor the offer, issue or sale of Shares in the Fund shall in any circumstances constitute a representation that the information given in this Explanatory Memorandum is correct as of any time subsequent to the date hereof.

Potential subscribers of Shares in the Fund should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Shares in the Fund.

The prices of Shares in the Fund and the income from them may go down as well as up and an investor may not get back the amount invested.

This Explanatory Memorandum is published in connection with the continuous offering of Shares in Schroder International Selection Fund ("the Fund") in the following Classes:-

Euro denominated

Schroder International Selection Fund Converging Europe Bond*

Schroder International Selection Fund Emerging Europe*

Schroder International Selection Fund EURO Short Term Bond*

Schroder International Selection Fund EURO Equity*

Schroder International Selection Fund EURO Bond*

Schroder International Selection Fund European Bond*

Schroder International Selection Fund European Defensive*

Schroder International Selection Fund European Equity - GDP Weighted*

Schroder International Selection Fund European Equity - Market Capitalisation Weighted*

Schroder International Selection Fund European Recovery

Schroder International Selection Fund European Privatisation

Schroder International Selection Fund European Smaller Companies*

Schroder International Selection Fund Italian Equity*

Schroder International Selection Fund Japan Defensive

Schroder International Selection Fund US Defensive

Japanese Yen denominated

Schroder International Selection Fund Japanese Equity*

Schroder International Selection Fund Japanese Smaller Companies*

Swiss Franc denominated

Schroder International Selection Fund Swiss Equity*

Sterling denominated

Schroder International Selection Fund UK Enterprise

Schroder International Selection Fund UK Equity*

Schroder International Selection Fund UK Smaller Companies

Schroder International Selection Fund Portfolio*

US Dollar denominated

Schroder International Selection Fund Asian Bond*

Schroder International Selection Fund Emerging Markets*

Schroder International Selection Fund Emerging Markets Debt*

Schroder International Selection Fund Global Equity*

Schroder International Selection Fund Global Bond*

Schroder International Selection Fund Global Technology*

Schroder International Selection Fund Hedged Global Bond*

Schroder International Selection Fund Latin American*

Schroder International Selection Fund Pacific Equity*

Schroder International Selection Fund US Dollar Portfolio*

Schroder International Selection Fund US Dollar Bond*

Schroder International Selection Fund US Equity*

Schroder International Selection Fund US Short Term Bond

Schroder International Selection Fund US Smaller Companies*

*The Classes thus indicated are available for subscription at the date of this Explanatory Memorandum. Other Classes will be launched at such time as the Directors shall so resolve.

Hereinafter, the above classes are referred to without being preceded by the full name of the Fund.

For your security all telephone conversations are recorded.

The minimum initial subscription amounts for 'A' and 'B' shares are;

EUR 1,000
or, in each case, its near equivalent in any other freely convertible currency.

The minimum initial subscription amount for 'C' shares, which are designed for institutional investors, is USD 500,000 for each Class or its near equivalent in any other freely convertible currency.

The minimum top-up investment amount for 'C' shares is USD 250,000 for each Class or its near equivalent in any other freely convertible currency.

Shares of all Classes are admitted to listing on the Luxembourg Stock Exchange.

Subscriptions may only be accepted on the basis of the current Explanatory Memorandum which must be accompanied by the latest audited annual accounts of the Fund and any subsequent half yearly report.

The Fund complies with Part 1 of the Luxembourg Law of 30 March, 1988 on collective investment undertakings.

Copies of this Explanatory Memorandum can be obtained from and enquiries regarding the Fund should be addressed to:-

Schroder Investment Management
(Luxembourg) SA
5, rue Höhenhof
L-1736 Senningerberg
Grand Duchy of Luxembourg.
Tel: (352) 341 342 212
Fax: (352) 341 342 342
Website: http://www.schroders.lu

Schroder Unit Trusts Limited
33 Gutter Lane
London EC2V 8AS
Great Britain
Broker Line: 0800 526 540
or: (44) 207 658 3894

CONTENTS

Glossary 5

Directors 7

Administration 7

Main Features 8

Investment Objectives 11

Investment Management 19

Investment Manager 19

Custody and Administration 20

Subscription, Redemption and Conversion of Shares 20

Subscription 20

Redemption 21

Conversion between Classes 22

Prices 23

Dividends 24

Payment of Dividends 24

Reinvestment of Dividends 24

Charges and Expenses 24

Taxation 26

Appendix I - Articles of Incorporation 28

Appendix II - Investment Safeguards 33

Appendix III - General Information 37

Terms and Conditions of Application 39

Procedure for Subscription 43

GLOSSÁRIO

"Accumulation Share"	a Share which accumulates the income araising in respect of a Share so that it is reflected in the price of that Share.
"Administration Agent"	Schroder Investment Management (Luxembourg) S.A. in its capacity as Administration Agent to the Fund is responsible for the execution of the tasks connected to the duties of central administration of the Fund in Luxembourg except for the net asset value calculation and the maintenance of the Fund's accounting records
"the Articles"	the Articles of Incorporation of the Fund
"business day"	a day on which banks in Luxembourg are normally open for business
"Central Paying Agent"	Schroder Investment Management (Luxembourg) S.A. in its capacity as central paying agent to the Fund
"Class"	sub-fund comprising type 'A Accumulation', 'B Accumulation' 'C Accumulation' shares and 'A Distribution', 'B Distribution', 'C Distribution' shares, as offered in specific sub-funds
"Coordinator"	Schroder Investment Management (Luxembourg) S.A. in its capacity as administration agent to the Fund
"Custodian"	Chase Manhattan Bank Luxembourg SA in its capacity as custodian of the securities and assets of the Fund
"Distribution Share"	a Share which distributes its income or allows its income which is distributed to be reinvested in the acquisition of further Shares
"Domiciliary Agent"	Schroder Investment Management (Luxembourg) S.A. in its capacity as domiciliary agent of the Fund
"fax authority"	authorisation for the Transfer Agent to accept and act upon instructions communicated by the client by facsimile (not applicable to Power of Attorney, Deed of Pledge and Stock Transfers)
"Fund Accountant"	Chase Manhattan Bank Luxembourg SA in its capacity as fund accountant to the Fund is responsible for the calculation of the net asset value per Share in each Class in the Fund and the maintenance of the Fund's accounting records
"Listing Agent"	Chase Manhattan Bank Luxembourg SA in its capacity as listing agent to the Fund
"Portfolio"	the separate pool of assets maintained for each Class of Share
"Redemption Price"	the price at which Shares are redeemed as described on page 23
"Registrar"	Schroder Investment Management (Luxembourg) S.A. in its capacity as registrar to the Fund
"Registered Share"	a share registered in the register under the name of the Shareholder as a result of the completion of the subscription process.
"Regulated Market"	a market which is regulated, operates regularly and is recognised and open to the public
"Share"	a share in the capital of the Fund
"Subscription Price"	the price at which Shares are sold to investors as described on page 23
"top-up investment"	any subscription following the initial subscription into an existing registered client account with Schroder Investment Management (Luxembourg) S.A.

"type of share"	the six designations of Share which may be available within each Class as described on page 8
"Transfer Agent"	Schroder Investment Management (Luxembourg) S.A. in its capacity as transfer agent of the Fund
"Valuation Day"	a day which is a business day and which does not fall within a period of suspension of determination of the net asset value of the relevant Class of Shares
"written instructions"	signed instructions communicated to the Transfer Agent by post or by facsimile (the latter is only applicable if fax authority has been selected on the application form)

All references in this Explanatory Memorandum to time are to local time in Luxembourg.

DIRECTORS

Chairman
Massimo Tosato
Managing Director, Europe
Schroder Investment Management
International Limited
31 Gresham Street
GB-London EC2V 7QA

Directors
Jean Brucher
Avocat
10, rue de Vianden
L-2680 Luxembourg
Jamie Dorrien Smith
Director
Schroder Investment Management
International Limited
31 Gresham Street
GB-London EC2V 7QA

Vince McMahon
Director
Schroder Investment Management
(Luxembourg) SA
5 rue Höhenhof
L-1736 Senningerberg

Mark Smith
Director
Schroder Investment Management Limited
31 Gresham Street
GB-London EC2V 7QA

Steen Svendsen
Managing Director
Schroder Investment Management
(Scandinavia) A/S
Klosterstraede 23
DK-1157 Copenhagen

Peter Wolton
Managing Director
Schroder Unit Trusts Limited
33 Gutter Lane
GB-London EC2V 8AS

ADMINISTRATION

Registered Office
5 rue Höhenhof
L-1736 Senningerberg

Investment Managers
Schroder Investment Management Limited
Schroder Investment Management
International Limited
Schroder Investment Management (UK)
Limited
Schroder Personal Investment Management
Limited
31 Gresham Street
GB-London EC2V 7QA

Schroder Investment Management North
America Inc
787 Seventh Avenue, 34th floor
New York, NY 10019-6016, U.S.A.

Schroder Investment Management (Hong
Kong) Ltd
19th Floor, Two Exchange Square
8 Connaught Place, Central, Hong Kong SAR
Schroder Investment Management (Japan) Ltd
JDB Building, 4-8 Shibadaimon 2-chome
Minato-ku, Tokyo 105, Japan

Schroder Investment Management (Singapore) Ltd
65 Chulia Street # 47-01, OCBC Centre
Singapore 049513

J. Henry Schroder Bank AG
Central 2
CH-8021 Zurich

Custodian, Fund Accountant and Listing Agent
Chase Manhattan Bank Luxembourg SA
5, rue Plaetis
L-2338 Luxembourg

Domiciliary Agent, Distributor, Coordinator, Registrar, Transfer Agent and Central Paying Agent
Schroder Investment Management
(Luxembourg) SA
5, rue Höhenhof
L-1736 Senningerberg

Legal Advisers
Luxembourg:
Etude Brucher & Seimetz
10, rue de Vianden
L-2680 Luxembourg

Great Britain:
Eversheds
Senator House
85 Queen Victoria Street
GB-London EC4V 4JL

Auditors
PricewaterhouseCoopers S.à.r.l.
Reviseurs d'Entreprises
400, route d'Esch
BP 1443
L-1014 Luxembourg

Sub Paying Agents
Austria
SKWB Schoellerbank Aktiengesellschaft
Renngasse 1-3
A-1010 Vienna

Belgium
Banque Nagelmackers 1747 PC
Avenue de l'Astronomie 23
B-1210 Brussels

Germany
Schröder Münchmeyer Hengst AG
Friedensstraße 6-10
D-60311 Frankfurt am Main

Italy
Banca Popolare Commercio & Industria
Via Moscova, 33
I-20121 Milan

CITCO Bank Nederland NN.V.
Piazza Borromeo 12
I-20123 Milano

Banca Popolare di Milano
Piazza Meda, 4
I - 20121 Milano

Banca Popolare dell'Etruria e del Lazio
Corso Italia, 179
I-52100 Arezzo

The Netherlands
MeesPierson Trust BV
Herengracht 548
NL-1017 CG Amsterdam

Spain
Bankinter
Paseo de la Castellana, 29
E-28046 Madrid

Bancosabadell
Plaza de Catalunya 1
E-08201 Barcelona

Banco Alcala
Goya 23
E-28001 Madrid

Sweden
SPP Kapitalförvaltning AB
Regeringsgatan 107
S-103 73, Stockholm

Switzerland
J. Henry Schroder Bank AG
Central 2
CH-8021 Zurich

MAIN FEATURES

Structure
Schroder International Selection Fund was incorporated in Luxembourg on 5 December, 1968. A separate Portfolio is maintained for each Class of Share and is invested in accordance with the investment objective applicable to the Class of Share to which such Portfolio relates. The Directors of the Fund may from time to time determine that the Fund should issue Shares of additional Classes, which would have different investment objectives to those of the present classes offered. In such cases this Explanatory Memorandum shall be updated.
Investors may, subject as provided below, convert all or part of their Shares of one Class into Shares of another Class.

Sub-Classes of Shares
Within each Class of Shares having a specific investment policy, further sub-classes having specific subscription, redemption or distribution charges (a "sale's charge system") and specific income distribution policies evidenced by specific types of Shares may be created as the Board of Directors may from time to time determine.

Types of Share
Both Accumulation Shares and Distribution Shares may be issued in each Class of Share. These types of Share differ from each other by their distribution policy, under which one type capitalises any income, while the other distributes dividends.

Six designations of Share may be available within each Class; Accumulation 'A' Shares, 'B' Shares and 'C' Shares and Distribution 'A' Shares, 'B' Shares and 'C' Shares, other than within the European Defensive Class, the Portfolio Class and the US Dollar Portfolio Class, which may offer Accumulation 'A' Shares and 'B' Shares and Distribution'A' Shares and 'B' Shares.

The Accumulation Shares are denominated 'A Accumulation', 'B Accumulation' and 'C Accumulation' Shares.
The Distribution Shares are denominated 'A Distribution', 'B Distribution', 'C Distribution' Shares.

Hereinafter, references to 'A' Shares shall mean both 'A Accumulation' Shares and 'A Distribution' Shares, references to 'B' Shares shall mean both 'B Accumulation' Shares and 'B Distribution' Shares, references to 'C' Shares shall mean both 'C Accumulation' Shares and 'C Distribution' Shares, unless otherwise indicated.

The following designations of Share reflect different charging structures within the Fund:

'A' Shares of each relevant Class are offered at net asset value per share plus a maximum initial charge of 5 per cent. of the unrounded Subscription Price (which is 5.26315 per cent. of the net asset value per share).

'B' Shares of each relevant Class are offered at net asset value per share with no initial charge.

Distributors of 'B' Shares of each Class receive an annual distribution fee payable out of the assets attributable to 'B' Shares of such Class.
'C' Shares of each relevant Class are offered at net asset value per share plus a maximum initial charge of 3 per cent. of the unrounded Subscription Price (which is 3.09278 per cent. of the net asset value per share).

These separate charging structures have been designed to meet both the preferences of investors in different jurisdictions and in particular institutional investors. The net asset values per share of 'A' Shares, 'B' Shares and 'C' Shares of each Class will differ as a result of the annual distribution fee payable out of the assets attributable to 'B' Shares and the charging structures applied to 'A', 'B' and 'C' Shares. Shares of each Class are denominated in the currencies stated on page 2.

The Shares are of no par value. They are freely transferable and each Share is entitled to one vote at all meetings of Shareholders. Subject to the above, upon issue, the Shares are entitled to participate equally in the profits and dividends of the Portfolio to which they relate and in its liquidation proceeds, and carry no preferential or pre-emptive rights.

Registered Shares
Registered Shares are evidenced by entries in the Fund's Register and are represented by a Contract Note.

Joint Shareholders
A maximum of four names may be entered in the Register as joint holders if so desired. Should any joint shareholder die, the remaining shareholder(s) shall be treated as solely and fully entitled to such shares. Joint shareholders can authorise the Fund, the Manager or Registrar and any of the distributors of the fund to act upon the instructions given in writing (and if so elected by the shareholders, by facsimile) with regard to the Shares or any matters in connection with them signed or purportedly signed by any one of the joint shareholders identified on the application form.

Dealing in Shares
Shares may be purchased or redeemed on any Valuation Day at a price calculated by reference to the net asset value of the relevant Class and type of Share, other than shares in the European Defensive Class which may be either purchased or redeemed on a Wednesday between 9.00 hours and 12.00 hours. Shares may be converted on any Valuation Day which is a Valuation Day in all relevant Classes and types of Shares at a price calculated by reference to the net asset values of the relevant Classes and types of Shares.

Information
The preceding day's Subscription Prices and Redemption Prices will be published daily in the Financial Times and/or such other newspapers as the Directors may from time to time determine. The most recent published Subscription Prices and Redemption Prices are available from the registered office of the Fund at 5 rue Höhenhof, Senningerberg, Grand Duchy of Luxembourg and may be obtained either verbally or in writing.

Holders of Registered Shares will be sent:

1. copies of the most recent audited annual and unaudited half yearly reports of the Fund; and
2. payment of dividends due to them.

Holders of Bearer Shares may obtain the previous free of charge, together with copies of any notices

which have been sent to holders of Registered Shares, from the Central Paying Agent or from Schroder Investment Management Limited, 31 Gresham Street, London EC2V 7QA, Great Britain.

Complaints about the operation of the Fund may be made either to the Fund direct or to Schroder Investment Management (Luxembourg) S.A. who will pass on the complaint to the Fund.

Investment Management
Investment Management is provided by Schroder Investment Management Limited and affiliates of Schroder Investment Management Limited in London and overseas

INVESTMENT OBJECTIVES
THE INVESTMENT OBJECTIVES OF THE DIRECTORS AS REGARDS EACH PORTFOLIO ARE AS FOLLOWS:

INTERNATIONAL AND SPECIALISED EQUITY FUNDS

Emerging Europe (Denominated in EUR)
To achieve long term capital growth through investment in equity, equity related and debt securities benefiting from the economic growth of Central and Eastern Europe including the markets of the former Soviet Union and the Mediterranean Emerging Markets. The portfolio will, to a limited extent, seek exposure to the markets of Northern Africa and the Middle East. In accordance with the investment safeguards set forth in Appendix II of this Explanatory Memorandum, investments in unquoted securities will not exceed ten per cent. of the net asset value of the Portfolio. Markets organised in some of the above mentioned regions, including the former Soviet Union, are not considered as regulated markets.*
As at 1 January 2000, the countries of the former Soviet Union in which the portfolio may invest are the following:
Armenia, Azerbaijan, Byelorussia, Estonia, Georgia, Latvia, Lithuania, Moldova, Russia, and Ukraine. Due to political instability, the above list of countries may change.

EURO Equity (Denominated in EUR)
To achieve capital growth through investment in equities of companies organised or doing their principal business in countries participating in Economic and Monetary Union (EMU). Participant countries in the first phase of EMU, from 1 January 1999, are Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain and collectively represent the initial investment universe for the Class. The investment universe will be extended to accommodate other countries from the point at which they become participants in EMU.

European Equity - GDP Weighted (Denominated in EUR)
To achieve capital growth through investment in the larger market capitalisation stocks in the major European markets. The remainder of the Portfolio will consist of investments in medium market capitalisation stocks and those drawn from the smaller European markets. Individual market representation is weighted according to relative GDP.

European Equity - Market Capitalisation Weighted (Denominated in EUR)
To achieve capital growth through investment in the larger market capitalisation stocks in the major European markets. The remainder of the Portfolio will consist of investments in medium market capitalisation stocks and those drawn from the smaller European markets. Individual market representation is weighted according to relative stockmarket capitalisation.

European Recovery (Denominated in EUR)
To achieve capital growth through investment in companies which have suffered setbacks in either profits or share prices, due to economic circumstances. Companies are selected where the management and prospects are believed to be good despite current difficulties.
European Privatisation (Denominated in EUR)
To achieve long term capital growth through investment in companies involved directly or indirectly in the privatisation process in western Europe.

Global Equity (Denominated in USD)
To achieve capital growth through flexible global investment. Investments will include primarily large and medium sized company equity securities in the world's markets, with individual market representation weighted according to relative GDP. The Directors intend to pursue a policy of seeking sound, long-term value.

Global Technology (Denominated in USD)
To achieve capital growth through flexible global investment, primarily through investing in equities from technology companies as well as a range of equities from industries where the growth opportunities have been impacted by technology developments.

Italian Equity (Denominated in EUR)
To provide capital growth through investment in securities of Italian companies listed on either the Italian Stock exchange or on any other stock exchange or Regulated Market.

Japanese Equity (Denominated in JPY)
To provide capital growth through investment in securities of companies listed on a Japanese stock exchange.
Pursuant to Danish real-interest-tax legislation (paragraph 3 e, section 1) with respect to the taxation of pension funds, pension- and life insurance companies, the Class is prohibited from investing in bonds, convertible bonds and collective investment undertakings of the open-ended type.

Pacific Equity (Denominated in USD)
To achieve capital growth through active investment in the stock markets of Hong Kong SAR, Korea, Singapore, Malaysia, the Philippines, Taiwan and Thailand. It is intended in due course that the Portfolio will participate in those Asian stock markets which are not currently open to outside investors.*

Swiss Equity (Denominated in CHF)
To provide capital growth through investment in securities of Swiss companies listed on the Swiss stock exchange.

UK Enterprise (Denominated in GBP)
To provide capital growth through investment in UK companies. Investment will be in established UK companies which offer the prospect of long term capital growth. The Portfolio will concentrate on a smaller number of stocks than is normal and will be aggressively managed.

UK Equity (Denominated in GBP)
To achieve capital growth through investment in UK equities. Investment will be in a balanced Portfolio of good quality companies.

US Equity (Denominated in USD)
To provide capital growth through investment in securities of companies listed on the principal stock exchanges in the United States of America and securities quoted on the over-the-counter markets in the United States of America. Companies selected will be those the Directors believe operate in sectors with the best growth potential.

Emerging Markets (Denominated in USD)
To provide long term capital growth by investing in the emerging markets.*
Pursuant to Danish real-interest-tax legislation (paragraph 3 e, section 1) with respect to the taxation of pension funds, pension- and life insurance companies, the Class is prohibited from investing in bonds, convertible bonds and collective investment undertakings of the open-ended type.

Latin American (Denominated in USD)
To provide capital appreciation through investment in equity related and certain debt securities benefiting from the economic growth of Latin America. The Fund invests principally in Argentina, Brazil, Chile and Mexico.*
Pursuant to Danish real-interest-tax legislation (paragraph 3 e, section 1) with respect to the taxation of pension funds, pension- and life insurance companies, the Class is prohibited from investing in bonds, convertible bonds and collective investment undertakings of the open-ended type.

Portfolio (Denominated in GBP)
The principal objective is to achieve capital growth through investment in all geographic areas. The Fund principally invests in the UK equity market. Overseas markets are selected on the basis of those which are anticipated will produce the highest total return, allowing for individual market risk.

US Dollar Portfolio (Denominated in USD)
The principal objective is to achieve capital growth in US Dollar terms through investment in both equities and bonds in all geographic areas. Markets are selected on the basis of those which are anticipated will produce the highest total return, allowing for individual market risk.

* Prospective purchasers of the Asian Bond, Converging Europe Bond, Emerging Markets, Emerging Markets Debt, Emerging Europe, European Bond, Latin American and Pacific Equity classes of shares should note that investment in securities of issuers located in Eastern Europe, Latin America and the Pacific region, where relevant to the above Classes, could involve special considerations and risks, such as currency fluctuations, the risks of investing in countries with smaller capital markets, price volatility and restrictions

on foreign investment. Investment in any, or a combination of the above Classes should be considered only as part of and not as a complete investment portfolio, in its own right. Procedures currently in place for custody, settlement, clearing and registration of securities transactions in Eastern European Markets, Emerging Debt Markets and Asia (ex Japan) Debt Markets may be less developed than those in place in other markets in which the Fund is investing. Less efficient banking and telecommunications systems can give rise to delayed payments and in extreme cases could lead to dispute over the title of securities.

SMALLER COMPANIES FUNDS

European Smaller Companies (Denominated in EUR)
To provide capital growth through investment in the securities of smaller companies listed on the principal European stock exchanges and in the securities of companies listed on the smaller European exchanges markets such as those of Austria, Portugal and Greece. The investment policy will be to invest in a large number of companies in the major industrial sectors.
Pursuant to Danish real-interest-tax legislation (paragraph 3 e, section 1) with respect to the taxation of pension funds, pension- and life insurance companies, the Class is prohibited from investing in bonds, convertible bonds and collective investment undertakings of the open-ended type.

Japanese Smaller Companies (Denominated in JPY)
To provide capital growth through investment in smaller companies listed in the first and second sections of the Tokyo and Osaka markets, the regional markets in Fukuoka, Hiroshima, Kyoto, Nagoya, Niigata and Sapporo and the over-the-counter markets in Osaka, Nagoya, and Tokyo. When circumstances warrant, the Portfolio may be invested to a limited extent in other markets in the Pacific Basin.
Pursuant to Danish real-interest-tax legislation (paragraph 3 e, section 1) with respect to the taxation of pension funds, pension- and life insurance companies, the Class is prohibited from investing in bonds, convertible bonds and collective investment undertakings of the open-ended type.

UK Smaller Companies (Denominated in GBP)
To provide capital growth principally through investment in the securities of smaller companies listed on the UK main market and the Unlisted Securities Market. Investment will be in a broad range of companies covering all major industry sectors.

US Smaller Companies (Denominated in USD)
To provide capital growth through investment in the securities of smaller companies listed on the principal stock exchanges in the United States of America, together with those which are traded on the over-the-counter markets.

Pursuant to Danish real-interest-tax legislation (paragraph 3 e, section 1) with respect to the taxation of pension funds, pension- and life insurance companies, the Class is prohibited from investing in bonds, convertible bonds and collective investment undertakings of the open-ended type.

DEFENSIVE FUNDS

European Defensive (Denominated in EUR)
To participate in the long-term capital appreciation of a combination of major European equity markets while attempting to limit potential loss of capital at the end of a quarter to 5.0 per cent. of its net asset value at the beginning of that quarter.

The Portfolio will invest the majority of its assets in Euro denominated, short term transferable debt securities. Subject to observance of the investment restrictions set forth in Appendix II of this Explanatory Memorandum and in order to achieve its investment objectives, the Portfolio will take positions in Euro denominated call options linked to a combination of major European equity market indices, including CAC 40 (France), DAX 30 (Germany), MIB 30 (Italy), AOE (Netherlands), IBEX 35 (Spain), SMI (Switzerland), FTSE 100 (UK), FTSE Eurotop 100 (Europe) and Dow Jones Euro STOXX 50 (Europe).

The exact proportion of the Portfolio's assets that will be invested in short-term transferable debt securities will be a function of prevailing interest rates and the Portfolio's objective of attempting to limit potential loss of capital to a predetermined amount on a quarterly basis. As a part of its investment policy, the Portfolio

will seek to limit the amount by which its quarterly return would result in losses in excess of –5.0 per cent., based on starting net asset value at the beginning of each quarterly return period. **This targeted limitation on losses is not guaranteed by the Fund or its Directors, the Investment Manager or Distributor, or by any authorised intermediary. Negative quarterly returns for the Portfolio may exceed –5.0 per cent. The value of the derivative instruments held by the Portfolio will fluctuate during a quarter so that shareholders who purchase, redeem or convert a shareholding will only benefit from the Portfolio's principal protection objective if they do so on a quarterly reset date.**

The short-term transferable securities in which the Portfolio may invest are those that are traded on a Regulated Market and may include instruments traded on the money markets in the United Kingdom and regulated by the Bank of England. Short-term transferable debt securities may include instruments of UK and other banks, commercial paper, obligations issued or guaranteed by a Government or its agencies, such as US Treasury Bills, notes and bonds, provided that all these securities are considered as transferable securities according to the first paragraphs of Appendix II of this Explanatory Memorandum.

The Portfolio may also invest, within the limits set forth by applicable law, in regularly traded money market instruments. In addition, the Portfolio will use foreign currency futures contracts and related options, foreign currency options and foreign currency forward contracts to maintain the Portfolio's Euro exposure, for the purpose of hedging currency risk. Positions in derivative instruments taken by the Portfolio will be within the limits prescribed by the Fund's investment restrictions set forth in this Explanatory Memorandum.

On an ancillary and temporary basis and in accordance with applicable law and the Fund's investment restrictions, the Portfolio may hold cash and cash equivalents (including regularly traded money market instruments the residual maturity of which will not exceed twelve months and time deposits) in amounts up to 49 per cent. of its assets. The subscription price per share includes a provision for expenses arising from buying securities.

There can be no assurance that the Portfolio will be successful in achieving its objective or that its maximum loss can be limited to 5.0 per cent. on a quarterly basis. Counterparty default on the transferable securities, cash or derivatives positions used could adversely affect the pursuit of its objective and result in losses in excess of those anticipated.

Japan Defensive (Denominated in EUR)
To participate in some part of the long-term capital appreciation (if any) of selected major Japanese equity markets (primarily the equity market represented by the constituents of the Nikkei 225 index) while attempting to achieve a Net Asset Value per Share on the Valuation Day at the end of any quarterly period that is not less than 95 per cent. (in terms of EUR) of the Net Asset Value per Share on the Valuation Day at the start of that quarterly period. Unless otherwise determined by the Directors, the quarterly periods will be deemed to start and end on the second Valuation Day in January, April, July and October.

The Class will attempt to achieve its objective of limiting potential falls in the Net Asset Value per Share by investing in transferable debt securities. On an ancillary basis, the Class may also hold money market instruments, term deposits and cash (usually denominated in EUR) having regard to the investment restrictions set forth in Appendix II of this Explanatory Memorandum.

In addition to the above, the Class will attempt to achieve its objective of participating in some part of any capital appreciation of selected major Japanese equity markets by buying call options linked to selected major Japanese equity market indices subject to the limits set forth in Appendix II of this Explanatory Memorandum. The Class's exposure to the equity market using options will be actively managed. Any returns over any quarterly period may be capped in order to increase participation in expected market growth by giving up returns from the market that the Investment Manager considers may be unlikely over particular periods. Investors should not expect the return on the Class to match fully the return of the major Japanese equity indices.

These investments should result, at the Valuation Day at the end of any quarterly period and in the absence of counterparty default, in the Net Asset Value per Share being equal to at least 95 per cent. (in terms of EUR) of the Net Asset Value per Share at the Valuation Day at the start of that quarterly

period. This level of 95 per cent. of the Net Asset Value per Share at the Valuation Day at the start of the quarterly period is referred to as the "Floor Price". The Floor Price does not guarantee any minimum level of the Net Asset Value per Share. The Floor Price will ratchet up (down) as the Net Asset Value per Share increases (decreases) from one quarterly period to the next and so the Floor Price in any period may be higher or lower than the Floor Price set during the previous quarterly period. The first Floor Price will be equal to 95 per cent. of the issue price of EUR 10. Transferable securities, money market instruments and term deposits held by the Class will be issued by institutions which have at the time of purchase or subscription a long term credit rating of at least A from Standard and Poor's or A2 from Moody's, although these securities carry a risk of default.

Although the Class attempts to achieve a Net Asset Value per Share on the last Valuation Day of any quarterly period that is not less than 95 per cent. of the Net Asset Value per Share on the first Valuation Day of that quarterly period, this is not guaranteed by the Fund or its Directors, the Investment Manager or by any authorised intermediary. Negative quarterly returns for the Class may exceed 5 per cent. The value of the instruments held by the Class may fluctuate during any quarterly period so that Shareholders who purchase or redeem Shares will only benefit from the Class's objective of limiting falls in the Net Asset Value per Share if they do so at the end of a quarterly period. The potential loss over longer periods will not be limited to 5 per cent. of the initial investment as losses may be sustained in more than one quarterly period. In particular, but without limitation, counterparty default on the transferable securities, cash or derivatives positions used and other external factors of an economic, tax, regulatory or political nature could adversely affect the pursuit of its objective and result in losses in excess of those anticipated.

It is not the intention of the Class to distribute income.

The prices of Shares in the Class and any income from them may go down as well as up and an investor may not get back the amount invested. The Class's investments are subject to market risks and to the fluctuation in markets and there can be no assurance that the investment objective will be achieved.

The Class may enter into transactions relating to futures and options on financial instruments for a purpose other than hedging in compliance with what is prescribed by the Fund's investment restrictions set forth in Appendix II of this Explanatory Memorandum and in the interest of an orderly management of its assets. The markets in futures and options are volatile and the possibility to realise gains as well as the risk to suffer losses is higher than with investments in securities.

US Defensive (Denominated in EUR)

To participate in some part of the long-term capital appreciation (if any) of selected major US equity markets (primarily the equity market represented by the constituents of the S&P 500 index) while attempting to achieve a Net Asset Value per Share on the Valuation Day at the end of any quarterly period that is not less than 95 per cent. (in terms of EUR) of the Net Asset Value per Share on the Valuation Day at the start of that quarterly period. Unless otherwise determined by the Directors, the quarterly periods will be deemed to start and end on the second Valuation Day in January, April, July and October.

The Class will attempt to achieve its objective of limiting potential falls in the Net Asset Value per Share by investing in transferable debt securities. On an ancillary basis, the Class may also hold money market instruments, term deposits and cash (usually denominated in EUR) having regard to the investment restrictions set forth in Appendix II of this Explanatory Memorandum.

In addition to the above, the Class will attempt to achieve its objective of participating in some part of any capital appreciation of selected major US equity markets by buying call options linked to selected major US equity market indices subject to the limits set forth in Appendix II of this Explanatory Memorandum. The Class's exposure to the equity market using options will be actively managed. Any returns over any quarterly period may be capped in order to increase participation in expected market growth by giving up returns from the market that the Investment Manager considers may be unlikely over particular periods. Investors should not expect the return on the Class to match fully the return of the major US equity indices.

These investments should result, at the Valuation Day at the end of any quarterly

period and in the absence of counterparty default, in the Net Asset Value per Share being equal to at least 95 per cent. (in terms of EUR) of the Net Asset Value per Share at the Valuation Day at the start of that quarterly period. This level of 95 per cent. of the Net Asset Value per Share at the Valuation Day at the start of the quarterly period is referred to as the "Floor Price". The Floor Price does not guarantee any minimum level of the Net Asset Value per Share. The Floor Price will ratchet up (down) as the Net Asset Value per Share increases (decreases) from one quarterly period to the next and so the Floor Price in any period may be higher or lower than the Floor Price set during the previous quarterly period. The first Floor Price will be equal to 95 per cent. of the issue price of EUR 10. Transferable securities, money market instruments and term deposits held by the Class will be issued by institutions which have at the time of purchase or subscription a long term credit rating of at least A from Standard and Poor's or A2 from Moody's, although these securities carry a risk of default.

Although the Class attempts to achieve a Net Asset Value per Share on the last Valuation Day of any quarterly period that is not less than 95 per cent. of the Net Asset Value per Share on the first Valuation Day of that quarterly period, this is not guaranteed by the Fund or its Directors, the Investment Manager or by any authorised intermediary. Negative quarterly returns for the Class may exceed 5 per cent. The value of the instruments held by the Class may fluctuate during any quarterly period so that Shareholders who purchase or redeem Shares will only benefit from the Class's objective of limiting falls in the Net Asset Value per Share if they do so at the end of a quarterly period. The potential loss over longer periods will not be limited to 5 per cent. of the initial investment as losses may be sustained in more than one quarterly period. In particular, but without limitation, counterparty default on the transferable securities, cash or derivatives positions used and other external factors of an economic, tax, regulatory or political nature could adversely affect the pursuit of its objective and result in losses in excess of those anticipated.

It is not the intention of the Class to distribute income.

The prices of Shares in the Class and any income from them may go down as well as up and an investor may not get back the amount invested. The Class's investments are subject to market risks and to the fluctuation in markets and there can be no assurance that the investment objective will be achieved.

The Class may enter into transactions relating to futures and options on financial instruments for a purpose other than hedging in compliance with what is prescribed by the Fund's investment restrictions set forth in Appendix II of this Explanatory Memorandum and in the interest of an orderly management of its assets. The markets in futures and options are volatile and the possibility to realise gains as well as the risk to suffer losses is higher than with investments in securities.

BONDS AND FIXED INTEREST FUNDS

Asian Bond (Denominated in USD)
To achieve long term absolute returns in USD terms through a combination of high yield and medium term capital growth from diversified investment in transferable debt securities listed on an official stock exchange or other Regulated Market, denominated in local and foreign currencies, issued or guaranteed by government or government agencies and corporate borrowers in the Asia (ex Japan) Debt Markets. The term Asia (ex Japan) Debt Markets encompasses a large and increasing number of countries and issuers who, by virtue of their improving economic performance, have successfully entered or re-entered voluntary global capital markets and issued traded debt instruments denominated in either local or foreign currencies in which non-residents may invest. However, the Manager believes that investors should take a pragmatic approach in choosing the markets in which to invest. For the purpose of this Class, Asia (ex Japan) Debt Markets are therefore defined as those countries and territories of Asia not included in the JP Morgan World Government Bond Index, who have or are expected to have the financial resources to service and repay such debt.

At present this definition includes:
Hong Kong SAR and mainland China, India, Indonesia, Malaysia, The Philippines, Pakistan, Singapore, South Korea, Sri-Lanka, Taiwan, Thailand and Vietnam.

Transferable securities in which the Class will invest include traded debt instruments which in these Asian markets range from foreign currency (predominantly USD but also DEM, CHF, JPY) denominated Brady Bonds, loans, Eurobonds, Floating Rate Notes and Convertible Bonds.
The Portfolio will also invest on an ancillary basis in local currency instruments such as currency linked notes, Treasury Bills and Commercial Paper traded in markets where these instruments are not defined as transferable securities within the authorised limits described in the investment safeguards. *

The attention of investors is drawn to the risk warnings on page 12.

Converging Europe Bond (Denominated in EUR)
To produce high absolute returns in the medium-term (3 to 5 years) while keeping volatility to a minimum. The Portfolio will invest in debt securities of any Eastern European issuer and debt securities issued in any Eastern European currency. The Portfolio will concentrate its investments on those countries with the strongest prospects of EU entry. In accordance with the investment safeguards set forth in Appendix II of this Explanatory Memorandum, investments in unquoted securities will not exceed ten per cent. of the net asset value of the Portfolio.*

The attention of investors is drawn to the risk warnings on page 12.

Emerging Markets Debt (Denominated in USD)
To achieve high long term total returns through diversified investment in debt securities, denominated in local and foreign currencies, issued or guaranteed by government or government agencies and corporate borrowers in Emerging Debt Markets. The term Emerging Debt Markets encompasses a large and increasing number of countries and issuers who, by virtue of their improving economic performance, have successfully entered or re-entered voluntary global capital markets and issued traded debt instruments denominated in either local or foreign currencies in which non-residents may invest. However, the Manager believes that investors should take a pragmatic approach in choosing the markets in which to invest. For the purpose of the Fund, Emerging Debt Markets are therefore defined as those countries and territories not included in the JP Morgan World Government Bond Index, who have or are expected to have the financial resources to service and repay such debt. At present this definition includes:

Latin America
Argentina, Brazil, Chile, Columbia, Ecuador, Mexico, Panama, Peru and Venezuela.

Europe / Africa
Bulgaria, Czech Republic, Hungary, Poland, Morocco, Nigeria and South Africa.

Asia
Hong Kong SAR and mainland China, India, Indonesia, Malaysia, The Philippines, Pakistan, Singapore, South Korea, Sri-Lanka, Taiwan, Thailand and Vietnam.
Traded debt instruments in Emerging Debt Markets range from foreign currency denominated Brady Bonds, to loans, Eurobonds and local market instruments. Local market instruments are defined as bonds issued by governments of countries not included in the JP Morgan World Government Bond Index, as specified above.
Brady Bonds currently represent the largest segment of the market. These instruments are traded securities that have been restructured from defaulted commercial bank loans, primarily but not exclusively in Latin America. This restructuring sought to ease the debt burden of creditor countries mainly through partial debt forgiveness, an extension in the maturity of debt and the provision of collateral on certain payments of interest and/or principal. This was conditional on the implementation of substantial economic and structural reforms under the guidance of the International Monetary Fund. *

The attention of investors is drawn to the risk warnings on page 12.

EURO Bond (Denominated in EUR)
To provide to investors in Europe a combination of capital growth and income primarily through the exploitation of specific opportunities presented by Euro denominated bonds. The fund will invest in a diversified Portfolio of bond issues, including Government, supra-national and corporate issuers.

EURO Short Term Bond (Denominated in EUR)
To maximise returns through the active management of short term bonds issued in countries participating, or likely to participate in the Economic and Monetary Union (EMU). The Portfolio will be invested in floating rate

and short-term fixed income transferable securities denominated in Euro. On an ancillary basis, the Portfolio may hold time deposits. On a selected basis forward currency transactions, futures and options may be used. In order to enhance returns, the Portfolio can invest on a tactical basis up to ten per cent. of assets in bond holdings that do not fall into the category of Euro denominated floating rate or short term bonds issued in countries participating, or likely to participate in EMU.

European Bond (Denominated in EUR)
To provide a combination of high yield and medium term capital growth, through the exploitation of specific opportunities presented by the bond markets of Europe. The Fund will invest in a diversified Portfolio of European Government or supra-national bond issues and, where appropriate, in such issues in the relevant Eurobond market, including those denominated in Euro, and corporate issues. *

The attention of investors is drawn to the risk warnings on page 12.

Global Bond (Denominated in USD)
To provide a return of capital growth and income through investment in an actively managed Portfolio of fixed and floating rate securities denominated in a range of currencies. The Manager will seek to provide a return in excess of a representative index of world government bond markets by the active management of:

a) the fixed interest market exposure;
b) the maturity of securities within markets:
c) currency exposure, including the use of forward currency contracts.

Permitted investments may include securities issued by governments, their agencies, supranational bodies, or corporations, with the restriction that a minimum credit rating of AA (or equivalent) from one or more of the following credit rating agencies (Moody's, Standard & Poor's, IBCA) should apply.

Hedged Global Bond (Denominated in USD)
To provide a return of capital growth and income through investment in an actively managed Portfolio of fixed and floating rate securities denominated in a range of currencies. The Manager will seek to provide a return in excess of a representative index of USD hedged world government bond markets by the active management of:

(a) the fixed interest market exposure;
(b) the maturity of securities within markets;
(c) currency exposure, including the use of forward currency contracts.

Permitted investments may include securities issued by governments, their agencies, supranational bodies, or corporations, with the restriction that a minimum credit rating of AA (or equivalent) from one or more of the following credit rating agencies (Moody's, Standard & Poor's, IBCA) should apply.

US Dollar Bond (Denominated in USD)
To provide a combination of capital growth and income, through the exploitation of specific opportunities presented by the Dollar bond markets. The Fund will invest in a diversified Portfolio of bond issues, including Government, supra-national and corporate issuers.

US Short Term Bond (Denominated in USD)
To provide a return of capital growth and income through investment in short and intermediate US Dollar denominated fixed income securities. The fund will invest in a diversified portfolio of issues including Government, corporate, asset backed and mortgage backed securities.

The Directors may, from time to time, permit the use of forward currency transactions and/or currency futures or options in order to protect the value of the assets of any Class against untoward exchange risks.

Investors who invest in Classes which include warrants are warned that prices of warrants may fall in value as rapidly as they may rise and it may not always be possible to dispose of them during such falls and that changes in rates of exchange may have a separate effect.

INVESTMENT MANAGEMENT

Investment management is provided by Schroder Investment Management Limited and its affiliates. The Directors of the Fund are responsible for the overall investment policy and administration of the Fund. The Directors have not delegated the overall responsibility for investment policy, save as disclosed on the following pages.

INVESTMENT MANAGER

The Directors have appointed Schroder Investment Management Limited ('SIM') and affiliates of SIM in London and overseas to manage the investment Portfolios of each Class of Share of the Fund. SIM, which has a paid up share capital of £50 million, is the United Kingdom fund management subsidiary of Schroders plc ("Schroders"), which is the holding company of an international investment bank and asset management group whose origins date back to 1804. Schroders plc is listed on the London Stock Exchange. Investment management is carried out through SIM and its subsidiary and associated companies. Funds under investment management and advisory contracts world-wide at 31 December 1999 exceeded USD 230 billion.

At the date of this Explanatory Memorandum, investment management is provided by the following affiliates of SIM only:

SIM
European Defensive

Schroder Investment Management International Limited
Converging Europe Bond
Emerging Europe
Emerging Markets
Emerging Markets Debt
EURO Bond
EURO Equity
EURO Short Term Bond
European Bond
European Equity - GDP Weighted
European Equity - Mkt Cap Weighted
European Smaller Companies
Global Bond
Global Equity
Global Technology
Hedged Global Bond
Italian Equity
Japanese Equity
Latin American
US Equity

Schroder Personal Investment Management Limited
US Dollar Portfolio
Portfolio

Schroder Investment Management (Japan) Limited
Japanese Smaller Companies

Schroder Investment Management North America Inc
US Smaller Companies
US Dollar Bond

Schroder Investment Management (UK) Limited
UK Equity

Schroder Investment Management (Hong Kong) Ltd
Asian Bond

Schroder Investment Management (Singapore) Ltd
Pacific Equity

J. Henry Schroder Bank AG
Swiss Equity

SIM's approach to investment management is based on detailed analysis of the long term prospects for economies, currencies, industries and individual companies. Stock selection policies focus upon the identification of undervalued equity investments throughout the world.

Having for many years maintained a commitment to smaller companies, SIM has developed considerable experience in recognising those stocks which represent exceptional fundamental value, thereby offering the prospect of future relative outperformance.

World-wide, Schroders' investment management operation employs over 1,000 investment professionals. Research is based on access to a wide range of material provided by independent bodies (such as government agencies and independent research institutes) and the stockbroking community, as well as

on information derived from visits to the companies concerned. Schroders' analysts currently visit, or meet representatives of, over 6,000 companies world-wide every year.

CUSTODY & ADMINISTRATION

Custodian
Chase Manhattan Bank Luxembourg SA has been appointed Custodian of the assets of the Fund. The Custodian must ensure that:
the sale, issue, redemption and cancellation of Shares effected by or on behalf of the Fund are carried out in accordance with the law and the articles of incorporation of the Fund; in transactions involving the assets of the Fund, the consideration is remitted to it within the usual time limits; the income of the Fund is applied in accordance with its articles of incorporation.

Administration
The Fund has appointed Schroder Investment Management (Luxembourg) S.A. as its Coordinator, Registrar, Transfer Agent and Central Paying Agent. The Coordinator is responsible for the execution of the tasks connected to the duties of central administration of the Fund in Luxembourg. The Fund has delegated the functions of the calculation of the net asset value per Share in each Class in the Fund and the maintenance of the Fund's accounting records to Chase Manhattan Bank Luxembourg SA.
The Fund has appointed Schroder Investment Management as its Domiciliary Agent and Distributor.

The Fund has appointed Chase Manhattan Bank Luxembourg as its Listing Agent.

SUBSCRIPTION, REDEMPTION, AND CONVERSION OF SHARES

SUBSCRIPTION OF SHARES

Subscription
Shares of each Class will be issued by the Fund on each Valuation Day. Please note that the European Defensive class is valued weekly, each Wednesday, and that all subscriptions into this Class are effected on Wednesdays only. Subscriptions may be effected on any Valuation Day to the Transfer Agent on a cleared funds basis except for those clients for which credit dealing has been approved. On any Valuation Day, subscriptions must be received by the Transfer Agent prior to 17:00 hours for all Classes other than the European Defensive Class where weekly dealing for subscriptions closes on Wednesday at 12:00 hours, in order to deal at the valuation price per share for that given Valuation Day.

Applications received after 17:00 hours for all Classes, on any Valuation Day will, if accepted, be dealt with at the Subscription Price calculated at 11:00 hours on the immediately following Valuation Day, other than the European Defensive Class where 12:00 hours is the closing time, and the subscription price is calculated at 13:00 hours.

An application form must be completed and sent to the Transfer Agent for any initial subscription into the Fund. For top-up investments into the Fund and into the same registered client account, a second application form is not required. However, clients placing a top-up investment are required to provide written instructions, as listed on page 36, on the order transmitted to the Transfer Agent and on the payment advice.

Fractions of shares to two decimal places will be issued where appropriate. No Shares of any Class will be issued by the Fund during any period when the determination of the net asset value of the Shares of that Class is suspended by the Fund.

The market value of the assets in the Fund will normally be fixed at 11:00 hours, except for the European Defensive Class where the market value of the assets will normally be fixed at 13.00 hours. The Directors of the Fund reserve the right, in case of a material change to the market value of the Fund's investments in one or more classes, to allow the market value of the assets to be fixed at another time during the day, as well as more frequently than once daily.

The Subscription Price includes an initial charge as described on page 23 under "Prices of Shares".

Settlement
Settlement in cleared funds should be made to the Transfer Agent within five business days, at which point the application will be accepted. An applicant may be required to compensate the Fund for any loss resulting from late settlement.

Registered Shares are evidenced by entries in the Fund's Register and are represented by a Contract Note.

Currency of Payment
Subscription monies should be paid in the currency of denomination of the relevant Class of Share, but may be paid in any other freely convertible currency in which case the cost and risk of converting currency will be borne by the investor. The conversion of currencies will be arranged by the Transfer Agent. Neither the Fund nor the Transfer Agent take any responsibility for the rate of exchange obtained. Changes in the rate of exchange between the currency of denomination and the currency of an applicant's subscription monies may cause the value of a Shareholder's investment to diminish or increase.

Assets contributed in kind
The Board is authorised without limitation to issue fully paid Shares at any time in counterpart of assets contributed in kind. The value of such assets contributed in kind is determined in accordance with the principles applied to the calculation of the value of the assets of the Fund. The Subscription Price is then, upon approval of the Board and subject to all applicable laws, namely with respect to a special audit report confirming the value of any assets contributed in kind, to be paid by contributing to the relevant Class securities acceptable to the Board consistent with the investment policy and investment restrictions of the relevant Class.

Method of Payment
Payment may be made by cheque or bankers' draft or telegraphic transfer to the relevant account specified in paragraph 2 (h) and (i) in "Terms and Conditions of Application" on page 39.

REDEMPTION OF SHARES

Redemption
A Shareholder in the Fund may at any time, subject as mentioned below and to any suspension of the determination of the net asset value of the Class of Share to be redeemed, require the Fund to redeem all or any of the fully paid Shares in the Fund held on any Valuation Day, subject to the receipt of completed Shareholder documentation. The European Defensive Class is valued weekly, on Wednesdays, and all redemptions are effected on Wednesdays only. On any Valuation Day, redemptions must be received in writing by the Transfer Agent prior to 17.00 hours for all Classes other than the European Defensive Class where weekly dealing for redemptions closes on Wednesdays at 12:00 hours.

A redemption charge may be deducted in the calculation of the Redemption Price, as described below under "Prices of Shares" on page 23. A Shareholder may require the Fund to redeem part of a Shareholding, provided that the Transfer Agent may decide to redeem the entire remaining Shareholding of that Class if, by the effect of the exercise of such request, the balance of any registered holding of a particular Class would be less than 1,000 Shares of that Class.
The Fund shall not be bound to take back by redemption on any Valuation Day more than 10 per cent. of the number of outstanding Shares relating to any Class which is the subject of the redemption request. If the Fund received requests on any Valuation Day for redemption of more than 10 per cent. of the outstanding number of Shares, the Fund may declare that such redemptions are deferred until a Valuation Day not more than seven subsequent Valuation Days following. On such Valuation Day such requests for redemption will be complied with in priority to later requests.

Signed instructions for redemptions shall be made in writing to the Transfer Agent. Any amendment of the payment mandate specified in the initial application form must be communicated in writing to the Transfer Agent.

Assets redeemed in kind
Subject to the approval of the Board, shares in the relevant Class may be redeemed at the request of the shareholder in counterpart of assets in kind held in the relevant Class.
The Board will ensure that the contribution of assets in kind in cases of such redemptions will not be detrimental to the remaining shareholders in the relevant Class by routinely prorating the redemption in kind as far as possible across the entire Portfolio.

Such redemptions will be subject to a special audit report confirming the number, the denomination and the value of the assets

which the Board will have determined to be contributed in counterpart of the redeemed shares. This audit report will also confirm the way of determining the value of the assets which will have to be identical to the procedure for determining the net asset value of the shares.

Such redemptions in kind are only acceptable to the Fund from a minimum aggregate net asset value of all the shares to be redeemed of USD one million per class of share.

The specific costs for such redemptions in kind, in particular the costs of the special audit report, will have to be borne by the Shareholder requesting the redemption in kind or by a third party, but will not be borne by the Fund.

Registered Shares
A Registered Shareholder wishing to have all or any of his Registered Shares redeemed by the Fund must provide written instructions.

Written Instructions
Written instructions given to the Transfer Agent should indicate the number and the Class of Shares to be redeemed and the name in which they are registered or preferably, a customer account number. The above information should be signed by the authorised shareholder(s).

Bearer Shares
Holders of Bearer Shares should follow the same procedures as holders of Registered Shares for redemption. In addition to written instructions, the holders of Bearer Shares should arrange for delivery of the relevant coupons to the Transfer Agent.

Timing
Requests for redemption may be made on any Valuation Day. All Shares tendered and accepted for redemption shall be redeemed, in the case of applications received by the Transfer Agent up to 17:00 hours (up to 12:00 hours on Wednesdays for European Defensive) on any Valuation Day in Luxembourg at the Redemption Price calculated on that day. Applications received after 17:00 hours (other than European Defensive, after 12:00 hours on Wednesdays) on any Valuation Day shall be redeemed at the Redemption Price calculated on the immediately following Valuation Day.

Payment for Shares redeemed will normally be made not later than five business days in Luxembourg after the date on which the applicable net asset value was determined.

Currency of Repayment
Shareholders will normally be repaid in the currency of denomination of the Class concerned. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction will be arranged by the Transfer Agent on behalf of and for the account and expense of the Shareholder, without responsibility as regards the Transfer Agent or the Fund. Changes in rates of exchange between the currency of denomination of the Class concerned and the currency of a Shareholder's redemption request may cause the value of a Shareholder's investment to diminish or increase. Payment will normally be made by bankers' draft or telegraphic transfer, less expenses, to an account specified by the Shareholder.

CONVERSION BETWEEN CLASSES OF SHARES

Procedure
Subject as following, Shareholders have the right, subject to the payment of a conversion charge as provided following, to any suspension of the determination of the net asset value of any relevant Class of Share, to convert all or part of their holdings of any one Class of Share into Shares of another Class or Classes by giving notice to the Transfer Agent in writing or by telefax subsequently confirmed in writing by post. A Shareholder requesting a conversion should send to the Transfer Agent a Conversion Request duly completed.

Shares of a sub-class having a specific sale's charge system and a specific distribution policy, as provided on page 9 may not be converted to Shares of a sub-class of Shares having a different sales charge system, other than those differing only in the specific subscription charge.
Shares of a sub-class having a specific sales charge system and a specific distribution policy, as provided on page 8 may be converted to Shares of a sub-class of Shares having the same or a different distribution policy.

Shareholders have thus the ability to convert their Shares, whether Accumulation Shares or Distribution Shares, to Shares, whether Accumulation Shares or Distribution Shares, of the same or any other class that offers such Shares. Any tax impact following this conversion in the country of the shareholder domicile will be borne by the Shareholder.

Conversions are not allowed between:
'A' and 'B' Shares, whether Accumulation Shares or Distribution Shares, of the same or different Classes.
'B' and 'C' Shares, whether Accumulation Shares or Distribution Shares, of the same or different Classes

Conversions are allowed between:
'A' and 'C' Shares, whether Accumulation Shares or Distribution Shares, of the same or different Classes, provided the minimum of USD 500,000 is met for each conversion from 'A' Shares to 'C' Shares whether Accumulation Shares or Distribution Shares, of the same or different Classes.

In the case of Bearer Shares, Shareholders should at the time of making the conversion arrange for delivery of the relevant coupons to the Transfer Agent. Registered Shares will be issued on conversion of Bearer Shares.

Requests for conversion may be made on any Valuation Day. All Shares tendered and accepted for conversion will be converted, in the case of applications received by the Transfer Agent up to 17:00 hours (up to 12:00 hours on Wednesdays for European Defensive) on any Valuation Day, at a rate normally calculated by reference to the prices of Shares of the Classes concerned on that day. Applications received and accepted after 17:00 hours (other than European Defensive, after 12:00 hours on Wednesdays) on any Valuation Day will be converted at a rate normally calculated by reference to the prices of Shares of the Classes concerned calculated on the immediately following Valuation Day at the rate for that day. Requests for conversion will be dealt with on a day which is a Valuation Day in all relevant Classes.

Calculation
The rate at which all or any part of a holding of Shares of any Class (the "original Class") is converted on any such Valuation Day into Shares of another Class (the "new Class") will be determined in accordance with the following formula:

$$A = \left(\frac{(BxC) - D}{E}\right) xF$$

Where:
A is the number of Shares of the Class to be allotted;
B is the number of Shares of the original Class to be converted;
C is the net asset value, less dealing expenses if appropriate, of the original Class ruling on the relevant Valuation Day;
D is the conversion charge related to the costs of effecting the transaction and not exceeding 1 per cent. of the value of the conversion into the new Class;
E is the net asset value of the new class on the relevant Valuation Day plus dealing expenses and
F is the currency conversion factor (if any).

General
The Transfer Agent may, however, refuse to effect conversions if the result thereof would be that the Shareholder would be registered as holding less than 1,000 Shares of either the original Class or the Class into which his Shares or any of them are to be converted.

The Fund shall not be bound to accept on any Valuation Day Conversion Requests representing more than 10 per cent. of the number of outstanding Shares relating to the original Class of Shares held. If the Fund receives on any Valuation Day requests for conversion of more than 10 per cent. of the outstanding number of Shares, the Fund may declare that such conversions are deferred until a Valuation Day not more than seven subsequent Valuation Days following. On such Valuation Day such requests for conversion will be complied with in priority to later requests.

PRICES OF SHARES

Subscription and Redemption Prices and the related conversion prices are based on the net asset value of each Class. Prices are calculated in the currencies of denomination of each Class of Share. The prices include adjustments to reflect fiscal charges, dealing costs and roundings and, in the case of the Subscription Price of 'A' and 'C' Shares, an initial charge. The maximum charge, other than fiscal charges, in the calculation of the Redemption

Price is 1 per cent. At the date of this document no such charge is made.

DIVIDENDS

Dividend Policy
It is the Directors' intention to distribute to holders of Distribution Shares of each Class of Shares, at or close to the end of the accounting period of each year, a proportion of the net investment income which accrues to the Portfolio or a percentage thereof to which such Shares relate. Interim dividends may be paid upon a decision of the Board of Directors in relation to any of the Classes. The Directors do not intend in normal circumstances to distribute capital gains.
In so far as and as long as Accumulation Shares and Distribution Shares have been issued and are in circulation for any particular Class of Share, the net investment income of the Class of Share will be attributed in accordance with the respective percentage of Accumulation and Distribution Shares in issue in comparison with the total number of Shares issued and in circulation in that Class.

In each Class of Share the annual net investment income attributable to Distribution Shares will be allocated to Shareholders in the form of a cash dividend.

If however the general meeting of Shareholders of a given Class of Share are of the opinion that due to market conditions it is not in the interest of Shareholders to pay a dividend no distribution will be made in favour of the relevant Shareholders.

Payment of Dividends
Registered Shares
Payments of dividends on Registered Shares will be made to Shareholders in accordance to the mandate provided to the Registrar.

Bearer Shares
Payments of dividends on Bearer Shares will be made in accordance with the dividend payment instruction given by holders of Bearer Shares to the Central Paying Agent, on deposit of the relevant coupons.

General
Payments of dividends will be made in the currency of denomination of the relevant Class of Share, unless otherwise requested. Shareholders who wish dividends to be paid to them in another freely convertible currency should inform the Registrar.

Such Shareholders should note that the cost and risk of converting currency will be borne by them and may represent a substantial part of any dividend payable.

Dividends not collected within five years will lapse and accrue for the benefit of the relevant Class of Share of the Fund in accordance with Luxembourg law.

Reinvestment
Dividends may be reinvested by the Registrar on request of holders of Registered Shares in the subscription of further Shares of the Class to which such dividends relate. Such Shares will be issued on the date on which the relevant dividend is paid at a price which will be calculated in the same way as for other issues of Shares of that Class on that date, except that no initial charge will be payable. Any fraction of a new Share arising will be allotted in full and rounded to two decimal places. Investors wishing to use this reinvestment facility should notify the Registrar by completing the relevant section of the application form. Where this reinvestment facility is used, each dividend due to the Shareholder will be paid by the Fund to the Registrar for the account of the relevant Shareholder. The Registrar will, as agent for the Shareholder, reinvest such monies in further Shares of the Class to which such dividends relate.

Notwithstanding the fact that any dividend may have been utilised in the application for further Shares in this way, a dividend notice will be forwarded to Shareholders concerned who may use such notice in connection with their return of income to taxation authority to whom they may be liable to make such a return.

The reinvestment facility is not available for dividends on Bearer Shares.

CHARGES AND EXPENSES

General
The Fund is responsible for the payment out of its assets of the fees of the Directors, the Custodian, the Investment Managers, the Registrar and Transfer Agent, the Domiciliary Agent, the Administration Agent, the Central Paying Agent, the auditors and the legal advisers to the Fund, the cost of printing and distributing the Explanatory Memorandum,

annual and semi-annual reports, and any other periodical information, the costs and expenses incurred in connection with the reorganisation of the Fund, all brokerage, taxes and governmental duties and charges payable by the Fund, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency or stock exchange, the cost of publication of prices and its other operating expenses.

Investment Managers
The Investment Managers are entitled to receive from the Fund a fee, payable monthly. At the date of this Explanatory Memorandum the management fees applied to the 'A' and 'B' Shares of each Class as a percentage of the net asset value of the relevant Portfolio are as follows, (one fee is shown against each Portfolio in cases where the 'A' and 'B' share management fees are equal):

Asian Bond	1.00
Converging Europe Bond	1.00
Emerging Europe	1.50
Emerging Markets	1.50
Emerging Markets Debt	1.00
EURO Short Term Bond	0.50
EURO Equity	1.25
EURO Bond	0.75
European Bond	0.75
European Defensive 'A' Shares	1.25
European Defensive 'B' Shares	1.00
European Equity - GDP Weighted	1.25
European Equity - Market Capitalisation Weighted	1.25
European Privatisation	1.25
European Recovery	1.25
European Smaller Companies	1.50
Global Equity	1.25
Global Bond	0.75
Global Technology	1.50
Hedged Global Bond	0.75
Italian Equity	1.25
Japanese Equity	1.25
Japanese Smaller Companies	1.50
Latin American	1.50
Pacific Equity	1.50
Portfolio	1.50
Swiss Equity	1.25
UK Enterprise	1.25
UK Equity	1.25
UK Smaller Companies	1.50
US Dollar Bond	0.75
US Dollar Portfolio	1.50
US Equity	1.25
US Smaller Companies	1.50

The management fees applied to the 'C' Shares of each Class as a maximum percentage of the net asset value of the relevant Class are as follows:

Bond and Fixed Interest Classes:
0.50 per cent. per annum, except for the EURO Short Term Bond Class where the management fees applied are 0.20 per cent. per annum and for the Converging Europe Bond Class where the management fees applied are 0.60 per cent. per annum.
International and Specialised Equity Classes:
0.60 per cent. per annum, except for Global Technology Class where the management fees applied are 0.80 per cent. per annum
Smaller Companies Classes:
1.00 per cent. per annum
Emerging Markets and Latin American Classes:
1.25 per cent. per annum, except for the Emerging Europe Class where the management fees applied are 1.00 per cent per annum.

In the event that the Investment Management fee is increased within the maximum at any time, three months' written notice will be given to Shareholders in the relevant Class of Shares.

Initial Charge
The Fund is entitled to the initial charge and any rounding, out of which commissions may be paid to recognised financial advisers and distributors of 'A' and 'C' Shares. The maximum initial charge for 'A' Shares is currently 5 per cent. of the unrounded Subscription Price (which is 5.26315 per cent. of the net asset value per share); there is no initial charge for 'B' Shares and the maximum initial charge for 'C' shares is currently 3 per cent. of the unrounded Subscription Price (which is 3.09278 per cent. of the net asset value per share).

Redemption Charge
At the date of this Explanatory Memorandum, there is no redemption charge.

Distributors' Fee
The Fund is responsible for the payment of a Distributors' fee to distributors of 'B' Shares in each Class, payable quarterly at a rate not exceeding 0.60 per cent. per annum of the net

assets for Equity Classes, 0.50 per cent. per annum of the net assets for Bond and Fixed Interest Classes, except for the EURO Short Term Bond Class where the fee is 0.1 per cent. per annum of the net assets and 0.55 per cent per annum of the net asset value for the Defensive Class.

Conversion Charge
A conversion charge, payable to distributors, may be made not exceeding 1 per cent. of the value of the Shares into which conversion is to be made.

CUSTODIAN, ADMINISTRATION AGENT, REGISTRAR AND TRANSFER AGENT

The Fund has agreed with Chase Manhattan Bank Luxembourg SA that it will be entitled to its customary charges for its services as Custodian and Fund Accountant.
Chase Manhattan Bank Luxembourg SA, as Custodian, is entitled to be reimbursed by the Fund for all fees and expenses charged to it by any agent in respect of securities for which the principal market is located outside Luxembourg. Chase Manhattan Bank Luxembourg SA is also entitled to its customary charges for net asset value computation and accounting and for its services as Listing Agent.

The Fund has agreed with Schroder Investment Management (Luxembourg) SA that it will be entitled to its customary charges for its services as Domiciliary Agent and for its services as Coordinator, Registrar, Transfer Agent, and Central Paying Agent.

In addition, Chase Manhattan Bank Luxembourg SA and Schroders Investment Management (Luxembourg) are entitled to be paid their reasonable out-of-pocket expenses properly incurred carrying out their duties in all these regards.

All the above charges are subject to review from time to time. For its duties as Custodian, Chase Manhattan Bank Luxembourg SA's fees will be calculated by reference to a percentage of the average net assets held on behalf of the Fund and will be paid monthly in arrears.

Directors' Fees
Each of the Directors of the Fund (other than Mr Dorrien-Smith, Mr McMahon, Mr. Smith, Mr Svendsen, Mr Tosato, Mr Wolton who will receive no fee from the Fund) will be entitled to remuneration for his services at the rate determined by the Fund in general meeting from time to time. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses of attending and returning from meetings of the Board of Directors or general meetings of the Fund.

TAXATION

TAXATION OF THE FUND

Luxembourg
The Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax. The Fund is, however, liable in Luxembourg to a tax of 0.06 per cent. per annum of its net assets, such tax being payable quarterly on the basis of the net assets of the Fund at the end of the relevant quarter. No stamp duty or other tax will be payable in Luxembourg on the issue of Shares in the Fund. A tax of Luf. 50,000 was paid upon incorporation.

No Luxembourg capital gains tax is payable on the realised or unrealised capital appreciation of the assets of the Fund.

United Kingdom
The Directors intend to conduct the affairs of the Fund so that the central management and control of the Fund is not and will not be undertaken, for taxation purposes, within the United Kingdom. Consequently, the Fund should not be liable to United Kingdom corporation tax on its income or gains.

General
Investment income received by the Fund may be liable to withholding taxes in the country of origin concerned at varying rates; such withholding taxes are not recoverable.

TAXATION OF SHAREHOLDERS

Luxembourg Shareholders
Shareholders are not subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg (except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg and except for certain former

residents of Luxembourg should they own more than 25 per cent. of the share capital of the Fund).

United Kingdom Shareholders
Shareholders in the Fund resident in the United Kingdom for taxation purposes are, subject to their personal circumstances, liable to United Kingdom income tax or corporation tax in respect of dividends or other income distributions of the Fund (whether or not such dividends are reinvested in Shares in the Fund).

Clearance under section 707 of the Income and Corporation Taxes Act 1988 (the "Taxes Act") of the United Kingdom (cancellation of tax advantages from certain transactions in securities) has been given by the United Kingdom Board of Inland Revenue in relation to the issue, sale, conversion, repurchase and redemption of Shares in the Fund (except in the case of a sale to a company in which the vendor has a substantial interest). The attention of individuals ordinarily resident in the United Kingdom is drawn to sections 739 and 740 of the Taxes Act which may render them liable to income tax in respect of the undistributed income or profits of the Fund.

The attention of United Kingdom resident companies is drawn to the fact that the controlled foreign companies provisions contained in the Taxes Act could be material to any United Kingdom resident company that holds, alone or together with certain other associated persons, 10 per cent. or more of the Shares in the Fund, if at any time the Fund is controlled by persons who are resident in the United Kingdom.

General
The foregoing is based on the law and practice currently in force and is subject to changes therein.

It is expected that Shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Explanatory Memorandum to summarise the taxation consequences for each investor of subscribing, purchasing, converting, holding, redeeming, selling, transferring or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with law and practice currently in force in the Shareholder's country of citizenship, residence, domicile or incorporation, and with his personal circumstances. Prospective Shareholders should, therefore, inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, purchase, conversion, holding, redemption and realisation of Shares in the place of their citizenship, residence, domicile or incorporation.

APPENDIX 1 – ARTICLES OF INCORPORATION OF THE FUND CONTAIN , INTER ALIA, PROVISIONS TO THE FOLLOWING EFFECT:

1. Suspension of Determination of Net Asset Value

The Fund may suspend temporarily the allotment, issue, repurchase and redemption of Shares of any Class as well as the right to convert Shares relating to any Class into Shares relating to another Class and the calculation of the net asset value per Share relating to any Class:

a) during any period when any of the principal stock exchanges or other Regulated Markets on which any substantial portion of the Fund's investments of the relevant Class for the time being are quoted is closed (otherwise than for ordinary holidays), or during which dealings are restricted or suspended; or

b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Class by the Fund is impracticable; or

c) during any breakdown in the means of communication normally employed in determining the price or value of any of the Fund's investments or the current prices or values on any market or stock exchange; or

d) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or

e) if the Fund is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind-up the Fund is proposed; or

f) if the Directors have determined that there has been a material change in the valuation of a substantial proportion of the investments of the Fund attributable to a particular Class of Share and the Directors have determined in order to safeguard the interests of the Shareholders and the Fund, to delay the preparation or use of a valuation or to carry out a later or subsequent valuation.

The Fund may also suspend the issue and allocation of Shares relating to any one Class after giving 30 days' prior notice if the total of the net assets represented by such Shares is reduced to less than $5,000,000 or its equivalent amount in other currencies, as appropriate, and would not exceed such amount by virtue of a new subscription. The Fund shall cease the allotment, issue, conversion, re-purchase or redemption of such Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervising authority. Shareholders having requested a conversion or redemption of their Shares will be promptly notified of any such suspension and will be promptly notified upon termination of such suspension. The beginning and end of any period of suspension (except for customary closing of stock exchanges for ordinary holidays) will be made known at the registered office of the Fund and announced to Shareholders affected. Notice will also be given to any Shareholder lodging a request for redemption of Shares.

2. Determination of Net Asset Value

The net asset value of each Class of Share shall be expressed in the relevant currency of the Class concerned as a per Share figure and shall be determined in respect of any Valuation Day by dividing the net assets of the Fund corresponding to each Class of Share, being the value of the classes of the Fund corresponding to such Class less the liabilities attributable to such Class, by the number of Shares of the relevant Class then outstanding.

3. Net Asset Value and Subscription and Redemption Price Determination

a) i) Subscription and Redemption Prices, based on the net asset value of Shares of each Class whether 'A', 'B' or 'C' Shares, will be calculated at least once on each Valuation Day. The prices of the underlying investments normally used for valuations will be the latest available prices. If there has been a material change in the valuations of a substantial proportion of the investments of the Fund attributable to a particular Class of Share, the Fund may, in order to safeguard the interests of the Shareholders and the Fund, delay the

preparation or use of a valuation or carry out a later or subsequent valuation.

ii) The net asset value of each Class of Share whether 'A', 'B' or 'C' Share is determined by aggregating the value of securities and other permitted assets of the Fund allocated to that Class and deducting the liabilities of the Fund allocated to that Class.

At all times the net asset value of a Distribution Share of any Class of Share will be equal to an amount obtained by dividing the net assets of the Class of Share then attributable to the Distribution Shares of the Class of Share by the total number of Distribution Shares of the Class of Share then issued and in circulation.

Similarly, at all times the net asset value of an Accumulation Share will be equal to an amount obtained by dividing the net assets of the Class of Share then attributable to the Accumulation Shares of the Class of Share by the total number of Accumulation Shares then issued and in circulation.

b) The assets of the Fund shall be deemed to include:

i) all cash in hand or receivable or on deposit, including accrued interest;

ii) all bills and notes payable on demand and any amounts due (including the proceeds of securities sold but not yet collected);

iii) all securities, shares, bonds, debentures, options or subscription rights and any other investments and securities belonging to the Fund;

iv) all dividends and distributions due to the Fund; the Fund may, however, adjust the valuation to fluctuations of the market value of securities due to trading practices such as trading ex-dividend or ex-rights;

v) all accrued interest on securities held by the Fund except to the extent such interest is comprised in the principal thereof;

vi) the preliminary expenses of the Fund in so far as the same have not been written off provided that such preliminary expenses may be written off directly from the capital of the Fund; and

vii) all other assets of every kind and nature, including prepaid expenses.

c) The liabilities of the Fund shall be deemed to include:

i) all borrowings, bills and other amounts due;

ii) all administrative and other operational expenses due or incurred including all fees payable to the Investment Managers, the Custodian, Domiciliary and Administrative Agent, Registrar and Transfer Agent and any other representatives and agents of the Fund;

iii) all known liabilities, due or not yet due, and the amount of all dividends declared by the Fund but unpaid;

iv) an appropriate amount set aside for taxes due on the date of the valuation and any other provisions or reserves authorised and approved by the Directors; and

v) any other liabilities of the Fund of every kind and nature towards third parties.

For the purposes of the valuation of its liabilities, the Fund may take into account all administrative and other expenses of a regular or periodical character by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

d) The value of such securities and assets will be the last available price on the stock exchange or any other Regulated Market as defined in the Articles on which those securities or assets are traded or admitted for trading. Where such securities or other assets are quoted or dealt in on or by more than one stock exchange or any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provision of prices of securities or other permitted assets.

e) If a security is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith. Cash, bills payable on demand and other debts and prepaid expenses are valued at their nominal amount, unless it appears unlikely that such nominal amount is obtainable.

f) Any assets or liabilities in currencies other than the currency of denomination of the relevant Class will be converted using the relevant spot rate quoted by a bank or other responsible financial institution.

g) The Subscription Price per Share, whether 'A Accumulation', 'B Accumulation', 'C Accumulation', 'A Distribution 'B Distribution' or 'C Distribution' Shares, comprises the relevant net asset value per Share plus dealing expenses and fiscal charges, divided by the number of shares in issue and deemed to be in issue pursuant to the allocation or request for repurchase relating to the relevant Class. The initial charge, if any, is added and the total may then be rounded upwards to the minimum unit of currency concerned.

h) The Redemption Price per Share, whether 'A Accumulation', 'B Accumulation', 'C Accumulation', 'A Distribution', 'B Distribution' or 'C Distribution' Shares, comprises the relevant net asset value per Share less dealing expenses and fiscal charges, divided by the number of shares in issue and deemed to be in issue. The total is then adjusted downwards to the nearest minimum unit of currency concerned provided that in no circumstances may the deduction (other than fiscal charges) and rounding down exceed 1 per cent. of the net asset value of the relevant Portfolio.

4. Allocation of Assets and Liabilities

The Directors have established the Classes of Share listed on page 2 and reserve the right to add further Classes of Share and in certain circumstances to terminate existing Classes of Share.

The allocation of assets and liabilities between each Class of Share, and in respect of each designation of Shares if 'A' Shares, 'B' Shares or 'C' Shares have been issued as provided on page 7, shall be made in accordance with the following paragraphs.

In so far or as long as Accumulation or Distribution Shares have been issued and are in circulation in a Class of Share, the net assets of that Class of Share will be divided between on the one part, Income Shares and of the other part, Accumulation Shares in the following proportions:

The percentage of the total net assets of a Class of Share which correspond to the Distribution Shares will be equal to the percentage which together the Distribution Shares represent in the total number of Shares issued and in circulation within the Class of Share concerned.

Similarly, the percentage of the total net assets of a Class of Share which correspond to the Accumulation Shares will be equal to the percentage which together the Accumulation Shares represent in the total number of Shares issued and in circulation within the Class of Share concerned.

Progressively, upon the allocation of annual and interim dividends on Distribution Shares the part of the net assets together attributable to the Distribution Shares will be subject to a reduction equal to the amount distributed; while the proportion of the net assets of the Class of Share together attributable to the Accumulation Shares remains constant.

At the time of issue or repurchase of Shares from one or more Classes of Shares the part of the net assets attributable to the Shares of the relevant Class is accordingly increased or reduced by the amount paid or received by the Fund.

The proceeds from the allotment and allocation of Shares of each Class whether or not requiring conversion into some other currency or currencies are required to be applied in the books of the Fund to the Portfolio of securities and other permitted assets which represent that Class, and the assets and liabilities and income and expenditure attributable to that Class are applied thereto.

In the case of any asset or liability of the Fund which the Directors do not consider to be attributable to a particular Class of Share, the Directors shall, after consultation with the auditors, determine the basis upon which any such asset or liability is to be allocated between the Classes of Share in a way considered to be fair and reasonable, having regard to all relevant circumstances, and the Directors, subject to consultation as aforesaid, have power at any time to vary such basis.

The Directors may in the books of the Fund transfer any assets to and from Classes of Share if, as a result of a creditor proceeding against certain of the assets of the Fund or otherwise, a liability would be borne in a different manner from that in which it would otherwise be borne, or in any similar circumstances. Save as otherwise provided, the assets so held in each Class of Share are to be applied solely in respect of Shares of that Class.

Although each Class of Share will be treated as bearing its own liabilities the Fund as a whole will remain liable to third parties.

5. Liquidation

a) In the event of a dissolution of the Fund, liquidation shall be carried out by one or several liquidators named by the meeting of Shareholders effecting such dissolution and which shall determine their powers and their compensation. The net proceeds of liquidation corresponding to each Class of Share shall be distributed by the liquidators to the holders of Shares of each Class in proportion to their holding of Shares in such Class.

b) If the Fund should be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Luxembourg law of 30 March, 1988 relating to collective investment undertakings which specifies the steps to be taken to enable Shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the Caisse des Consignations of any such amounts as have not been claimed by any Shareholders at the time of the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg law.

6. Compulsory Redemption of Shares

Pursuant to the powers given to the Directors to impose restrictions for the purpose of ensuring that Shares in the Fund are not acquired or held by certain persons as referred to on page 1, the Fund may, where it appears to it that a person who is precluded is holding Shares in the Fund, compulsorily redeem all Shares held by such person by serving a notice upon the Shareholder in accordance with the provisions of the Articles.

7. Directors

a) No contract or other transaction between the Fund and any other corporation or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Fund is interested in, or is a director, associate, officer or employee of, such other corporation or firm. Any Director or officer of the Fund who serves as a director, officer or employee of any corporation or firm with which the Fund shall contract or otherwise engage in business shall not, by reason of such affiliation, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

b) In the event that any Director or officer of the Fund may have any personal interest in any transaction of the Fund, such Director or officer shall make known to the Board of Directors such personal interest and shall not consider or vote on any such transaction, and such transaction, and such Director's or officer's interest therein shall be reported to the next succeeding meeting of Shareholders.

c) The term "personal interest", as used in the preceding sub-paragraph (b), shall not include any relationship with or interest in any matter, position or transaction involving Schroders plc or any subsidiary thereof or such other corporation or entity as may from time to time be determined by the Board of Directors in its discretion.

d) The Fund may indemnify any Director or officer, and his heirs, executors and administrators, against any expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be a party by reason of his being or having been a Director or officer of the Fund or, at its request, of any other corporation of which the Fund is a shareholder or creditor and from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or misconduct; in the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Fund is advised by Counsel that the person to be indemnified did not commit such breach of duty. The foregoing right of indemnification shall not exclude other rights to which he may be entitled.

8. Meetings

a) The Annual General Meeting of Shareholders of the Fund will be held at the registered office of the Fund in Luxembourg on the last Tuesday in May in each year at 11.00 a.m. or, if any such day is not a business day in Luxembourg, on the next following business day. Notices of all general meetings and any other notices to Shareholders will be published in the Mémorial (if legally required), the Financial Times and the Luxemburger Wort and will be sent to

registered holders of Shares by post at least fifteen days prior to the meeting at their addresses in the Register of Shareholders. Such notices will set forth the agenda and specify the time and place of the meeting and the conditions of admission thereto and will refer to the necessary quorum and majorities for the meeting. The requirements as to attendance will be those laid down in Articles 67 and 71 of the Law of 10 August 1915 (as amended) of the Grand Duchy of Luxembourg and in the Articles.

b) Resolutions of meetings of Shareholders will apply to the Fund as a whole and to all Shareholders in the Fund, provided that any amendment affecting the rights of the holders of the Shares of any Class vis-à-vis those of any other Class shall be subject to separate meetings which shall have the quorum and majority requirements referred to in paragraph 8(a) above in respect of each such relevant Class. Each Share of whatever Class and regardless of the net asset value per Share within the Class is entitled to one vote.

9. Equalisation

In the event that an Equalisation Account is operated, equalisation payments are normally repaid to Shareholders with the first dividend to which they are entitled after the issue of the relevant Shares or, if still outstanding, on redemption of such Shares or on a liquidation. If an Equalisation Account is being operated in the calculation of the Subscription Price and Redemption Price, the net undistributed income of the relevant Portfolio is deducted from the net asset value of that Portfolio. In the case of the Subscription Price, an equalisation payment is also payable. In the case of a Redemption Price, payment may also be paid in respect of accrued income and out of the Equalisation Account.

APPENDIX II INVESTMENT SAFEGUARDS

The Fund has broad powers under its Articles as to the type of investments it may make and the investment methods it may adopt. The investments of the Fund must consist solely of:-

a) transferable securities admitted to official listing on a stock exchange in an EU member state;

b) transferable securities dealt in on another Regulated Market in an EU Member State which operates regularly and is recognised and open to the public;

c) transferable securities admitted to official listing on a stock exchange in a non-member State of the EU or dealt in on another Regulated Market in a non-member State of the EU which operates regularly and is recognised and open to the public provided that the choice of the stock exchange or the market has been provided for in the constitutional documents of the Fund;

d) recently issued transferable securities, provided that:
- the terms of the issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market has been provided for in the constitutional documents of the Fund;
- such admission is secured within one year of issue.

However:
e) the Fund may invest no more than 10 per cent. of its assets in transferable securities other than those referred to in paragraphs a,b,c and d above;

f) the Fund may invest no more than 10 per cent. of its assets in debt instruments which shall be treated, because of their characteristics, as equivalent to transferable securities and which are, inter alia, transferable, liquid and have a value which can be accurately determined at any time or at least with the frequency stipulated in Article 92(1) of the Law of collective investment undertakings.
The total of the investments referred to in paragraph e) and f) may not under any circumstances amount to more than 10 per cent. of the assets of the Fund.

The Fund may hold ancillary liquid assets. The Fund has to respect the following restrictions with respect to the investment of the assets of the Fund:-

1. The Fund may not on behalf of any Class of Share purchase securities of any one issuer if upon such purchase more than 10 per cent. of the total net assets of that Class of Share would consist of the securities of such issuer, subject to the total value of the securities held in the securities of issuers in which it invests on behalf of that Class of Share more than 5 per cent. of that Class of Share's total net assets not exceeding 40 per cent. of that Class of Share provided that

a) the above limit of 10 per cent. shall be 35 per cent. in respect of debt securities issued or guaranteed by a Member State of the EU, its local authorities, or public international bodies of which one or more Member States are members or by any other State;

b) the securities referred to under (a) of this sub-paragraph are not to be taken account of in applying the limit of 40 per cent. set forth in this sub-paragraph,

c) the Fund may on behalf of any Class of Share invest up to 100 per cent. of that Class of Share's total assets in different transferable securities issued or guaranteed by any Member State of the EU, its local authorities, or public international bodies of which one or more of such EU Member States are members, or by any other country which is a member of the OECD and

d) if the Fund on behalf of any Class of Share makes use of the provision under (c) of this sub-paragraph that Class of Share must hold securities from at least six different issues, and securities from any one issue may not account for more than 30 per cent. of that Class of Share's total net assets.

2. The Fund may not purchase securities of any company or other body if, upon such purchase, the Fund would own more than 10 per cent. of any Class of the securities of such company or body; provided that this limit shall not apply to

a) securities issued or guaranteed by a Member State of the EU, its local authorities, or public international bodies of which one or more Member States of the EU are members

or by any other State, nor to

b) shares held by the Fund in the capital of a company incorporated in a State which is not a Member State of the EU investing its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State, provided that company, in its investment policy, complies with the limits laid down in Articles 42 and 44 and in paragraphs (1) and (2) of Article 45 of the Law on collective investment undertakings.

3. The Fund may not on behalf of any Class of Share invest in voting shares of companies allowing it to exercise a significant influence in the management of the issuing body provided that this restriction shall not apply in the cases where restriction (2) is non-applicable.

4. The Fund may on behalf of any Class of Share only acquire shares or units in a collective investment undertaking of the open-ended type subject to the following conditions and restrictions:

a) such undertaking is a collective investment undertaking in transferable securities in the meaning of the first and second indent Article 1(2) of the Directive of the Council of the European Union of 20 December, 1985;

b) investment in the shares of an investment company of the open-ended type to which the Fund is linked by common management or control or by a substantial direct or indirect holding or in the units of a unit trust of the open-ended type managed by a company to which the Fund is linked by common management or control or by a substantial direct or indirect holding, shall be permitted only

i) in the case of an investment company or of a unit trust which, in accordance with its rules, has specialised in investment in a specific geographical area or economic sector;

ii) provided no fees or costs are charged on account of transactions relating to such acquisition; and

iii) no investment in a collective investment undertaking of the open-ended type shall be made which would result in the value of all the holdings of any Class of Share in such collective investment undertakings exceeding 5 per cent. of the total net assets of that Class of Share.

5. The Fund may not on behalf of any Class of Share purchase real estate.

6. The Fund may not on behalf of any Class of Share enter into transactions involving commodities, commodity contracts or securities representing merchandise or rights to merchandise and for the purposes hereof commodities includes precious metals and certificates representing them, except that it may on behalf of any Class of Share purchase and sell securities that are secured by commodities and securities of companies which invest or deal in commodities and may purchase and sell financial futures and forward contracts (and options thereon) on financial instruments, stock indices and foreign currencies, for hedging purposes.

7. The Fund may not on behalf of any Class of Share purchase any securities on margin (except that the Fund may on behalf of any Class of Share obtain such short-term credit as may be necessary for the clearance of purchases and sales of Portfolio securities) or make short sales of securities or maintain a short position, except that it may on behalf of any Class of Share make initial and maintenance margin deposits in respect of futures and forward contracts (and options thereon).

8. The Fund may on behalf of any Class of Share only borrow so as to have borrowings which in the aggregate do not exceed 10 per cent. of the total net assets of that Class of Share, which borrowings may, however, only be made on a temporary basis; further, the Fund may not on behalf of any Class of Share invest more than 10 per cent. of the total net assets of that Class of Share in partly paid securities.

9. The Fund may not on behalf of any Class of Share mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Fund on behalf of any Class of Share, except as may be necessary in connection with borrowings mentioned in clause (8) above, and then such mortgaging, pledging or hypothecating may not exceed 10 per cent. of

the total net assets of that Class of Share, and provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and collateral arrangements with respect to the writing of options or the purchase or sale of forward or future contracts are not deemed the pledge of the assets.

10. The Fund may not on behalf of any Class of Share use the assets of the Fund to underwrite or sub-underwrite any securities, except to the extent that, in connection with the disposition of Portfolio securities, it may be deemed to be an underwriter under applicable securities laws.

11. The Fund may participate in securities lending transactions within a standardised lending system organised by a recognised securities clearing institution or by a highly rated financial institution specialised in that type of transactions.
In relation to its lending transactions, the Fund must in principle receive a guarantee or collateral of a value which, at the conclusion of the lending agreement, must be at least equal to the value of the global valuation of the securities lent.
This guarantee or collateral must, unless provided by a letter of credit from a first class financial institution, be given in the form of liquid assets and/or of securities issued or guaranteed by member States of the OECD or by their local authorities or by supra-national institutions and organisations with EU, regional or worldwide scope and be held in the name of the Fund or to its order until the expiry of the transaction.
Lending transactions may not be carried out on more than 50% of the aggregate market value of the securities in the relevant Portfolio. This limit is not applicable where the Fund has the right, at any time, to terminate the contract and obtain restitution of the securities lent.
Lending transactions may not extend beyond a period of 30 days.

12. The Fund may not on behalf of any Class of Share invest in put or call options on securities unless
a) such options are quoted on a stock exchange or dealt in on a Regulated Market and
b) the aggregate acquisition prices of options at any time do not exceed 10 per cent. of the total net assets of that Class of Share.

13 The Fund may not on behalf of any Class of Share sell call options on securities unless

a) such securities are already held and
b) the aggregate of the exercise prices of such call options does not exceed 25 per cent. of the value of the securities held by that Class of Share, such value to be reduced by the value of options purchased and held by that Class of Share.

14. The Fund may not on behalf of any Class of Share sell put options.

15. The Fund may not on behalf of any Class of Share acquire or deal in foreign currency contracts except

a) that the Fund may on behalf of any Class of Share, for the purpose of hedging currency risks, sell forward currency contracts or acquire currency put options for amounts not exceeding, respectively, the aggregate value of securities and other assets held by that Class of Share denominated in a particular currency provided that there is a link between any such contract or option and the assets to be hedged and provided that such contract or option may not be held for a period exceeding the period during which such assets are held and unless
b) such contracts or options are quoted on a stock exchange or dealt in on a Regulated Market.

16. The Fund may not on behalf of any Class of Share deal in financial futures, except

a) for the purpose of hedging the risk of fluctuation of the value of Portfolio securities that Class of Share may have outstanding commitments in respect of financial futures contracts not exceeding the corresponding risk of fluctuation of the value of the corresponding portion of that Class of Share's assets;

b) for the purpose of efficient Portfolio management enter into financial futures contracts in order to facilitate changes in the allocation of that Class of Share's assets between markets or to acquire investments, provided that sufficient cash, money market instruments, or securities to be disposed of at a predetermined value exist to match the underlying exposure of any futures position. The total of the net assets of that Class of Share invested pursuant to clauses 11 and

15(b) may not exceed the total of the net assets of the Fund.

The Fund need not comply with the investment limit percentages laid down in clause (2) above when exercising subscription rights attaching to securities which form part of its assets.

The Fund acting on behalf of any Class of Share need not comply with the investment limit percentages laid down in clauses (1) and (4) above when exercising subscription rights attaching to securities which form part of the assets of that Class of Share.

If such percentages are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders. Except by the acquisition of debt securities or instruments, the Fund may not grant loans or act as guarantor on behalf of third parties.

In any single class where the statement of investment policy prohibits investment in specified asset classes, the aggregate amount of cash and underlying value of hedging instruments must not exceed 25 per cent. of the remaining net assets.

In these classes the aggregate value of the commitments relating to the use of financial instruments may not exceed the estimated market value of the assets to be hedged.

In all other classes the Company may hold liquid assets in accordance with Luxembourg law.

APPENDIX III - GENERAL INFORMATION

1. The Fund

The Fund was incorporated in Luxembourg by Notarial Act on 5 December, 1968 for a period of 30 years, which period is subject to extension by the shareholders, as a Société Anonyme under provisions of the law of 10 August, 1915 (as amended) of the Grand Duchy of Luxembourg and qualified as an investment company under provisions of the law of 25 August, 1983 of the Grand Duchy of Luxembourg. The Articles of Incorporation have been amended several times. Pursuant to an Extraordinary General Meeting of Shareholders held on 31 January, 1989 the form and name of the Fund as well as its establishment period have been changed into a société d'investissement à capital variable (SICAV) established for an unlimited period under the name of Schroder International Selection Fund. The restated Articles of Incorporation were published in the Mémorial on 30 June 1997. An Extraordinary General Meeting of Shareholders held on 17 April 1998 further amended the Articles of Incorporation which were published in the Memorial on 14 July 1998. An Extraordinary General Meeting of Shareholders held on 19 of November 1999 further amended the Articles of Incorporation which were published in the Memorial on 18 January 2000.

The Fund complies with the Luxembourg law of 30 March, 1988 on collective investment undertakings. The notice required by Luxembourg law in respect of the issue and sale of Shares by the Fund has been deposited with the Greffe du Tribunal D'Arrondissement de et à Luxembourg. The Fund is registered with the registre de commerce, Luxembourg under number R.C. Luxembourg B8202.

2. Reports and Information

Audited reports to the Shareholders of the Fund in respect of the preceding financial year of the Fund will be made available annually at the registered office of the Fund in Luxembourg and will be posted to the holders of Shares at their addresses in the Register of Shareholders at least 15 days before the Annual General Meeting. In addition, unaudited semi-annual reports will be made available at the registered office of the Fund and at the office of the Registrar in Luxembourg and will be posted to Shareholders. The financial year of the Fund ends on 31 December. The audited reports and un-audited semi-annual reports will provide information on each Portfolio and, on a consolidated basis in US Dollars, the Fund as a whole.

3. Directors' Interests

a) A Director is not required by the Articles to hold any Shares in the Fund in order to qualify as a Director but one Share in the Fund must be pledged to the Fund on behalf of each Director.

b) M J Smith, M Tosato and P Wolton are directors of Schroder Investment Management Limited which is entitled to payments under the terms of the Investment Management Agreement and the Marketing Agreement.

4. Miscellaneous

a) The Fund is not engaged in any litigation and no litigation or claims are pending or threatened against the Fund.

b) Trading in the Shares in the Fund on the Luxembourg Stock Exchange will be in accordance with the Rules and Regulations of the Luxembourg Stock Exchange and subject to the payment of normal brokerage fees.

5. Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into prior to the date of this Explanatory Memorandum and are, or may be, material:

a) an Agreement dated 22 July 1999 between the Fund and Chase Manhattan Bank Luxembourg SA pursuant to which the latter was appointed Custodian of the assets of the Fund. The Agreement may be terminated by either party on giving to the other not less than three months' written notice and contains provisions indemnifying the Custodian from liability not due to its wilful negligence or bad faith. Further details are given in "Custodian, Administration Agent, Registrar and Transfer Agent" and "Charges and Expenses" above; and

b) an Agreement dated 22 July1999 between the Fund and Chase Manhattan Bank Luxembourg SA pursuant to which the latter was appointed Fund Accountant to the Fund. The Agreement may be terminated by either party on giving to the other not less than three months' written notice and contains provisions indemnifying Chase Manhattan

Bank Luxembourg SA from liability not due to its negligence or wilful default. Further details are given under the sections "Custodian, Administration Agent, Registrar and Transfer Agent" and "Charges and Expenses" above; and

c) an Agreement dated 22 July 1999 between the Fund and Chase Manhattan Bank Luxembourg SA pursuant to which the latter was appointed as Listing Agent to the Fund. The Agreement may be terminated by either party on giving to the other not less than three months' written notice and contains provisions indemnifying Chase Manhattan Bank Luxembourg SA from liability not due to its negligence or wilful default. Further details are given under the sections "Custodian, Administration Agent, Registrar and Transfer Agent" and "Charges and Expenses" above; and

d) an Agreement dated 23 April 1999 between the Fund and Schroder Investment Management (Luxembourg) S.A. pursuant to which the latter was appointed as Coordinator, Registrar, Transfer Agent and Central Paying Agent to the Fund. The Agreement may be terminated by either party on giving to the other not less than ninety days' written notice and contains provisions indemnifying Schroder Investment Management (Luxembourg) S.A. from liability not due to its negligence or wilful breach of duty. Further details are given under the sections "Custodian, Administration Agent, Registrar and Transfer Agent" and "Charges and Expenses" above; and

e) an Agreement dated 10 February 1998 between the Fund and Schroder Investment Management Limited pursuant to which the latter was appointed Investment Manager of Global Bond, Hedged Global Bond, US Dollar Bond, EURO Short Term Bond, European Bond, further amended by a side letter dated 1 October 1998 adding European Defensive, further amended by a supplemental investment management agreement dated 1 October 1998, further amended by a side letter dated 18 December 1998 terminating the management of Global Bond and Hedged Global Bond, further amended by a side letter dated 1 April 1999 terminating the management of EURO Short Term Bond and European Bond;
further amended by a side letter dated 1 July 1999 terminating the management of US Dollar Bond;

between the Fund and Schroder Personal Investment Management Limited pursuant to which the latter was appointed Investment Manager of US Dollar Portfolio and Portfolio;

between the Fund and Schroder Investment Management (Singapore) Limited pursuant to which the latter was appointed Investment Manager of Pacific Equity; and

an Agreement dated 1 April 1998 between the Fund and Schroder Investment Management International Limited pursuant to which the latter was appointed Investment Manager of Emerging Markets, US Equity, Swiss Equity, European Equity - GDP Weighted, European Equity - Market Capitalisation Weighted, European Smaller Companies, Japanese Equity and Latin American, further amended by a side letter dated 5 June 1998, adding Eastern European, further amended by a side letter dated 16 September 1998, adding EURO Equity, further amended by a supplemental investment management agreement dated 1 October 1998, further amended by a side letter dated 18 December 1998 adding Emerging Markets Debt, Global Bond and Hedged Global Bond, further amended by a side letter dated 18 December 1998 adding EURO Bond, further amended by a side letter dated 1 April 1999 adding Global Equity and Italian Equity, further amended by a side letter dated 1 April 1999 adding EURO Short Term Bond and European Bond, further amended by a side letter dated 1 July 1999 adding US Dollar Bond, further amended by a side letter dated 2 August 1999 adding Global Technology and terminating the management of Swiss Equity, further amended by a side letter dated 6 November 1999 adding Japanese Smaller Companies, further amended by a side letter dated 4 January 2000 terminating the management of Japanese Smaller Companies, further amended by a side letter dated 27 January 2000 adding Emerging Europe, further amended by a side letter dated 29 February 2000 terminating the management of US Dollar Bond, further amended by a side letter dated 30 March 2000 adding Converging Europe Bond; and

an Agreement dated 27 May 1998 between the Fund and Schroder Investment Management (Hong Kong) Limited pursuant to which the latter was appointed Investment Manager of

Asian Bond, further amended by a supplemental investment management agreement dated 25 September1998, and

an Agreement dated 2 October 1998 between the Fund and Schroder Investment Management North America Inc pursuant to which the latter was appointed Investment Manager of US Smaller Companies, further amended by a side letter dated 1 March 2000 adding US Dollar Bond, and

an Agreement dated 2 February 1999 between the Fund and Schroder Investment Management North America Limited pursuant to which the latter was appointed Investment Manager of UK Equity, further amended by a side letter dated 1 October 1999 terminating the agreement.

an Agreement dated 2 May 1999 between the Fund and J. Henry Schroder Bank AG pursuant to which the latter was appointed manager of Swiss Equity.
an Agreement dated 1 October 1999 between the Fund and Schroder Investment Management (UK) Limited pursuant to which the latter was appointed Investment Manager of UK Equity.

an Agreement dated 4 January 2000 between the Fund and Schroder Investment Management (Japan) Limited pursuant to which the latter was appointed Investment Manager of Japanese Smaller Companies.

The Agreements are made for a period of twelve months and thereafter unless and until terminated by either party on giving to the other not less than six months' written notice. The Agreements contain provisions exempting the Investment Managers from liability in the absence of wilful misfeasance, negligence, bad faith or reckless disregard of its obligations. Further details are given in "Charges and Expenses" above; and

f) an Agreement dated 30 November 1995 between the Fund and Schroder Investment Management (Luxembourg) SA pursuant to which the latter was appointed Domiciliary Agent. The Agreement may be terminated by either party giving three months written notice; and

g) an Agreement dated 29 February 1996 between the Fund and Schroder Investment Management (Luxembourg) SA pursuant to which the latter was appointed Share Distributor. The Agreement may be terminated by either party giving three months written notice.

6. Documents available for inspection
Copies of the following documents may be inspected and obtained during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Fund, 5 rue Höhenhof, L-1736, Senningerberg, Grand Duchy of Luxembourg, and at the offices of Schroder Investment Management Limited, 31 Gresham Street, London EC2V 7QA, Great Britain:
the original Articles of Incorporation of the Fund and all amendments thereto;
the material contracts referred to above;
the relevant Luxembourg laws;
the latest available Report and Accounts; and
the latest Explanatory Memorandum (being Scheme Particulars for UK Purposes).

Dated April 2000

TERMS AND CONDITIONS OF APPLICATION

1. The Fund reserves the right to reject any application in whole or in part or to present for payment any cheques or bankers' drafts received. If any application is not accepted in whole or in part or any application is scaled down the application money or, as the case may be, the balance thereof, will be returned (at the applicant's risk and without interest) by returning to the applicant(s) his (their) cheque or bankers' draft or a crossed cheque in favour of the applicant(s) by post.

2. By applying for Shares the applicant(s):

a) offer(s) to subscribe for the number of Shares in the Fund for which the application is accepted and of the Class(es) therein specified subject to this Explanatory Memorandum (including these terms and conditions) and the Articles of Incorporation of the Fund;

b) authorise(s) the Fund to send to the applicant a Contract Note for the number and Class(es) of Shares for which the application is

accepted, by post;

c) warrant(s) that his/their remittance will be honoured on first presentation;

d) agree(s) that any Contract Note and any monies returnable to him/them may be retained pending clearance of his/their remittance:

e) agree(s) that all applications, acceptances of applications and contracts resulting therefrom under the offer referred to herein shall be governed by and construed in accordance with Luxembourg law;

f) warrant(s) that, if an application is made on behalf of somebody else, he/they had due authority to make such application;

g) confirm(s) that in making such application he/they is/are not relying on any information or representation in relation to the Fund other than those contained in the Explanatory Memorandum and he/they accordingly agree(s) that no person responsible solely or jointly for the Explanatory Memorandum or any part thereof shall have any liability for any such other information or representation;

h) authorise(s) the Transfer Agent in the case of application monies not in the currency (the "Currency") in which Shares of the relevant Class are being offered, at his/their risk and expense and as his/their agent and for his/their account, to purchase such Currency with such application monies as soon as reasonably practicable after receipt, and after the exchange to use the monies in such Currency to process the relevant application and to treat as an application for such greater or lesser number of Shares pro rata where application has been made for more than one Class of Share as may be subscribed by such currency;

i) confirm(s), in the case of payment of subscription monies by telegraphic transfer, that payment of the amount stated in the application has been transferred to the appropriate bank listed:

Currency	**Make payment to**
Euro (EUR)	Centralised Euro Account, Bank of America NT & SA, London SWIFT BOFAGB22 Account number 35964023 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ Austrian Schillings (ATS)	Bank Austria Credit Anstalt - Vienna, Austria SWIFT: CABVATWW Account Number: 0112 9455000 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ Belgian Francs (BEF)	Bank of America NT & SA, Uitbreidingstraat 180, Box 6, B-2600 Antwerp SWIFT : BOFABE3X Account number: 685-6326014-33 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ Dutch Guilders (NLG)	Bank of America NT & SA, Herengracht 469, NL-1017 BS Amsterdam SWIFT : BOFANLNX Account Number: 16116019 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ Deutschmarks (DEM)	Bank of America NT & SA, Ulmenstrasse 30, D-60325 Frankfurt 1 BLZ CODE 500 109 00 SWIFT : BOFADEFX Account Number: 17100014 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund

Euro/ Finnish Markkas (FIM)	Merita Bank , WTC Branch, Helsinki, Finland SWIFT : MRITFIHH Account Number: 120030-12187 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ French Francs (FRF)	Bank of America NT & SA, 43-47 Avenue de la Grande Armée, F-75116 Paris SWIFT : BOFAFRPP Account Number: 19689015 Code Banque - 41219 Guichet - 16010 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ Italian Lira (ITL)	Bank of America NT & SA, Corso Matteotti 10, I-20121 Milan SWIFT : BOFAIT2X Account Number: 12264019 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ Portuguese Escudos (PTE)	Banco Pinto & Sotto Mayor, Rue Ivone Silva Lote 4, P-1000 Lisbon SWIFT : BPSMPTPL Account Number: 0020.07.0355.5 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Euro/ Spanish Pesetas (ESP)	Bank of America S.A., Calle del Capitan Haya No 1, Apartado 1168, E-28020 Madrid SWIFT: BOFAES2X Account Number: 34183702 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Danish Kroner (DKK)	Unibank A/S, Copenhagen, Denmark SWIFT : UNIBDKKK Account Number: 0191 8473531543 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Greek Drachmas (GRD)	Bank of America NT & SA, 39 Panepistimiou, 105 64 Athens, Greece SWIFT : BOFAGR2X Account Number: 16986010 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Hong Kong Dollars (HKD)	Bank of America NT & SA, 1/F Bank of America Tower, 12 Harcourt Road P.O. Box 472, Hong Kong SWIFT: BOFAHKHX Account Number: 89142016 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Japanese Yen (JPY)	Bank of America NT & SA, Ark Mori Building, 12-32 Akasaka 1-Chome Minato-ku, PO Box 511, Tokyo 107, Japan SWIFT : BOFAJPJX Account Number: 20561018 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund

Norwegian Kroner (NOK)	Union Bank of Norway, Oslo, Norway SWIFT : UBNONOKK Account Number 8200.02.50305 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Singapore Dollars (SGD)	Bank of America NT & SA, 78 Shenton Way, P.O. Box 97, Singapore SWIFT : BOFASG2X Account Number: 54716019 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
British Pounds (GBP)	Bank of America NT & SA, 1 Alie Street, London E1 8DE SWIFT : BOFAGB22 SORT CODE: 16-50-50 (CHAPS) SORT CODE: 30-16-35 (BACS) Account Number: 35964015 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Swedish Kroner (SEK)	Svenska Handelsbanken, Stockholm, Sweden SWIFT : HANDSESS Bankgiro: 5248-5992 Account Number: 6014-135609 658 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
Swiss Francs (CHF)	Bank of America NT & SA, 40 Rue du Marché, CH-1204 Geneva SWIFT : BOFACH2X SIC CODE: 087260 Account Number: 13837012 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund
US Dollars (USD)	Bank of America NT & SA, One World Trade Center, NY 10048 1191, New York SWIFT : BOFAUS3N ABA routing code 026009593 CHIPS: 959 Account Number: 6550-367971 For credit to: SCHRODER INVESTMENT MANAGEMENT (LUXEMBOURG) S.A. Reference: Schroder International Selection Fund

3. Acceptance of applications (subject to the honouring of the applicant's remittance) will be effected by despatch of Contract Notes by Schroder Investment Management (Luxembourg) S.A. In addition, each application will be given a personal account number which should be quoted in all future correspondence with the Fund.

4. Contract Notes, cheques, bankers' drafts and other documents sent by post will be at the risk of the person(s) entitled thereto and will be sent to the address of the first-named applicant as set out in the application form. Should the application form be submitted in the name of a professional intermediary, such documents will be sent to the relevant intermediary.

5. Payment must be made by the applicant in the currency of payment stated by the investor in the application form.

6. US Persons
A "US person" includes a national or resident

of the United State of America, a partnership organised or existing in any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America, or any state, territory or possession thereof, or any estate or trust, other than an estate or trust, the income of which arising from sources outside the United States of America (which is not effectively connected with the conduct of a trade business within the United States of America) is not included in gross income for the purposes of computing United States federal income tax. For the purposes of this definition "United States of America" includes the United States of America, its territories, possessions and areas subject to its jurisdiction.

7. Offshore Transaction

Offshore Transaction means an offshore transaction for the purposes of Rules 901 to 904 under the United States Securities Act of 1933 and includes a transaction in which the buyer is outside the United States of America when the securities are delivered to the buyer.

PROCEDURE FOR SUBSCRIPTION INTO THE FUND

1. Initial Subscription
An Application Form must be completed for any initial subscription into the Fund and sent to Schroder International Selection Fund, 5 rue Höhenhof, L-1736, Senningerberg, Grand Duchy of Luxembourg. Authorised signatory lists for institutional clients should be sent to the Transfer Agent at this stage if applicable.

2 Top-up Investment
The following information must be supplied to the Transfer Agent in order to ensure smooth processing of top-up investments into the Fund (see subscription section on page 20).

2.1 Written Instructions
- Name of registered account or name(s) of all registered account holder(s)
- Name of institution/broker if applicable
- Existing client account number
- Name of Class and share type to be invested into
- Cash amount to be invested in each individual Class and share type
- Total investment amount transferred and currency of amount transferred

2.2 Payment Advice
- Existing client account number
- Name of registered account or name(s) of all registered account holder(s)
- Name of Class and share type to be invested into

3 Payment
In principle, credit dealing will not be offered to those clients who settle subscriptions by cheques or banker's drafts.
Subscription monies should be paid in the currency of denomination of the relevant Class of Share, but may be paid in any other freely convertible currency in which case the cost and risk of converting currency will be borne by the investor.

4 Power of Attorney
If an Application Form is signed by an individual who has been given a power of attorney on an account or a client would like to grant a power of attorney on an account, the power of attorney form should be requested from the Transfer Agent.

5 Deed of Pledge
Should a client wish to pledge his shareholding against a bank loan, the deed of pledge form should be requested from the Transfer Agent.

6 Joint Holders
Joint holders of an account can authorise the Fund, on the Application Form, to act on instructions received by the Transfer Agent on receipt of one signature from one of the joint holders on the account, instead of all joint holders (see page 8, Registered Shares).

7 Fax Authority
Investors can authorise the Fund and Transfer Agent on the Application Form to accept and act upon instructions communicated by facsimile (not applicable for power of attorney, deed of pledge and stock transfers where original documentation must be sent by post to the Transfer Agent).

8. Proof of identity
It is a legal requirement that all subscriptions received directly from a retail investor or through an intermediary based in a non-FATF* (Financial Action Task Force) country must be accompanied by a certified copy of the passport of the subscriber. Institutional investors have to provide Schroder Investment Management (Luxembourg) SA with a certified copy of the articles of association, current certification from the commercial register, a list of the authorised signatures and the underlying power of attorney. The copy should be legally certified by an embassy, consulate, or any public authority empowered to certify documents. The Distributors and Schroder International Selection Fund may request further documentation of verification of identity (i.e. original passport) and may also require that the name of the ultimate beneficiary be disclosed. In addition, Schroder International Selection Fund is obliged to identify the source of funds from a financial institution which is not subject to an obligatory identification procedure equivalent to that required under Luxembourg law.
Subscriptions may be temporarily suspended until identification of the source of funds is provided. It is generally accepted that financial institutions resident in a country which has ratified the conclusions of FATF* are deemed to have an identification obligation equivalent to that required under Luxembourg Law.

*:A list of FATF countries is available on request.

CLASSES AVAILABLE FOR SUBSCRIPTION APRIL 2000

Euro denominated

Schroder International Selection Fund
Converging Europe Bond

Schroder International Selection Fund
Emerging Europe

Schroder International Selection Fund

EURO Short Term Bond

Schroder International Selection Fund
EURO Equity

Schroder International Selection Fund
EURO Bond

Schroder International Selection Fund
European Bond

Schroder International Selection Fund
European Defensive

Schroder International Selection Fund
European Equity - GDP Weighted

Schroder International Selection Fund
European Equity - Market Capitalisation Weighted

Schroder International Selection Fund
European Smaller Companies

Schroder International Selection Fund
Italian Equity

Japanese Yen denominated

Schroder International Selection Fund
Japanese Equity

Schroder International Selection Fund
Japanese Smaller Companies

Sterling denominated

Schroder International Selection Fund
UK Equity

Schroder International Selection Fund
Portfolio

Swiss Franc denominated

Schroder International Selection Fund
Swiss Equity

US Dollar denominated

Schroder International Selection Fund
Asian Bond

Schroder International Selection Fund
Emerging Markets

Schroder International Selection Fund
Emerging Markets Debt

Schroder International Selection Fund
Global Equity

Schroder International Selection Fund
Global Bond

Schroder International Selection Fund
Global Technology

Schroder International Selection Fund Hedged
Global Bond

Schroder International Selection Fund
Latin American

Schroder International Selection Fund
Pacific Equity

Schroder International Selection Fund
US Dollar Portfolio

Schroder International Selection Fund
US Dollar Bond

Schroder International Selection Fund
US Equity

Schroder International Selection Fund
US Smaller Companies

Issued by: **Schroder Investment Management (Luxembourg) S.A.**
5, rue Höhenhof
L-1736 Senningerberg
Luxembourg

PROSPECTUS APRIL 2003

JPMorgan Fleming

Asset Management

JPMorgan Fleming Funds

(An open-ended investment company incorporated in Luxembourg)

Important Information

This Prospectus should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to therein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Manager. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The Directors, whose names appear on page 4, have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything material to such information. The Directors accept responsibility accordingly.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

The Manager shall not divulge any confidential information concerning the Investor unless required to do so by law or regulation. The Investor agrees that personal details contained in the application form and arising from the business relationship with the Manager may be stored, modified or used in any other way by the Manager or J.P. Morgan Chase & Co for the purpose of administering and developing the business relationship with the Investor. To this end data may be transmitted to J.P. Morgan Chase & Co, financial advisers working with the Manager, as well as to other companies being appointed to support the business relationship (e.g. external processing centres, despatch or paying agents).

The distribution of this Prospectus in certain countries may require that this Prospectus is translated into the official languages of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The Manager or J.P. Morgan Chase & Co may use telephone recording procedures to record, inter alia, transaction orders or instructions. By giving such instructions or orders by telephone, the counterparty to such transactions is deemed to consent to the tape-recording of conversations between such counterparty and the Manager or J.P. Morgan Chase & Co and to the use of such tape recordings by the Manager and/or the Company in legal proceedings or otherwise at their discretion.

Table of Contents

		Page
	Principal Features	**3**
	Definitions	**4**
	Board of Directors	**6**
	Administration	**6**
Section 1	**The Company**	**8**
	1.1 Structure	8
	1.2 Investment Objectives and Policies	8
	1.3 Classes of Shares	8
Section 2	**Share Dealing**	**9**
	2.1 Subscription for Shares	9
	2.2 Redemption and Switching of Shares	11
	2.3 Calculation of Prices	13
	2.4 Suspensions or Deferrals	14
Section 3	**General Information**	**16**
	3.1 Administration Details, Charges and Expenses	16
	3.2 Company Information	18
	3.3 Dividends	19
	3.4 Taxation	19
	3.5 Meetings and Reports	20
	3.6 Details of Shares	21
	3.7 Additional information relating to JPMorgan Fleming Funds - India Fund	22
	3.8 Additional information relating to JPMorgan Fleming Funds - Global Aggregate Bond Fund	23
Appendix I	**Investment Restrictions**	**24**
	1. Investment in Transferable Securities and Liquid Assets	24
	2. Investment in Other Assets	25
	3. Techniques and Instruments Relating to Transferable Securities	25
	4. Miscellaneous	28
Appendix II	**Risks of Investment**	**29**
Appendix III	**Fund Characteristics**	**33**
	1. Classes of Shares	**33**
	2. Equity Funds	**33**
	JPMorgan Fleming Funds - America Equity Fund	35
	JPMorgan Fleming Funds - America Large Cap Fund	35
	JPMorgan Fleming Funds - America Micro Cap Fund	35
	JPMorgan Fleming Funds - America Small Cap Fund	35
	JPMorgan Fleming Funds - Asia Diversified Fund	36
	JPMorgan Fleming Funds - Asia Equity Fund	36
	JPMorgan Fleming Funds - Asia Special Situations Fund	36
	JPMorgan Fleming Funds - China Fund	36
	JPMorgan Fleming Funds - Eastern Europe Equity Fund	37
	JPMorgan Fleming Funds - Emerging Europe Equity Fund	37
	JPMorgan Fleming Funds - Emerging Markets Equity Fund	37
	JPMorgan Fleming Funds - Euroland Equity Fund	37
	JPMorgan Fleming Funds - Europe Convergence Equity Fund	38
	JPMorgan Fleming Funds - Europe Dynamic Fund	38
	JPMorgan Fleming Funds - Europe Equity Fund	38
	JPMorgan Fleming Funds - Europe Focus Fund	38
	JPMorgan Fleming Funds - Europe Small Cap Fund	39
	JPMorgan Fleming Funds - Europe Special Situations Fund	39
	JPMorgan Fleming Funds - Europe Strategic Growth Fund	39

JPMorgan Fleming Funds - Europe Strategic Value Fund 39
JPMorgan Fleming Funds - Europe Technology Fund 40
JPMorgan Fleming Funds - Germany Equity Fund 40
JPMorgan Fleming Funds - Global Dynamic Fund 40
JPMorgan Fleming Funds - Global Equity Fund 40
JPMorgan Fleming Funds - Global Life Sciences Fund 41
JPMorgan Fleming Funds - Global Recovery Fund 41
JPMorgan Fleming Funds - Global Socially Responsible Fund 41
JPMorgan Fleming Funds - Greater China Fund 41
JPMorgan Fleming Funds - Hong Kong Fund 42
JPMorgan Fleming Funds - India Fund 42
JPMorgan Fleming Funds - International Equity Fund 42
JPMorgan Fleming Funds - Japan Diversified Fund 42
JPMorgan Fleming Funds - Japan Equity Fund 43
JPMorgan Fleming Funds - Japan Small Cap Fund 43
JPMorgan Fleming Funds - Japan Special Situations Fund 43
JPMorgan Fleming Funds - Latin America Equity Fund 43
JPMorgan Fleming Funds - Middle East Equity Fund 44
JPMorgan Fleming Funds - Pacific Equity Fund 44
JPMorgan Fleming Funds - Pacific Technology Fund 44
JPMorgan Fleming Funds - Singapore Fund 44
JPMorgan Fleming Funds - Taiwan Fund 45
JPMorgan Fleming Funds - UK Equity Fund 45
JPMorgan Fleming Funds - US Dynamic Fund 45
JPMorgan Fleming Funds - US Strategic Growth Fund 45
JPMorgan Fleming Funds - US Strategic Value Fund 46
JPMorgan Fleming Funds - US Technology Fund 46

3. Balanced Funds 46
JPMorgan Fleming Funds - Balanced Fund 46
JPMorgan Fleming Funds - Pacific Balanced Fund 47

4. Convertible Bond Funds 47
JPMorgan Fleming Funds - Global Convertible Bond Fund 47

5. Bond Funds 48
JPMorgan Fleming Funds - Europe Aggregate Bond Fund 48
JPMorgan Fleming Funds - Europe High Yield Bond Fund 48
JPMorgan Fleming Funds - FF Emerging Markets Debt Fund 48
JPMorgan Fleming Funds - FF USD Bond Fund 49
JPMorgan Fleming Funds - Global Aggregate Bond Fund 49
JPMorgan Fleming Funds - Sterling Bond Fund 49

Principal Features

The following summarises the principal features of the Company and should be read in conjunction with the full text of this Prospectus.

Legal structure	Open-ended investment company with separate Funds incorporated in the Grand Duchy of Luxembourg
Funds	Portfolios of assets and liabilities created within the Company, the assets of which are invested pursuant to a specific investment policy. A list of full Fund details is set out in Appendix III
Shares	Shares will normally be issued in non-certificated registered form. Different classes of Shares may be available within each Fund where a specific fee structure, currency denomination or other specific feature may apply to each class
Classes of shares	Each Fund may contain A, B, C, D, J and X classes of shares, which may differ in the minimum subscription amount, minimum holding amount and/or eligibility requirements and the fees and expenses applicable to them. In addition, each Fund may contain classes of Shares named either "JPMF" or "JF"
Listing	Unless otherwise specified in Appendix III, the Shares are normally listed on the Luxembourg Stock Exchange and may be listed on the Bermuda Stock Exchange
Share dealing	Shares are available for subscription, switching and redemption on each Dealing Day for the relevant Fund or Funds, subject to the limitations and charges set out in Section 2, "Share Dealing"
Dealing basis	Forward pricing (A forward price is a price calculated at the valuation point following the Company's deal cut off time.)
Minimum investment	The minimum investment levels for initial and subsequent investments are specified in Appendix III
Dividends	Distribution of substantially the whole of the net income attributable to each Fund for the year
Manager	J.P. Morgan Fleming Asset Management (Europe) S.à r.l.
Principal investment managers	J.P. Morgan Fleming Asset Management (UK) Limited, Robert Fleming Inc. and JF Asset Management Limited and J.P. Morgan Fleming Asset Management (USA) Inc.
Custodian	J.P. Morgan Bank Luxembourg S.A.
Risk considerations	Investors should note that the value of an investment in the Shares may fluctuate and the value of Shares subscribed by an Investor is not guaranteed
Financial year	The financial year of the Company ends on 30th June each year
Taxation of the company	Annual Luxembourg tax of up to 0.05% (0.01 % for X class of Shares) based on the net asset value of each class of Shares , calculated and paid quarterly
Documents of the company	Copies of the Articles, Prospectus, supplementary documents and financial reports are available free of charge at the registered office of the Company

Definitions

"Articles"	the Articles of Incorporation of the Company as amended from time to time
"Bid Price" and "Offer Price"	the bid and offer prices per Share determined in accordance with the relevant provisions under the heading "Calculation of Prices" as set out in Section 2.3
"Business Day"	a week day other than New Year's Eve, New Year's Day, Easter Monday, Christmas Day, the day prior to and following Christmas Day, or, if these days are not on week days, holidays in lieu of these days
"Company"	JPMorgan Fleming Funds
"Dealing Day"	a Business Day other than, in relation to a Fund's investments, a day on which any exchange or market on which a substantial portion of the relevant Fund's investments is traded, is closed or while dealings on any such exchange or market are restricted or suspended
"Directors"	the Board of Directors of the Company
"Distributor"	the person or entity duly appointed from time to time by the Manager to distribute or arrange for the distribution of Shares
"Eligible Market"	an official stock exchange or another Regulated Market
"Eligible State"	any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Directors deem appropriate with regard to the investment objectives of each Fund. Eligible States include in this category the countries in Africa, the Americas, Asia, Australasia and Europe
"EUR"	the official single European currency adopted by a number of member states of the European Union participating in the Economic and Monetary Union (as defined in European Union legislation)
"FATF"	Financial Action Task Force (also referred to as Groupe d'Action Financière Internationale "GAFI"). The FATF includes 31 members: 29 countries and jurisdictions (the 15 EU member states; Argentina; Australia; Brazil; Canada; Hong Kong; Iceland; Japan; Mexico; New Zealand; Norway; Singapore; Switzerland; Turkey and the United States of America); and two international organisations (the European Commission and the Gulf Co-operation Council)
"Fund"	a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate class or classes of Shares
"GBP"	United Kingdom pounds sterling
"Institutional Investor"	an Investor as defined from time to time by the Luxembourg supervisory authority which currently includes credit establishments and other professionals in the financial sector, undertakings for collective investment and qualified holding companies.
"Investor"	a subscriber for Shares
"J.P. Morgan Chase & Co "	The Manager's ultimate holding company and its subsidiaries and affiliates worldwide
"Manager"	J. P. Morgan Fleming Asset Management (Europe) S.à r.l.
"Net Asset Value per Share"	in relation to any Shares of any class, the value per Share determined in accordance with the relevant provisions described under the heading "Calculation of Prices" as set out in Section 2.3

"Regulated Market"	a market which is regulated, operates regularly and is recognised and open to the public in an Eligible State
"Share"	a Share of no par value in any one class in the capital of the Company
"Shareholder"	a holder of Shares
"Soft Commission Arrangement"	an arrangement entered into with brokers, whereby the broker agrees to set aside a proportion of the commission earned on transactions and to use this to discharge the cost of certain investment related services received from third parties
"UCITS"	an undertaking for collective investment in transferable securities within the meaning of Article 1(2) of Council Directive 85/611/EEC of 20 December 1985
"USD"	United States dollars

All references herein to time are to Central European Time (CET) unless otherwise indicated.
Words importing the singular shall, where the context permits, include the plural and vice versa.

Board of Directors

Chairman:
Mr. Iain O.S. SAUNDERS - Banker, Polebrook Hall, Polebrook, Oundle, Peterborough PE8 5LN, United Kingdom

Directors:
Mr. James B. BRODERICK - Managing Director, J.P. Morgan Investment Management Limited, its principal place of business being Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ, United Kingdom

Mr. André ELVINGER - Partner, Elvinger, Hoss & Prussen, 2, Place Winston Churchill, L-2014 Luxembourg, Grand Duchy of Luxembourg

Mr. Pierre JAANS - Economist, L-8356 Garnich, Grand Duchy of Luxembourg

Mr. Patrick PETITJEAN - Managing Director, J.P. Morgan Fleming Asset Management (France), 40 rue de Washington, BP 252-08, 75364 Paris, Cedex 08, France

Administration

Registered Office:
European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg

Manager, Registrar, Transfer Agent, Administration Agent and Domiciliary Agent:
J. P. Morgan Fleming Asset Management (Europe) S.à r.l., European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg

Investment Managers:
J.P. Morgan Fleming Asset Management (USA) Inc., 41st Floor, 1211 Avenue of the Americas, New York, NY 10036, United States of America

J.P. Morgan Investment Management Inc., 522 Fifth Avenue, New York, NY 10036, United States of America

J.P. Morgan Fleming Asset Management (UK) Limited, Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ, United Kingdom (Regulated by the Financial Services Authority (FSA))

JF Asset Management Limited, 47th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong

JF Asset Management (Singapore) Limited, 168 Robinson Road, 17th Floor, Capital Tower, Singapore 068912

J.P. Morgan Fleming Asset Management (Japan) Limited, Akasaka Park Building, 2-20, Akasaka 5-chome, Minato-ku, Tokyo 107-6151, Japan

Robert Fleming Inc., 522 Fifth Avenue, New York, NY 10036 United States of America

Adviser:
Fleming Flagship Advisory Company S.à r.l., European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg

Custodian:
J.P. Morgan Bank Luxembourg S.A., 5, rue Plaetis, L-2338 Luxembourg, Grand Duchy of Luxembourg

Auditors:
Deloitte and Touche S.A., 3, route d'Arlon, L-8009 Strassen, Grand Duchy of Luxembourg

Principal Legal Adviser:
Elvinger, Hoss & Prussen, 2, Place Winston Churchill, L-2014 Luxembourg, Grand Duchy of Luxembourg

Paying Agents/Representatives:

Principal Paying Agent Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal, L-2955 Luxembourg, Grand Duchy of Luxembourg

Austria Bank Austria Creditanstalt Aktiengesellschaft AG, 1010 Vienna, Am Hof 2. 1030 Vienna, Vordere Zollamtsstrasse 13.

Belgium Banque Dewaay S.A., boulevard Anspach 1, B-1000 Brussels

Finland Opstock Securities Ltd., Teollisuuskatu 1B, FIN-00510 Helsinki

France J.P. Morgan Fleming Asset Management France, 40, rue Washington, F-75364 Paris, Cedex 08

Germany BHF-BANK AG, Bockenheimer Landstrasse 10, D-60323 Frankfurt am Main

Hong Kong JF Funds Limited, 47th Floor, Jardine House, 1 Connaught Place, Central

Ireland J.P. Morgan Administration Services (Ireland) Limited, JPMorgan House, International Financial Services Centre, Dublin 1

Italy IntesaBCI S.p.A, Direzione Centrale, Centro Amministrativo Elettronico di Parma, Via Langhirano 1, I-43100 Parma

Japan J.P. Morgan Securities Asia Private Limited, Tokyo Branch, Akasaka Park Building 2-20, Akasaka 5-Chome, Minato-ku, Tokyo 107-6151

Spain CITIBANK N.A., Sucursal en Espana, José Ortega y Gasset 29, E-28006 Madrid

Switzerland J.P. Morgan Fleming Asset Management (Switzerland) Ltd., Dreikonigstrasse 21, CH-8002 Zürich

United Kingdom J.P. Morgan Fleming Fund Marketing Limited 10, Aldermanbury, London EC2V 7RF, (Authorised by the Financial Services Authority)

Regional Contacts:

Austria J.P. Morgan Fleming Asset Management (Europe) S.à r.l., Austrian Branch, Führichgasse 8, A-1010 Wien
Tel.: (+43) 1 512 39 39 Fax: (+43) 1 512 39 39 59

Bahrain Robert Fleming Holdings Limited (Bahrain), 4th Floor, Bahrain Commercial Complex, PO Box 2467, BH-Manama
Tel.: (+973) 535 125 Fax: (+973) 535 121

France J.P. Morgan Fleming Asset Management France, 40, rue Washington, F-75364 Paris, Cedex 08
Tel.: (+33) 1 44 21 70 00 Fax: (+33) 1 44 21 71 23

Germany J.P. Morgan Fleming Fonds Marketing GmbH, Grüneburgweg 2, D-60322 Frankfurt am Main
Tel.: (+49) 69 7158 2270 Fax: (+49) 69 7158 2115

Hong Kong JF Funds Limited, 47th Floor, Jardine House, 1 Connaught Place, Central,
Tel.: (+852) 2843 8888 Fax: (+852) 2868 5013

Italy J.P. Morgan Fleming SIM S.p.A, Via Catena 4, I-120121 Milan
Tel.: (+39) 02 77 441 Fax: (+39) 02 76 00 81 07

Japan J.P. Morgan Securities Asia Private Limited, Tokyo Branch, Akasaka Park Building 2-20, Akasaka 5-Chome, Minato-ku, Tokyo 107-6151
Tel.: (+81) 3 3503 6400 Fax: (+81) 3 3503 6545

Luxembourg J.P. Morgan Fleming Asset Management (Europe) S.à r.l., European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg
Tel.: (+352) 34 10 1 Fax: (+352) 34 08 73

The Netherlands Flemings Nederland BV, Atrium Building, 1st Floor, Strawinskylaan 3035, NL-1077 ZX Amsterdam
Tel.: (+31) 20 504 0330 Fax: (+31) 20 504 0340

Spain J.P. Morgan S.V. S.A. José Ortega y Gasset, 29 - 2ª planta E-28006 Madrid
Tel.: (+31) 91 516 12 00 Fax: (+34) 91 516 16 24

Sweden J.P. Morgan Fleming Asset Management (Nordic), filial till J.P. Morgan Fleming Asset Management (Europe) S.àr.l., Luxembourg, Norra Kungstornet, Kungsgatan 30, S-111 35 Stockholm, Sweden
Tel.: (+46) 8 54518170 Fax: (+46) 8 54518177

Switzerland J.P. Morgan Fleming Asset Management (Switzerland) Ltd, Dreikonigstrasse 21, 8002 Zürich
Tel.: (+41) 1 289 3576 Fax: (+41) 1 289 3568

United Kingdom J.P. Morgan Fleming Fund Marketing Limited, 10, Aldermanbury, London EC2V 7RF
Tel.: (+44) 20 7742 4000 Fax: (+44) 20 7742 8000
(Authorised by the Financial Services Authority)

1. The Company

Section 1
1.1 Structure
1.2 Investment Objectives and Policies
1.3 Classes of Shares

1.1 Structure

The Company is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("**SICAV**"). The Company operates separate Funds, each of which is represented by one or more classes of Shares. The Funds are distinguished by their specific investment policy or any other specific features. Unless otherwise specified in Appendix III, each class of Share will normally be listed on the Luxembourg Stock Exchange and may be listed on the Bermuda Stock Exchange. The Directors may decide to make an application to list the Shares of any class on any other recognised stock exchange. Full details on the listing of each class of Share may be obtained at any time at the registered office of the Company upon request.

The Directors may at any time resolve to set up new Funds and/or create within each Fund one or more classes of Shares and this Prospectus will be updated accordingly.

1.2 Investment Objectives and Policies

The exclusive objective of the Company is to place the funds available to it in transferable securities and other permitted assets of any kind with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios.

The specific investment objective and policy of each Fund is described in Appendix III.

The investments of each Fund shall at any time comply with the restrictions set out in Appendix I, and Investors should, prior to any investment being made, take due account of the risks of investments set out in Appendix II.

1.3 Classes of Shares

In order to meet the specific needs of Shareholders, the Directors may decide to create within each Fund different classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Fund. A specific fee structure, currency of denomination or other specific feature may apply to each class of Shares and a separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each class. The particular features of each class of Shares per Fund available are shown in Appendix III.

2. Share Dealing

Section 2
2.1 Subscription for Shares
2.2 Redemption and Switching of Shares
2.3 Calculation of Prices
2.4 Suspensions or Deferrals

2.1 Subscription for Shares

In this section:

How to subscribe
How to pay
Price Information
Types of Share
General
Contribution in Kind
Regular Savings Plan
Anti Money Laundering Procedures
Investment Restrictions applying to US Investors

The minimum initial and subsequent investments in any one class of Shares are shown in Appendix III.

These minima may be waived at the Manager's discretion from time to time. There is no upper limit on the amount which may be invested

How to subscribe

Investors subscribing for Shares for the first time should complete an application form and send it by post directly to the Manager or contact your local Distributor. Application forms may also be accepted by facsimile transmission or other electronic means approved by the Manager, such as Electronic Broker Link, provided that the original is immediately forwarded by post. Application forms from residents in countries which are not members of the Financial Action Task Force (FATF) (in accordance with Section 2.1, "Anti Money Laundering Procedures") will only be accepted once the original signed application form and other applicable identification documents have been received by the Manager. If completed applications together with cleared funds are received by the Manager on any Dealing Day before 14.30 hours, Shares will normally be issued at the relevant Offer Price on that day. For completed applications and cleared funds received after 14.30 hours, Shares will normally be issued at the relevant Offer Price on the following Dealing Day.

However, the Directors may permit, if they deem it appropriate, different dealing cut-off times to be determined for certain types of investors, such as investors in jurisdictions where the different time zone so justifies. In such circumstances, the applicable dealing cut-off time applied must always precede the time when the applicable Net Asset Value is published. Such different cut-off times may either be specifically agreed upon with Distributors or financial advisers or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned.

Any subsequent subscription for Shares should be made by completing the relevant parts of the application form and sending it together with cleared funds to the Manager or contact your local Distributor.

Instructions may also be made by letter, facsimile transmission, in each case duly signed, or by telephone or such other electronic means approved by the Manager, such as JPMorgan Fleming Asset Management Online Dealing Facility or Electronic Broker Link.

Confirmations of transactions will normally be dispatched on the Business Day following the execution of subscription instructions. Investors are advised to refer to the terms and conditions on the application form to inform themselves fully of the terms and conditions to which they are subscribing.

Each Investor will be given a personal account number which should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Manager or any Distributor.

How to pay

Payment should be made by bank transfer net of all bank charges (i.e. at the Investor's expense). A copy of the stamped bank transfer form should be attached to the application form in order to avoid delays. Payment by cheque will not normally be accepted. However, payment by cheque may be accepted at the Manager's discretion. In such case, a delay in processing will occur to allow clearance of subscription money. Further settlement details are available on the application form.

Shares are normally issued once settlement in cleared funds is received. In the case of applications from approved financial intermediaries or other Investors authorised by the Manager, the issue of Shares is conditional upon the receipt of settlement in cleared funds within a previously agreed period not normally exceeding three Business Days from the relevant Dealing Day. This period may be increased to up to five Business Days for deals placed through certain distributors, such as JF Funds Limited in Hong Kong. In these circumstances, settlement by cheque will not normally be accepted. If, on the settlement date, banks are not open for business, or an interbank settlement system is not operational, in the country of the currency of the relevant class of Shares, then settlement will be on the next Business Day on which those banks and settlement systems are open. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Manager bringing an action against the defaulting Investor or his/her financial

intermediary or deducting any costs or losses incurred by the Company or Manager against any existing holding of the applicant in the Company. In all cases, any Share certificates and any money returnable to the Investor will be held by the Manager without payment of interest pending receipt of the remittance.

Payments in cash (coins, notes) will not be accepted. Third party payments will only be accepted at the Manager's discretion.

Payment should normally be made in the currency of the relevant class of Shares. However, a currency exchange service for subscriptions is provided by the Manager on behalf of, and at the cost of, the Investor. Further information is available from the Manager or any of the Distributors on request.

Price Information
Prices of Shares are published daily in the Financial Times and other major European newspapers as determined from time to time by the Directors, and are available on Reuters. They are also available on the Internet at site "http://www.jpmorganfleming.com", and from the registered office of the Company. Neither the Company nor the Distributors accept responsibility for any error in publication or for non-publication of prices.

Types of Share
Shares will normally be issued in registered form. Registered Shares are in non-certificated form. Fractional entitlements to registered Shares will be rounded to three decimal places. Shares may also be held and transferred through accounts maintained with clearing systems. For any physical bearer Share certificates in issue at the date of this Prospectus it should be noted that there may be a time delay in the issuing of any replacement physical bearer certificates and that for bearer shares still in issue the Manager reserves the right to charge the Investor up to a maximum of USD 100 per delivery for the cost of printing and handling such certificates.

General
Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Manager and/or the Company in their absolute discretion reserve the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

Further, the Company and/or the Manager may, at their absolute discretion, delay the acceptance of any subscription for Shares of a class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the Investor as an Institutional Investor. If it appears at any time that a Shareholder of a class restricted to Institutional Investors is not an Institutional Investor, the Manager will either redeem the relevant Shares in accordance with the provisions under "Section 2.2 - Redemption and Switching of Shares", or convert such Shares into Shares of a class which is not restricted to Institutional Investors (provided there exists such a class with similar characteristics) and notify the relevant Shareholder of such conversion.

Contribution in Kind
The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be made at the net asset value of the assets contributed calculated in accordance with the rules set out in section 2.3 below and will be the subject of an auditor's report drawn up in accordance with the requirements of Luxembourg law. Should the Company not receive good title on the assets contributed this may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Manager against any existing holding of the applicant in the Company.

Regular Savings Plan
Regular Savings Plans are available for the benefit of residents of Austria, Germany, Switzerland and the United Kingdom. Information is available upon request at the registered office of the Company. At a future date, the Regular Savings Plan may be extended to certain other countries in which the Company is authorised, the details of which may be obtained at any time at the registered office of the Company upon request. Fees and commission levied during the first year of the Investor's Regular Savings Plan shall not be more than one third of the gross amount invested by the Investor in that year.

Anti Money Laundering Procedures
Pursuant to the Luxembourg law of 19 February 1973 (as amended), the law of 5 April 1993 (as amended) relating to the financial sector and to associated circulars of the Luxembourg supervisory authority, obligations outlined to prevent the use of undertakings for collective investment, such as the Company, for money laundering purposes. Within this context a procedure for the identification of Investors has been imposed: that is, the application form of an investor must be accompanied, in the case of individuals, by, inter alia, a copy of the passport or identification card and/or in the case of legal entities, a copy of the statutes and an extract from the commercial register (any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Such identification

procedure may be waived by the Manager in the following circumstances:

(a) in the case of subscription through an intermediary of a financial sector resident in a country which imposes an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering;

(b) in the case of subscription through an intermediary or nominee whose parent is subject to an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering and where the law applicable to the parent imposes an equivalent obligation on its subsidiaries or branches.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the conclusions of the FATF (Financial Action Task Force) are deemed to have an identification obligation equivalent to that required by Luxembourg law.

Such information provided to the Manager is only collected for anti-money laundering compliance purposes.

Investment Restrictions applying to US Investors
The Company has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the United States of America and such shares may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. The Shares of the Company may not be offered or sold within the United States or to or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act.

Rule 902 of Regulation S under the Securities Act defines US Person to include inter alia any natural person resident of the United States and with regards to investors other than individuals, (i) a corporation or partnership organized or incorporated under the laws of the US or any state thereof; (ii) a trust: (a) of which any trustee is a US Person except if such trustee is a professional fiduciary and a co-trustee who is not a US Person has sole or shared investment discretion with regard to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person or (b) where court is able to exercise primary jurisdiction over the trust and one or more US fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to US tax on its world wide income from all sources; or (b) for which any US Person is executor or administrator except if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with regard to the assets of the estate and the estate is governed by foreign law.

The term "US Person" also means any entity organized principally for passive investment (such as a commodity pool, investment company or other similar entity) that was formed: (a) for the purpose of facilitating investment by a US Person in a commodity pool with respect to which the operator is exempt from certain requirements of Part 4 of the regulations promulgated by the United States Commodity Futures Trading Commission by virtue of its participants being non- US Persons or (b) by US Persons principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, unless it is formed and owned by "accredited investors" (as defined in Rule 501 (a) under the Securities Act of 1933) who are not natural persons, estates or trusts.

"United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

Shareholders should promptly check the confirmation statement that is mailed after each transaction in order to ensure that it is correct in every detail.

2.2 Redemption and Switching of Shares

In this section:
Procedure
Redemption Proceeds
Payment in Kind
General

Procedure
Instructions to switch or redeem Shares may be communicated directly to the Manager either by telephone, letter, facsimile transmission or other electronic means approved by the Manager, such as JPMorgan Fleming Asset Management Online Dealing Facility or Electronic Broker Link, or contact your local Distributor. Instructions accepted by the Manager on any Dealing Day before 14.30 hours will normally be executed at the relevant Bid and Offer Prices as appropriate, calculated on that day. Instructions accepted by the Manager after 14.30 hours will normally be executed on the following Dealing Day. If required for the Company to continue to qualify as a “distributing fund” for the purpose of United Kingdom tax legislation, a redemption request may be treated as a transfer order to a member of the J.P. Morgan Chase & Co group of companies (executed on the same terms as a redemption), in respect of such portion of those Shares as that member of the group shall require.

However, the Directors may permit, if they deem it appropriate, different dealing cut-off times to be determined for certain types of investors, such as investors in jurisdictions where the different time zone so justifies. In such circumstances, the applicable dealing cut-off time applied must always precede the time when the applicable Net Asset Value is published. Such different cut-off times may either be specifically agreed upon with Distributors or financial advisers or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned.

Instructions to switch from one class of Shares to another, or to shares of any other collective investment scheme managed or advised by a member of the J.P. Morgan Chase & Co group of companies, will normally be effected on a common Dealing Day for the classes of Shares or shares concerned. If the switch instruction is accepted on a day which is not a common Dealing Day for the two classes, the switch will be effected on the next following Dealing Day for each of the two classes concerned (requests received after 14.30 hours on any Dealing Day being deferred to the next Dealing Day in the same manner as for issue and redemption of Shares). For switches of Shares out of JPMorgan Fleming Funds - India Fund into Shares of another Fund, or to shares of any other collective investment scheme managed or advised by a member of the J.P. Morgan Chase & Co group of companies, the Offer Price will be that calculated on the date the redemption proceeds are received; however Shares in the new Fund will only be purchased when the redemption proceeds are available (subject to the twenty day limit for payment of redemption proceeds from JPMorgan Fleming Funds - India Fund). Please note that redemption or switch instructions will normally only be executed when any previously related transaction has been completed.

Instructions are given by completing either the switch form or the form requesting redemption of Shares or by telephone, letter, facsimile transmission or other electronic means approved by the Manager, such as JPMorgan Fleming Asset Management Online Dealing Facility or Electronic Broker Link, where in each case the account reference and either the number of Shares to be switched between named classes of Shares or full details of the redemption must be provided. A stock transfer form may also be used for redemption. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a power of attorney acceptable to the Manager.

Where a Share certificate has been issued for registered Shares, it must be duly renounced and returned with the instruction to switch or redeem. Instructions for the switch or redemption of physical bearer Shares must be accompanied by the appropriate certificate and all relevant coupons, including details of the class and number of Shares to be switched or redeemed and full settlement details. Shares issued pursuant to a switch request will be in non-certificated registered form.

The value of Shares held by any Shareholder in any one class of Shares after any switch or redemption should generally exceed the minimum investment in Appendix III stipulated for each class of Shares.

Unless waived by the Manager, if, as a result of any switch or redemption request, the amount invested by any Shareholder in a class of Shares in any one Fund falls below the minimum holding for that class of Shares, it will be treated as an instruction to redeem or switch, as appropriate, the Shareholder's total holding in the relevant class.

Shareholders are required to notify the Manager immediately in the event that they are or become US Persons or hold shares for the account or benefit of US Persons or otherwise hold shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the shareholders or otherwise be detrimental to the interests of the Fund. If the Directors become aware that a shareholder (a) is a US Person or is holding shares for the account of a US Person, (b) is holding shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the shareholders or otherwise be detrimental to the interests of the Fund, the Directors may redeem the shares in accordance with the provisions of the Articles of Incorporation of the Company.

Redemption Proceeds

Redemption proceeds are normally paid by bank transfer within three Business Days (up to twenty Business Days in the case of JPMorgan Fleming Funds - India Fund) from the relevant Dealing Day. This period may be increased up to five Business Days for deals placed through certain Distributors, such as JF Funds Limited in Hong Kong. Redemption proceeds will be instructed to be made at no cost to the Shareholder, provided the Manager is in receipt of all documents required. Payment by cheque will only be made at the Manager's discretion. Neither the Company nor the Manager are responsible for any delays or charges incurred at any receiving bank or settlement system. Redemption proceeds will normally be paid in the currency of the relevant class of Shares. On request, redemption proceeds paid by bank transfer may be paid in most other currencies, at the cost of the Shareholder.

If, in exceptional circumstances and for whatever reason, redemption proceeds cannot be paid within three Business Days (up to five Business Days for deals placed through certain Distributors, such as JF Funds Limited in Hong Kong) from the relevant Dealing Day, for example when the

liquidity of the relevant Fund does not permit, then payment will be made as soon as reasonably practicable thereafter (not exceeding, however, ten Business Days and in the case of JPMorgan Fleming Funds - India Fund twenty Business Days from the relevant Dealing Day) at the Bid Price calculated on the relevant Dealing Day.

If, on the settlement date, banks are not open for business, or an interbank settlement system is not operational, in the country of the currency of the relevant class of Shares then settlement will be on the next Business Day on which those banks and settlement systems are open.

Switch or redemption requests will be considered binding and irrevocable by the Manager and will, at the discretion of the Manager, only be executed where the relevant Shares have been held for at least three Business Days. This period may be increased up to five Business Days for deals placed through certain Distributors, such as JF Funds Limited in Hong Kong. Confirmation of transactions will normally be dispatched by the Manager on the next Business Day after Shares are switched or redeemed. Delay in providing the relevant documents may cause the instruction to be delayed or lapse and be cancelled. Due to the settlement period necessary for redemptions, switch transactions will not normally be completed until the proceeds from the redemption are available.

Payment in Kind

With the consent of shareholder(s) concerned, the Board of Directors may from time to time agree to make payments in kind, having due regard to the principle of equal treatment of shareholders, by allocating to the redeeming shareholder(s) portfolio securities of the relevant Fund equal in value to the Bid Price of the Shares to be redeemed.

Any such redemption in kind will be valued in a report of the Company's auditor and will be made on an equitable basis, in the interest of all the Shareholders.

General

Third party payments will only be made at the Manager's discretion.

Shareholders should promptly check the confirmation statement that is mailed after each transaction in order to ensure that it is correct in every detail.

2.3 Calculation of Prices

In this section:

Calculation of the Net Asset Value per Share
Bid and Offer Price
Switching Price

Calculation of the Net Asset Value per Share

(A) The Net Asset Value per Share of each class will be calculated on each Dealing Day in the currency of the relevant class. It will be calculated by dividing the net asset value attributable to each class, being the proportionate value of its assets less its liabilities, by the number of Shares of such class then in issue. The resulting sum shall be rounded to the nearest two decimal places (three in the case of JPMorgan Fleming Funds - Sterling Bond Fund).

(B) The Directors reserve the right to allow prices to be calculated more frequently than once daily, or to otherwise alter dealing arrangements on a permanent or a temporary basis, for example, where the Directors consider that a material change to the market value of the investments in one or more Funds so demands or where there is an in-specie subscription and the Directors deem it is in the interest of the Shareholders to value such a subscription separately. The Prospectus will be amended, following any such permanent alteration, and Shareholders will be informed accordingly.

(C) In valuing total assets, the following rules will apply:

(i) The value of securities is determined on the basis of the last quoted price on the relevant stock exchange or over-the-counter market or any other Regulated Market on which these securities are traded or admitted for trading. Where such securities are quoted or dealt on more than one stock exchange or Regulated Market, the Directors or any agent appointed by them for this purpose may, at their own discretion, select the stock exchanges or Regulated Markets where such securities are primarily traded to determine the applicable value. If a security is not traded or admitted on any official stock exchange or any Regulated Market or, in the case of securities so traded or admitted, if the last quoted price does not reflect their true value, the Directors or any agent appointed for this purpose will proceed with a valuation on the basis of the expected sale price, which shall be valued with prudence and in good faith.

(ii) Cash, bills payable on demand and other receivables and prepaid expenses will be valued at their nominal amount, unless it appears unlikely that such nominal amount is obtainable.

(iii) Any assets or liabilities in currencies other than the currency of the relevant Fund will be valued using the relevant spot rate quoted by a bank or other responsible financial institution.

(iv) Any asset or liability which cannot be considered as being attributable to a particular Fund, shall be allocated pro rata to the net asset value of each Fund. All liabilities attributable to a particular Fund shall be binding solely upon that Fund. For the purpose of the relations as between Shareholders, each Fund will be deemed to be a separate entity.

(v) To the extent that the Directors consider that it is in the best interests of all Shareholders or potential Shareholders, given the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant Fund, securities may be valued either at their bid or offer prices. The net asset value may also be adjusted for such sum as may represent the appropriate provision for dealing charges which may be incurred by the relevant Fund under such conditions, provided always that such sum shall not exceed 1% of the net asset value of the Fund at such time.

Bid and Offer Price

(A) The Offer Price per Share of each class is calculated by adding an initial charge, if any, to the Net Asset Value per Share. The initial charge will be calculated as a percentage of the Net Asset Value per Share not exceeding the levels shown in Appendix III. Such aggregate sum, rounded up to the nearest two decimal places of the unit of currency in which the Shares are denominated (three decimal places in the case of JPMorgan Fleming Funds - Sterling Bond Fund), is the Offer Price. The Manager is entitled to the initial charge and any rounding adjustment.

(B) The Bid Price per Share of each class is calculated by deducting a redemption charge, if any, from the Net Asset Value per Share. The redemption charge will be calculated as a percentage of the Net Asset Value per Share, not exceeding the levels shown in Appendix III. The Bid Price shall be rounded to the nearest two decimal places (three in the case of the JPMorgan Fleming Funds - Sterling Bond Fund). The Manager is entitled to the redemption charge and any rounding adjustment.

Switching Price

Shares of any Fund or class may be switched into Shares of any other Fund or class on any Dealing Day, except where there is a suspension of the calculation of the Net Asset Value per Share of those Funds or classes, as described below. Specific rules apply in the case of JPMorgan Fleming Funds - India Fund and any other Fund of a collective investment scheme managed or advised by a member of the J.P. Morgan Chase & Co group of companies which are set out in Section 2.2, "Redemption and Switching of Shares" above.

The number of Shares purchased will be calculated by using the Bid Price of the original class of Shares to be redeemed and the Net Asset Value per Share, plus a charge on switching of normally 1% of the new class of Shares. Where the Shareholder switches into a class of Shares with a higher initial charge, and has not already been subject to that higher initial charge, then the additional initial charge payable for that class of Shares may be charged.

The Manager is entitled to any charges arising from switches, and any rounding adjustments.

2.4 Suspensions or Deferrals

(A) The Company reserves the right not to accept instructions to redeem or switch on any one Dealing Day more than 10% of the total value of Shares in issue of any Fund. In these circumstances, the Directors may declare that the redemption of part or all Shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next Dealing Day and will be valued at the Bid Price prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Manager.

(B) The Company may suspend or defer the calculation of the net asset value of any class of Shares in any Fund and the issue and redemption of any class of Shares in such Fund, as well as the right to switch Shares of any class in any Fund into Shares of another class of the same Fund or any other Fund, or any other type of switch referred to in Section 2.2 "Redemption and Switching of Shares" above:

(i) while any transfer of funds involved in the realisation, acquisition or disposal of investments or payments due on sale of such investments by the Company cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange or be effected without seriously prejudicing the interests of the Shareholders or the Company; or

(ii) during any breakdown in the communications normally employed in valuing any of the Company's assets, or when, for any reason, the price or value of any of the Company's assets cannot be promptly and accurately ascertained; or

(iii) if the Company, the Fund or a class of Shares is being, or may be, wound-up on or following the date on which notice is given of the meeting of

Shareholders at which a resolution to wind up the Company, the Fund or a class of Shares is proposed; or

(iv) during the existence of any state of affairs which, in the view of the Directors, constitutes an emergency as a result of which disposal or valuation of investments of the relevant Funds by the Manager is impracticable; or

(v) if the Directors have determined that there has been a material change in the valuation of a substantial proportion of the investments of the Company attributable to a particular Fund and the Directors have decided, in order to safeguard the interest of the Shareholders and the Company, to delay the preparation or use of a valuation or carry out a later or subsequent valuation; or

(vi) while the value of any subsidiary of the Company may not be determined accurately.

(C) The suspension of the calculation of the net asset value of any Fund or class shall not affect the valuation of other Funds or classes, unless these Funds or classes are also affected.

(D) During a period of suspension or deferral, a Shareholder may withdraw his request in respect of any Shares not redeemed or switched, by notice in writing received by the Manager before the end of such period.

(E) In the case of JPMorgan Fleming Funds - India Fund, payment of redemption proceeds and execution of switches may be deferred for a period of up to twenty Business Days from the relevant Dealing Day if market conditions do not allow earlier settlement.

Shareholders will be informed of any suspension or deferral as appropriate.

3. General Information

Section 3

3.1 Administration Details, Charges and Expenses
3.2 Company Information
3.3 Dividends
3.4 Taxation
3.5 Meetings and Reports
3.6 Details of Shares
3.7 Additional information relating to JPMorgan Fleming Funds - India Fund
3.8 Additional information relating to JPMorgan Fleming Funds - FF Global Bond Fund

3.1 Administration Details, Charges and Expenses

In this section:

Administration details
Manager
Investment Managers
Adviser
Custodian
Use of Nominees
Paying Agents / Representatives
Soft Commission Arrangements
Charges and expenses
Charges and Fees paid to Manager
Transaction Fees
Extraordinary Expenses
Operating and Administrative Expenses
J.P. Morgan Chase & Co

Administration details

Manager

The Manager was incorporated as a "Société Anonyme" in Luxembourg on 20 April 1988 under the name of Fleming Fund Management (Luxembourg) S.A. The Manager became a "Société à responsabilité limitée" (S.à r.l.) on 28 July 2000 and amended its name to J. P. Morgan Fleming Asset Management (Europe) S.à r.l. on 22 February 2001. J. P. Morgan Fleming Asset Management (Europe) S.à r.l. has an authorised and issued share capital of EUR 6,425,000. J.P. Morgan Fleming Asset Management (Europe) S.à r.l. provides management, advisory, accounting and administrative services to collective investment undertakings.

In its capacity as Manager, Registrar, Transfer Agent, Corporate, Administrative and Domiciliary Agent, J.P. Morgan Fleming Asset Management (Europe) S.à r.l. is responsible for the central administration of the Company and in particular for the determination of the net asset value of the shares in each Fund and for the main-tenance of accounting records. While retaining full responsibility, J.P. Morgan Fleming Asset Management (Europe) S.à r.l. has, with the consent of the Company, delegated substantially all of its duties as Administration Agent to J.P. Morgan Bank Luxembourg S.A.

The Directors have appointed the Manager to generally administer the business and affairs of the Company, subject to the overall control and supervision of the Directors.

Investment Managers

The investment managers may, on a discretionary basis, acquire and dispose of securities of the Funds for which they have been appointed as investment adviser and manager, subject to and in accordance with instructions received from the Manager and/or the Company from time to time, and in accordance with stated investment objectives and restrictions. The investment managers shall also monitor the investments of the Fund. The terms of the appointment of the investment managers are specified in the Investment Management Agreements. Investment managers are entitled to receive as remuneration for their services hereunder such fee as is set out in the relevant Investment Management Agreement or as may otherwise be agreed upon from time to time. The investment managers appointed for each Fund are set out in Appendix III.

Adviser

Fleming Flagship Advisory Company S.à r.l. provides general advisory services to the Company.

Custodian

J.P. Morgan Bank Luxembourg S.A. 5, rue Plaetis, L-2338 Luxembourg, Grand Duchy of Luxembourg

All cash, securities and other assets constituting the assets of the Company and any subsidiary shall be held under the control of the Custodian on behalf of the Company and its Shareholders. The Custodian shall ensure that the issue and redemption of Shares in the Company and the application of the Company's income are carried out in accordance with the provisions of Luxembourg law and the Articles, and the receipt of funds from transactions in the assets of the Company are received within the usual time limits.

Use of Nominees

The Company and/or the Manager may enter into agreements with certain Distributors pursuant to which such Distributors agree to act as, or appoint, nominees for Investors subscribing for Shares through their facilities. In such capacity, such Distributor may effect subscriptions, switches and redemptions of Shares in nominee name on behalf of individual Investors, and request the registration of such operations on the Share records of the Company in such nominee name. Such nominee/Distributor maintains its own records and provides the Investor with individualised information as to its holdings of Shares in the Company. Except where local law or custom prescribes the practice, Investors may invest directly in the Company and not avail themselves of a nominee service. Unless otherwise provided by local law, any Shareholder holding

Shares in a nominee account has a direct claim to the particular Shares subscribed for on its behalf by its nominee.

In all cases such agreements between the Manager and any nominee/Distributor will be subject to the provisions for anti money laundering as set out in Section 2.1, "Anti Money Laundering Procedures"above.

In France, J.P. Morgan Fleming Asset Management France, 40, rue Washington, F-75364 Paris, Cedex 08 has been appointed by the Manager as a nominee/Distributor.

Paying Agents/Representatives
Agreements have been entered into with various paying agents and/or representatives to, inter alia, perform certain administrative services, distribute the Shares or to act as representatives in respect of the Company in the relevant jurisdictions.

Soft Commission Arrangements
Investment managers may enter into Soft Commission Arrangements only where there is a direct and identifiable benefit to the clients of the investment manager, including the Company, and where the investment manager is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Company and the Shareholders. Any such arrangements must be made by the investment manager on terms commensurate with best market practice.

Charges and expenses

Charges and Fees paid to Manager
The Manager is entitled to receive the initial charge, redemption charge and any charge on switching where applicable to the class of Shares as detailed in Section 2.3, "Calculation of Prices" and in Appendix III.

Additionally, the Manager is entitled to the Annual Management and Advisory Fee as set out in Appendix III. This fee is paid to the Manager monthly in arrears.

The Manager may pay all or part of the charges and fees it receives as a commission or as a discount to financial intermediaries and Distributors.

Transaction Fees
Each Fund bears all costs and expenses of buying and selling securities and financial instruments including, without limitation, any brokerage fees and commissions, interest, taxes, governmental duties, charges and levies and any other transaction related expenses excluding any costs and expenses relating to custody (collectively "Transaction Fees") which relate to the relevant Fund. Such costs and expenses are allocated across each class of Shares of the relevant Fund.

Extraordinary Expenses
Each Fund bears any extraordinary expenses including, without limitation, litigation expenses, interest and the full amount of any tax, levy, duty, or similar charge imposed on the Fund or its assets excluding the taxe d'abonnement detailed in section 3.4 under the heading "Taxation" (collectively "Extraordinary Expenses").

Operating and Administrative Expenses
The Company bears all the ordinary operating expenses (the "Operating and Administrative Expenses") including but not limited to formation expenses such as organisation and registration costs; the Custodian fees and ongoing custody fees covering transaction and safekeeping charges and fiduciary fees; accounting fees covering fund accounting and administrative services; transfer agency fees covering registrar and transfer agency services payable to the Registrar and Transfer Agent; the fees and reasonable out-of-pocket expenses of the Administration Agent and Domiciliary Agent; the fees and reasonable out-of-pocket expenses of the paying agents and representatives; the Luxembourg taxe d'abonnement; the Directors fees (no fees will be paid to Directors who are also directors or employees of J.P. Morgan Chase & Co), attendance fees and reasonable out-of-pocket expenses incurred by the Directors; legal and auditing fees and expenses; ongoing registration and listing fees, including translation expenses; the cost of publication of the Share prices and postage, telephone, facsimile transmission and other electronic means of communication; and the costs and expenses of preparing, printing and distributing the Prospectus or any offering document, financial reports and other documents made available to Shareholders. Operating and Administrative Expenses do not include Transaction Fees and Extraordinary Expenses as defined above.

Expenses related to the formation of new Funds may be amortised over a period not exceeding five years, as permitted by Luxembourg Law.

The Company seeks to preserve Shareholders from fluctuations in its Operating and Administrative Expenses and has agreed with the Manager that the excess of any such expenses, above the annual rate specified for each class of Shares in Appendix III, will be borne by the Manager. Operating and Administrative Expenses will be allocated to the Funds to which they are attributable or among all Funds and classes of Shares pro rata to their respective net assets (or in a fair and reasonable manner determined by the Directors).

The Operating and Administrative Expenses borne by the A, B, D and J classes of Shares are fixed at the rates specified in Appendix III. The Manager will pay the excess of any such expenses above the annual rate specified for each class of Shares in Appendix III. Conversely, the Manager will retain any amount by which the Operating

and Administration Expenses charged to the Shares exceeds the actual expenses incurred by the Company. The Operating and Administration Expenses borne by C and X classes of Shares will be the lower of the actual expenses incurred by the Company and the maximum rate detailed in Appendix III. The Manager will pay the portion of any such Operating and Administrative Expenses which exceed the rate specified.

J.P. Morgan Chase & Co
Any company within the J.P. Morgan Chase & Co group of companies providing services to the Company as described in paragraph 4(C) under "Investment Restrictions" in Appendix I may receive payment for these services. Any bulk or other discount on commissions paid to brokers or third parties will be passed on to the Company.

3.2 Company Information
In this section:
Documents of the Company
Fund Status for Individual Savings Account ("ISA") Purposes in the United Kingdom
Queries and Complaints

1. The Company is an umbrella structured open-ended investment company with limited liability, organised as a "société anonyme" and qualifies as a "Société d'Investissement à Capital Variable" ("SICAV") under the Law on Collective Investment Undertakings dated 30 March 1988. The Company was incorporated on 14 April 1969 under the name Multi-Trust Fund and its Articles were published in the Mémorial on 20 June 1969. The Company was converted into a SICAV and changed its name to Fleming International Fund on 3 July 1984, which was published in Mémorial on 6 August 1984. The name of the Company was changed to Fleming Flagship Fund on 19 October 1988, to Fleming Funds on 2 June 2000 and to JPMorgan Fleming Funds on 19 November 2001. The two former name changes were published in the Mémorial on 15 December 1988 and on 2 June 2000 respectively. The latter name change was published in the Mémorial on 19 November 2001.

   The Company is registered under Number B-8478 with the "Registre de Commerce et des Sociétés" kept by the "Greffe du Tribunal d'Arrondissement de et à Luxembourg", where the Articles of the Company have been filed and are available for inspection. The Company exists for an indefinite period.

2. The minimum capital requirement of the Company is set out in Luxembourg law. The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to its net asset value. Should the capital of the Company fall below two thirds of the minimum capital, an Extraordinary Meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by a majority of the Shares present or represented at the meeting. Where the share capital falls below one quarter of the minimum capital, the Directors must convene an Extraordinary Meeting of Shareholders to decide upon the liquidation of the Company. At that meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the Shares present or represented.

3. The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into :

   - Management Agreement

   - Registrar and Transfer Agency Agreement

   - Administration Agency Agreement

   - Domiciliary Agency Agreement

   - Custodian Agreement

   - Advisory Agreement with Fleming Flagship Advisory Company S.àr.l.

   - Investment Management Delegation Agreements

The material contracts listed above may be amended from time to time by agreement between the parties thereto.

Documents of the Company
Copies of the Articles, Prospectus, supplementary documents and financial reports may be obtained free of charge and upon request, from the registered office of the Company. The material contracts referred to above are available for inspection during normal business hours, at the registered office of the Company.

Fund Status for Individual Savings Account ("ISA") Purposes in the United Kingdom
Apart from the JPMorgan Fleming Funds - India Fund, each Fund would for ISA purposes belong to the category of securities company (as defined in rules and guidance of the Financial Services Authority of the United Kingdom) as if it were itself an open-ended investment company authorised by the Financial Services Authority of the United Kingdom.

Queries and Complaints
Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact J.P. Morgan Fleming Asset Management (Europe) S.à r.l., European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

3.3 Dividends

In this section:
Dividend Policy
Declaration of Dividends
Payment and Reinvestment of Dividends

Dividend Policy

It is intended that the Company will distribute at least 85% of the net investment income attributable to each class of Shares, computed broadly in accordance with the definition of net taxable income under United Kingdom corporation tax principles so that the Company continues to qualify as a "distributing fund" for the purposes of United Kingdom tax legislation relating to offshore Funds.

Declaration of Dividends

Annual dividends are declared separately in respect of each distributing class of Shares at the Annual General Meeting of Shareholders. In addition, the Directors will normally declare interim dividends in respect of each distributing class of Shares. Payment of interim dividends on classes of Shares in equity funds will normally be made in September of each year. Classes of Shares in bond and balanced funds will normally pay interim dividends in July of each year. Classes of Shares in JPMorgan Fleming Funds - Sterling Bond Fund will pay a further interim dividend in January of each year. X Class of Shares may pay an interim dividend monthly. The payment of dividends is subject to the dividend policy referred to below (see "Payment and Reinvestment of Dividends").

Dividends may be paid by the Company more frequently in respect of some or all classes of Shares, from time to time, as deemed appropriate by the Directors.

Payment and Reinvestment of Dividends

All Shares in issue at the dividend record date will be eligible for any dividends, which will normally be reinvested. Shareholders may elect in writing to receive a dividend payment, in which case payment will normally be made in the currency of the relevant class of Shares. Dividends due on bearer Shares will be distributed. Dividends to be reinvested will be paid to the Custodian who will reinvest the money on behalf of the Shareholder in additional Shares of the same class. Such Shares will be issued on the payment date at the Net Asset Value per Share of the relevant class. Fractional entitlements to registered Shares will be recognised to three decimal places.

Dividends of USD 250 and less (or the equivalent in the currency of the class) will, normally be automatically reinvested by the Custodian in further Shares of the same class. Reinvested dividends will normally be issued in non-certificated form. This provision does not apply to bearer Shares.

Dividends remaining unclaimed five years after the dividend record date will be forfeited and will accrue for the benefit of the relevant Fund.

3.4 Taxation

In this section:
Taxation of the Company
Taxation of Shareholders
General
Information for Irish Investors

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg. It is therefore subject to any future changes.

Taxation of the Company

The Company is not subject to any taxes in Luxembourg on income or capital gains. The only tax to which the Company in Luxembourg is subject is the "taxe d'abonnement" up to a rate of 0.05% per annum based on the net asset value attributed to each class of Share (0.01% per annum in the case of X classes of Shares) at the end of the relevant quarter, calculated and paid quarterly.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin.

Taxation of Shareholders

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, and except for certain former residents of Luxembourg and non-residents if owning more than 10% of the share capital of the Company, disposing of it in whole or part within six months of acquisition.

General

The foregoing is based on the Directors' understanding of the law and practice in force at the date of this document and applies to Investors acquiring Shares in the Company as an investment. Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, switching, redeeming or otherwise dealing in the Company's Shares under the laws of their countries of citizenship, residence and domicile.

Information for Irish Investors

- Taxation of Irish resident shareholders

The following statements reflect the Fund's understanding of the current Irish tax laws, regulations and practice. Irish resident investors should seek their own professional advice as to tax matters and other relevant considerations.

The Fund is intended to be managed and controlled in such a way that it should not be treated as resident in Ireland for Irish tax purposes.

Shares in the Fund will constitute a material interest in an offshore Fund for the purposes of Chapter 4 of Part 27 Taxes Consolidation Act 1997 ("Taxes Act"). Any Irish resident person who acquires an interest in the Fund will be obliged to prepare and deliver a return to the Irish Revenue Commissioners which shall include the following particulars :

(a) the name and address of the Fund,

(b) a description, including the cost to the person, of the interest acquired; and

(c) the name and address of the person through whom the material interest was acquired.

- Irish taxation of dividends or other distributions made by the fund

Investors resident in Ireland for Irish tax purposes will be liable to Irish tax on dividends paid as follows :

(a) where the person is not a company, and

(i) the income represented by the payment is correctly included in a tax return made by the person the rate of income tax to be charged on the income shall be;

(i) where the payment is a distribution which is made annually or at more frequent intervals, other than a payment made in consideration of the disposal of an interest in an offshore fund (a "relevant payment") the standard rate per cent, or

(ii) where the payment is not a relevant payment and is not made in consideration of the disposal of an interest in the offshore fund, at the rate determined by the formula: (S + 3) per cent where S is the standard rate per cent, and,

(ii) where the income represented by the payment is not correctly included in a tax return made by the person the income shall be charged to income tax at the person's marginal rate of tax; or

(b) where the person is a company, the income represented by the payment shall be charged to tax under Case III of Schedule D.

- Irish taxation of gains in respect of shares in the Funds

Any gains arising on a redemption or other disposal of shares by Irish resident or ordinarily resident investors (whether individual or corporate) will be charged to income tax, and not to Irish capital gains tax or corporation tax on capital gains, as follows :

(a) where the person is not a company and the income represented by the payment is correctly included in a tax return made by the person the rate of income tax to be charged on that income shall be the rate determined by the formula (S + 3) per cent, where S is the standard rate per cent. Where the income represented by the payment is not correctly included in a tax return made by the person the income shall be charged to income tax at the persons marginal rate of tax; or

(b) where the person is a company the income represented by the payment shall be charged to tax under Case IV of Schedule D.

Where any computation would produce a loss the gain shall be treated as nil and no loss shall be treated as occurring on such disposal.

Persons who are resident but not domiciled in Ireland may be able to claim the remittance basis of taxation, in which case the liability to tax will only arise as and when income or gains from the Fund are received in Ireland.

3.5 Meetings and Reports

Meetings

The Annual General Meeting of Shareholders of the Company is held in Luxembourg on the third Wednesday of November in each year at 15:00 hours or, if such day is not a business day in Luxembourg, on the next business day. For all General Meetings of Shareholders notices are sent to registered Shareholders by post at least eight days prior to the meeting. Notices will be published in the Luxemburger Wort and in such other newspapers as the Directors may decide. Such notices will include the agenda and specify the place of the meeting. The legal requirements as to notice, quorum and voting at all General and Fund or class Meetings are included in the Articles. Meetings of Shareholders of any given Fund or class shall decide upon matters relating to that Fund or class only.

Reports

The financial year of the Company ends on 30 June each year. An abridged version of the audited Annual Report of the Company will be sent to Shareholders within four months of the end of each financial year. This abridged version encloses a report of the Directors, a statement of the net assets of the Funds and statistical information, a statement of operations and of changes in net assets of the Funds, notes to the financial statements and an auditor's report. In addition, an unaudited half-yearly

Report and full version of the Annual Report will be made available free of charge to Shareholders upon request at the registered office of the Company. Such reports form an integral part of this Prospectus.

3.6 Details of Shares
In this section:
Shareholder rights
Transfers
Rights on a winding-up

Shareholder rights

(A) The Shares issued by the Company are freely transferable and entitled to participate equally in the profits and dividends of the classes to which they relate and in the net assets of such class upon liquidation. The Shares carry no preferential and pre-emptive rights.

(B) Voting:
At General Meetings, each Shareholder has the right to one vote for each whole Share held. A Shareholder of any particular class will be entitled at any separate meeting of the Shareholders of that class to one vote for each whole Share of that class held. In the case of a joint holding, only the first named Shareholder may vote.

(C) Joint Shareholders:
The Manager will register registered Shares jointly in the names of not more than four Shareholders should they so require. In such case the rights attached to such a Share must be exercised jointly by ALL those parties in whose name it is registered except when (i) voting as described in (B) above, (ii) the Shareholders have indicated their desire to have individual signatory powers, or (iii) unless one or more persons (such as an attorney or executor) is/are appointed to do so.

(D) Compulsory redemption:
The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Company including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold.

If it shall come to the attention of the Directors at any time that Shares are beneficially owned by a United States Person, the Company will have the right compulsorily to redeem such shares.

Transfers
The transfer of registered Shares may be effected by delivery to the Manager of duly signed instrument of transfer in appropriate form together with, if issued, the relevant certificate to be cancelled. In the case of non-certificated Shares, written instruction is sufficient. Transfer of physical bearer Shares is effected by delivery of the relevant bearer Share certificate.

Rights on a winding-up
The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an Extraordinary Meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Fund shall be distributed by the liquidators to the Shareholders of the relevant Fund in proportion to the value of their holding of Shares.

If and when for any reason the total number of Shares of all classes in a Fund is reduced to 1,000,000 or if the net asset value of Shares of all classes in a Fund is less than USD 10,000,000 or its equivalent, the Directors may decide to redeem all the Shares of that Fund. In any such event Shareholders will be notified by redemption notice published in such newspapers determined by the Directors in accordance with Luxembourg law at least 15 days prior to compulsory redemption, and will be paid the net asset value of the Shares of the relevant class held as at the redemption date.

In addition, the Directors may decide to merge Funds with other Funds or merge Funds into other collective investment undertakings governed by Part I of the Luxembourg Law of 30 March 1988 or reorganise the Shares of a Fund into two or more classes or combine two or more classes of Shares into a single class providing in each case it is in the interests of Shareholders of the relevant Funds. Publication of the decision will be made as described above including details of the merger and will be made at least one calendar month prior to the merger taking effect during which time Shareholders of the Fund or classes of Shares to be merged may request redemption of their Shares free of charge. The decision to merge or liquidate a Fund may also be made at a meeting of Shareholders of the particular Fund concerned.

Any liquidation proceeds remaining unclaimed after a period of six months will be deposited in escrow at the "Caisse des Consignations". Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

3.7 Additional information relating to JPMorgan Fleming Funds - India Fund

In this section:

Chairman

Directors

The Company incorporated the Flagship Indian Investment Company (Mauritius) Limited ("the Mauritius Subsidiary") on 9 August 1995, as a wholly-owned subsidiary. It holds a substantial proportion of the assets of the JPMorgan Fleming Funds - India Fund to facilitate efficient portfolio management of the assets by utilising a tax efficient means of investing in Indian securities. The Mauritius Subsidiary has received a tax residence certificate from the Commissioner of Income Tax in Mauritius, on which basis the Mauritius Subsidiary should be entitled to appropriate relief under the India/Mauritius Double Taxation Treaty. The Mauritius Subsidiary makes direct investment in India.

The Mauritius Subsidiary is an open-ended private company limited by shares incorporated under the Mauritius Companies Act 1984 and is now governed by the Companies Act 2001. The Mauritius Subsidiary issues redeemable preference shares in inscribed form unless the Directors determine otherwise or a Member shall make a request in writing for a share certificate and the Company is the sole beneficial shareholder in the Mauritius Subsidiary. The Mauritius Subsidiary holds a Category 1 Global Business Licence under the Financial Services Development Act 2001.

The directors of the Mauritius Subsidiary are:

Chairman

Mr. Iain O. S. SAUNDERS - Banker, Polebrook Hall, Polebrook, Oundle, Peterborough PE8 5LN, United Kingdom

Directors

Mr. Pierre DINAN - Director, Multiconsult Limited, P.O. Box 799, 10, Frère Félix de Valois Street, Port Louis, Mauritius

Mr. Uday Kumar GUJADHUR - Director, Multiconsult Limited, P.O. Box 799, 10, Frère Félix de Valois Street, Port Louis, Mauritius

Mr. James B.BRODERICK - Managing Director, J.P. Morgan Investment Management Limited, its principal place of business being Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ, United Kingdom

Mr. Patrick PETITJEAN - Managing Director, J.P. Morgan Fleming Asset Management (France), 40 Rue Washington Plaza 252-08, Paris, 75364, France

The directors of the Mauritius Subsidiary are responsible for establishing the investment policy and restrictions of the Mauritius Subsidiary and for monitoring its operations. The Mauritius Subsidiary adheres to the investment policy and restrictions contained in this Prospectus which apply to the JPMorgan Fleming Funds - India Fund and the Company on a collective basis. The Mauritius Subsidiary carries out exclusively activities consistent with investment on behalf of the Fund.

The Mauritius Subsidiary has appointed Multiconsult Limited, Port Louis, Mauritius to provide company secretarial and administrative services, including maintenance of accounts, books and records. Multiconsult Limited is incorporated in Mauritius and is licensed by the Mauritius Offshore Business Activities Authority to provide inter alia company management services to offshore companies. The Mauritius Subsidiary has appointed the Custodian as custodian and the Custodian has appointed Deutsche Bank, Bombay branch and Barclays Bank Plc, Mauritius as their correspondents. PricewaterhouseCoopers of Cathedral Square, Port Louis, Mauritius have been appointed auditors of the Mauritius Subsidiary.

As a wholly-owned subsidiary of the Company all assets and liabilities, income and expenses of the Mauritius Subsidiary are consolidated in the statement of net assets and operations of the Company. All investments held by the Mauritius Subsidiary are disclosed in the accounts of the Company.

The Manager in its capacity as manager of the Company and the Mauritius Subsidiary has been registered as a Foreign Institutional Investor by the Securities and Exchange Board of India and Reserve Bank of India in order to invest in India on behalf of the Company and the Mauritius Subsidiary. The Mauritius Subsidiary is registered as a sub-account of the Manager. The following conditions apply to the registration as a Foreign Institutional Investor: that (i) JPMorgan Fleming Funds India Fund has at least 50 Shareholders and (ii) no single Shareholder in JPMorgan Fleming Funds - India Fund holds more than 5% of the JPMorgan Fleming Funds - India Fund. An institutional investor may own more than 5% of the JPMorgan Fleming Funds - India Fund provided the institutional investor has at least 50 shareholders (or equivalent thereof).

All cash, securities and other assets of the Mauritius Subsidiary are held by the Custodian on behalf of the Company.

The use of the Mauritius Subsidiary and the tax treatment it is afforded is based on the law and practice currently in force in the relevant countries as understood by the Directors after making all reasonable enquiries. It is subject to any future changes and such changes may adversely affect the returns of the Fund. This includes any circumstances where the India/Mauritius Double Taxation

Treaty may not or ceases to be applied, resulting from, inter alia, any future ruling by the Indian tax authorities. The Indian government has released an official statement whereby it has confirmed that the Indian tax authorities should accept a registration certificate issued by the Mauritian government as proof of an Investor's residence, thus making investments routed through Mauritius not liable to local Indian capital gains tax. **Should, however, the Indian government change its position and the treaty not be applied, interest on securities listed on an Indian stock exchange (earned by the Mauritius Subsidiary being treated as a Foreign Institutional Investor) would be subject to tax at a rate of 20 per cent. Capital gains on disposal of such investments would be subject to tax at rates of 10 or 30 per cent in respect of listed securities depending on the length of time the relevant investment has been held.**

The Indian market has the characteristics of an emerging market. It is recommended that investors read carefully Appendix II of this Prospectus entitled "Risks of Investment" and in particular the section on 'Emerging and Less Developed Markets'. In addition, Investors should note that settlement of securities is still in part in physical form and that the Mauritius Subsidiary may experience difficulties in the registration of securities purchased.

3.8 Additional information relating to JPMorgan Fleming Funds - Global Aggregate Bond Fund

The Fund will be managed by reference to a benchmark. This benchmark will be an appropriate, recognised unhedged index of international bonds (Lehman Aggregate Global Bond Index). The neutral risk position of the Fund will be the composition of this index in both its bond and currency component weightings, and therefore when neutral only that part of the index denominated in the reference currency of the Fund will be held in that currency.

The Manager will seek to increase return by taking positions away from this index both in the duration of the portfolio in the bonds held in the portfolio and in the currency composition of the portfolio versus the index.

Hedging techniques as described in Appendix I "Investment Restrictions" and in particular with regard to the use of forward currency contracts, futures, options and options on futures in Appendix I will be used to return to the neutral position. To achieve this, currencies may be purchased for forward settlement by the sale of other currencies held in the portfolio in anticipation that the portfolio should in a neutral risk position reflect the currency composition of the benchmark index.

In case the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred or if for some reason the Directors feel that another benchmark is more appropriate, another benchmark may be chosen. Any such change of benchmark will be mentioned in the notes to the financial statements and the semi-annual report.

Appendix I - Investment Restrictions

In Appendix I:

1. **Investment in transferable securities and liquid assets**
2. **Investment in other assets**
3. **Techniques and instruments relating to transferable securities**
4. **Miscellaneous**

The Directors have adopted the following restrictions relating to the investment of the Company's assets and its activities. These restrictions and policies may be amended from time to time by the Directors if and as they shall deem it to be in the best interests of the Company.

The investment restrictions imposed by Luxembourg law must be complied with by each Fund. Those restrictions in paragraph 1 (D) below are applicable to the Company as a whole.

1. Investment in Transferable Securities and Liquid Assets

(A) The Company will invest in:

(i) transferable securities admitted to an official listing on a stock exchange in an Eligible State; and/or

(ii) transferable securities dealt in on another Regulated Market; and/or

(iii) recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is achieved within one year of the issue.

In addition, the Company may invest a maximum of 10% of the net asset value of any Fund in transferable securities other than those referred to under (i), (ii) and (iii) above and debt instruments which are treated, because of their characteristics, as equivalent to transferable securities and which are, inter alia, transferable, liquid and have a value which can accurately be determined on any Dealing Day.

(B) Each Fund may hold ancillary liquid assets.

(C) (i) Each Fund may invest no more than 10% of its net asset value in transferable securities issued by the same issuing body. In addition, in the case of credit-linked securities, underlying securities issued by a given issuing body also need to be aggregated to the other securities of the same issuing body for the calculation of such limit. Furthermore, where the Company holds in any Fund investments in transferable securities of any issuing body which individually exceed 5% of the net asset value of such Fund, the total value of all such investments must not account for more than 40% of the net asset value of such Fund;

(ii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, and such securities shall not be included in the calculation of the limit of 40% under (C)(i) above.

The limits set out in paragraphs (C)(i) and (C)(ii) above may not be aggregated and, accordingly, the value of investments in transferable securities issued by the same issuing body effected in accordance with paragraphs(C)(i) and (C)(ii) may not, in any event, exceed a total of 35% of each Fund's net asset value.

(iii) **Where any Fund has invested in accordance with the principle of risk spreading in transferable securities issued or guaranteed by an EU member state, by its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, the Company may invest 100% of the net asset value of any Fund in such securities provided that such Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the net asset value of the Fund.**

A Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation and launch.

(D) (i) The Company may not normally acquire Shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.

(ii) The Company may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, and/or (c) 10% of the units of the same collective investment undertaking. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or the net amount of units in issue cannot be calculated.

The limits set out in paragraph (D)(i) and (ii) above shall not apply to:

(i) transferable securities issued or guaranteed by an EU member state or its local authorities;

(ii) transferable securities issued or guaranteed by any other Eligible State;

(iii) transferable securities issued by public international bodies of which one or more EU member states are members; or

(iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 42, 44 and 45 (1) and (2) of the Law on Collective Investment Undertakings dated 30 March 1988.

2. Investment in Other Assets

A. The Company will not make investments in precious metals or certificates representing these.

B. The Company may not enter into transactions involving commodities or commodity contracts, except that the Company may employ techniques and instruments relating to transferable securities within the limits set out in paragraph 3 below.

C. The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

D. The Company may not invest more than 5% of the net asset value of each Fund in securities of other collective investment undertakings of the open-ended type. Such investments may only be made by the Company provided that:

(i) such collective investment undertaking of the open-ended type is recognised as a UCITS within the meaning of Article 1(2) of the EU Council Directive of 20 December, 1985 (85/611/EEC) as amended; and

(ii) in the case of a collective investment undertaking linked to the Company by common management or control or by a substantial direct or indirect holding, or managed by a management company linked to the Manager, the collective investment undertaking shall specialise, in accordance with its rules, in investment in a specific geographical area or economic sector; and

(iii) no fees or costs on account of the transactions relating to units in the collective investment undertaking, as referred to in (ii) above, may be charged to the Company.

E. The Company may not purchase any securities on margin (except that the Company may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position; deposits or other accounts in connection with option, forward or futures contracts, permitted within the limits of paragraph 3.1 below, are not considered margin for this purpose.

F. The Company may not borrow for the account of any Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

G. The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Fund, except as may be necessary in connection with the borrowings mentioned in (F) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the net asset value of each Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.

H. The Company will not underwrite or sub-underwrite securities of other issuers.

3. Techniques and Instruments Relating to Transferable Securities

In this section:

3.1 Options on Securities
3.2 Stock Index Options
3.3 Currency Hedging
3.4 Interest Rate Transactions
3.5 Dealing in Financial and Index Futures
3.6 Transactions made for a Purpose Other than Hedging
3.7 Transactions in OTC Options
3.8 Securities Lending Transactions
3.9 Repurchase Agreements
3.10 Restrictions on Dealing in Techniques and Instruments Relating to Transferable Securities

The Company may, for the purpose of efficient portfolio management of its assets or for providing protection against exchange rate risks under the conditions and within the limits laid down by law, regulation and administrative practice and as described below, employ techniques and instruments relating to transferable securities.

3.1 Options on Securities

The Company may deal in options on securities provided the following limitations are observed:

(A) Purchases and sales of options on securities shall be limited so that, upon exercise thereof, none of the other limit percentages would be infringed.

(B) Put options on securities may be sold provided adequate liquid assets are set aside by the Fund concerned until the expiry of the said put options to cover the aggregate exercise price of the securities to be acquired by the Fund pursuant thereto.

(C) Call options on securities will only be sold if such sale does not result in a short position; in such event the relevant Fund will maintain in its portfolio the underlying securities or other adequate instruments to cover the position until the expiry date of the relevant call options granted on behalf of such Fund, except that the Company may dispose of the said securities or instruments in declining markets under the following circumstances:

(i) the markets must be sufficiently liquid to enable the Company to cover the short position of that Fund at any time; and

(ii) the aggregate of the exercise prices payable under such uncovered options shall not exceed 25% of the net asset value of such Fund.

(D) No option on securities will be purchased or sold unless it is quoted on an exchange or dealt in on a Regulated Market and provided, immediately after its acquisition, the aggregate of the acquisition prices (in terms of premiums paid) of such options and of all other options acquired for purposes other than hedging held by the relevant Fund does not exceed 15% of its net asset value.

3.2 Stock Index Options

In order to hedge against the risk of fluctuations in the value of a securities portfolio, the Company may sell call options on stock indices or acquire put options on stock indices provided:

(A) The commitments deriving therefrom do not exceed the value of the relevant assets to be hedged; and

(B) The total amount of such transactions does not exceed the level necessary to cover the risk to the fluctuation of the value of the assets concerned.

For the purpose of efficient portfolio management, the Company may acquire call options on stock indices mainly in order to facilitate changes in the allocation of a Fund's assets between markets or in anticipation of or in a significant market sector advance, provided the value of the underlying securities included in the relevant stock index options is covered by cash, short-term debt securities and instruments owned by such Fund or securities to be disposed of by such Fund at predetermined prices; provided however that:

(A) All such options must either be listed on an exchange or dealt in on a Regulated Market; and

(B) The aggregate acquisition cost (in terms of premium paid) chargeable to a Fund in respect of options on securities and of all options acquired for purposes other than hedging shall not exceed 15% of the net asset value of such Fund.

3.3 Currency Hedging

The Company may for the purposes of hedging currency risks have outstanding commitments in respect of forward currency contracts, currency futures or currency swap agreements or currency options (sales of call options or purchases of put options) provided that:

(A) The total amount of such transactions does not exceed the level necessary to cover the risk of the fluctuation of the value of the assets of the Fund concerned denominated in a particular currency or any other currency which will be deemed to have a sufficient correlation with that particular currency. The hedging of currency risk may involve the use of cross-currency contracts to alter the currency exposure of the Fund in case it is more advantageous to the Fund; and

(B) The commitments deriving therefrom do not exceed the value of the relevant assets to be hedged and the duration of these transactions do not exceed the period for which the respective assets are held.

The Company may also use forward currency contracts to hedge back to investment currencies those investments which are made temporarily in other currencies, if for market reasons the Company has decided to discontinue temporarily investments denominated in such currency. Similarly, the Company may hedge through forward contracts or currency options the currency exposure of contemplated investments to be made in investment currencies, provided that these contracts are covered by assets denominated in the currency to be disposed.
For the purpose of these restrictions, investment currencies are those currencies which are comprised in the benchmark used by the Company for investments of the relevant Fund or permitted by the investment policy of the relevant Fund.

Currency futures and currency options must either be quoted on an exchange or dealt in on a Regulated Market. The Company may, however, enter into currency forward contracts or swap arrangements with highly rated financial institutions specialised in this type of transaction.

3.4 Interest Rate Transactions

In order to hedge against interest rate fluctuations, the Company may sell interest rate futures or write call options or purchase put options on interest rates or enter into

interest rate swaps provided:

(A) The commitments deriving therefrom do not exceed the value of the relevant assets to be hedged; and

(B) The total amount of such transactions does not exceed the level necessary to cover the risk of the fluctuation of the value of the assets concerned.

Such contracts or options must be denominated in the currencies in which the assets of such Fund are denominated, or in currencies which are likely to fluctuate in a similar manner and must be either listed on an exchange or dealt in on a Regulated Market.

For the purpose of efficient portfolio management, the Company may also enter into interest rate futures purchase contracts or acquire call and put options on interest rate futures, mainly in order to facilitate changes in the allocation of the assets of a Fund between shorter or longer term markets, in anticipation of or in a significant market sector advance, or to give a longer term exposure to short term investments, provided always that sufficient cash, short dated debt securities or instruments or securities to be disposed of at a predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in call options on interest rate futures acquired for the same purpose and for the same Fund;

provided however that:

(A) All such futures and options on interest rate futures must be either listed on an exchange or dealt in on a Regulated Market, whereas interest rate swap transactions may be entered into private by agreement with a highly rated financial institution specialised in this type of transaction; and

(B) The aggregate acquisition cost (in terms of premium paid) chargeable to a Fund in respect of options on securities and of all options acquired for purposes other than hedging, shall not exceed 15% of the net asset value of such Fund.

3.5 Dealing in Financial and Index Futures

In order to hedge against the risk of fluctuations in the value of the portfolio securities of a Fund, the Company may have outstanding commitments in respect of financial and index futures sales contracts not exceeding the value of the corresponding assets to be hedged.

For the purpose of efficient portfolio management, the Company may also enter into financial and index futures purchase contracts, mainly in order to facilitate changes in the allocation of a Fund's assets between markets or in anticipation of or in a significant market sector advance provided that:

(A) Sufficient cash, short term debt securities or instruments owned by the Fund concerned or securities to be disposed of by such Fund at a predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in call stock index options acquired for the same purpose; and

(B) All such index futures must be listed on an exchange or dealt in on a Regulated Market.

3.6 Transactions made for a Purpose Other than Hedging

The Company may, for a purpose other than hedging, purchase and sell futures contracts and options on any kind of financial instruments provided that:

(A) The aggregate commitments in connection with the purchase and sale of futures contracts and options on any kind of financial instruments together with the amount of the commitments relating to the writing of call and put options on transferable securities does not exceed at any time the value of the net assets of the relevant Fund; and

The total premiums paid for the acquisition of outstanding call and put options on transferable securities may not together with the total of the premiums paid for the purchase of call and put options outstanding made for a purpose other than hedging exceed 15% of the net assets of the relevant Fund.

3.7 Transactions in OTC Options

By derogation to the restrictions set out in paragraphs 3.1, 3.2, 3.3 and 3.4 above, but always within the other limits set forth therein, the Company may purchase or sell over-the-counter (OTC) options if such transactions are more advantageous to a Fund or if quoted options having the required features are not available, provided such transactions are made with highly rated counterparties specialising in these type of transactions.

3.8 Securities Lending Transactions

The Company may participate in securities lending transactions only in the framework of a standardised lending system organised by a recognised securities clearing body or by a highly rated financial institution specialised in this type of transactions.

In relation to such lending transactions, the Company must in principle receive for the Fund concerned security of a value which at the time of the conclusion of the lending agreement must be at least equal to the value of the global valuation of the securities lent.

The Company may not enter into securities lending transactions unless such lending is fully and continuously secured by the pledge of cash and/or securities issued or guaranteed by an OECD member state or by local

authorities of an OECD member state or by supranational institutions or organisations with EU, regional or worldwide scope, or by a guarantee of a highly rated financial institution and blocked in favour of the Company until the termination of the lending contract.

Lending transactions may not be entered into in respect of more than 50% of the total valuation of the portfolio of each Fund. Such limitation shall not apply where the Company has the right at any time to terminate the lending contract and obtain restitution of the securities lent.

Lending transactions may not extend beyond a period of 30 days, except for lending transactions where the securities may be reclaimed at any time by the Company.

In respect of third parties, including members of the J.P. Morgan Chase & Co group of companies, organising or structuring securities lending arrangements or acting as agents in relation to securities lending transactions, the Company may share with such third parties the revenues arising from the securities lending transactions as may be agreed between the Company and such third parties from time to time. The Board of Directors will ensure that revenues arising from securities lending arrangements are in accordance with usual market practice and that the Company retains an appropriate share thereof. The net revenues of the Company arising from securities lending transactions are specified in the semi-annual and annual reports published by the Company.

3.9 Repurchase Agreements

The Company may enter into repurchase agreements for the purchase or sale of securities where the counter-party is a highly rated financial institution specialised in such transactions. Where the Company is the purchaser, the securities purchased shall be held by or on behalf of the Company for the duration of the repurchase agreement. The Company will limit the total value of securities subject to repurchase agreements in order to ensure it can fulfil its redemption obligations at any time.

3.10 Restrictions on Dealing in Techniques and Instruments Relating to Transferable Securities

In the case of:
JPMorgan Fleming Funds - Euroland Equity Fund,
JPMorgan Fleming Funds - Europe Equity Fund,
JPMorgan Fleming Funds – Europe Small Cap Fund,
JPMorgan Fleming Funds - Germany Equity Fund,[
JPMorgan Fleming Funds - America Equity Fund,
JPMorgan Fleming Funds - America Micro Cap Fund,
JPMorgan Fleming Funds - Global Life Sciences Fund,
JPMorgan Fleming Funds - US Technology Fund,
JPMorgan Fleming Funds - Global Convertible Bond Fund,
JPMorgan Fleming Funds - Europe Technology Fund,
JPMorgan Fleming Funds - Eastern Europe Equity Fund,
JPMorgan Fleming Funds - Global Equity Fund, and
JPMorgan Fleming Funds - Pacific Balanced Fund,

the total underlying contract value of all options, futures, interest rate swaps, forward currency contracts, and currency swap agreements (other than forward currency contracts and currency swap agreements entered into for hedging purposes) for each Fund is limited to 15% of the net asset value of such Fund.

4. Miscellaneous

A. The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraph 1 (A) (i), (ii) and (iii) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Company shall not be prevented from acquiring such securities above which are not fully paid.

B. The Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.

C. The Company may not sell or purchase securities (excluding Shares of the Company) or make or receive loans of securities and/or monies to or from the Manager, Registrar, Transfer Agent, Administration Agent, Domiciliary Agent, Custodian, Paying Agents, Investment Managers, Distributors of Shares in Japan, Representative in Hong Kong and authorised Agents or any of their directors or any of their major shareholders (meaning a shareholder who holds, on his own or another name (as well as in the nominee's name) more than 10% of the total issued and outstanding shares or stock of such company) acting as principal or agent unless such transactions are made within the limits contained in this section, and either at a price determined by currently public available quotations, or at competitive prices or interest rates available from time to time on internationally regulated markets. Companies within the J.P. Morgan Chase & Co group of companies may, however, provide foreign exchange and other banking services.

D. The Manager may use the services of companies within the J.P. Morgan Chase & Co group of companies when it considers appropriate to do so and for so long as such services are provided to the Company at market rates and on other terms generally comparable with those on offer from unassociated parties in the markets concerned (See Section 3.1, "Administration Details, Charges and Expenses").

If the limits referred to in the preceding paragraphs are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Directors must, as a priority, take all steps as necessary within a reasonable period of time to rectify that situation, taking due account of the interests of its Shareholders.

Appendix II - Risks of Investment

In Appendix II:

General
Regulatory
Investment Objective
Suspension of Share dealings
Warrants
Futures and Options
Funds Investing in Smaller Companies
Funds Investing in Technology Related Companies
High Yield Bonds
Emerging and Less Developed Markets
Potential Conflicts of Interest
Depositary Receipts
Listing

General
The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in transferable securities and other financial instruments. Investors should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. Where the currency of the relevant Fund varies from the Investor's home currency, or where the currency of the relevant Fund varies from the currencies of the markets in which the Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

Regulatory
The Company is domiciled in Luxembourg and Investors should note that the regulatory protections provided by their local regulatory authorities may differ or will not apply. Investors should consult their financial or other professional adviser for further information in this area.

Investment Objective
Investors should be fully aware of the investment objectives of the Fund as these may state that the Fund may invest on a limited basis into areas which are not naturally associated with the name of the Fund. These other markets may act with more or less volatility than the core investment area and performance will, in part, be dependant on these investments. All investments involve risks and there can be no guarantee against loss resulting from an investment in any Shares, nor can there be any assurance that a Fund's investment objectives will be attained in respect of its overall performance. Investors should therefore ensure (prior to any investment being made) that they are satisfied with the risk profile of the overall objectives disclosed.

Suspension of Share dealings
Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see Section 2.4, "Suspensions or Deferrals").

Warrants
When the Company invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

Futures and Options
Under certain conditions, the Company may use options and futures on securities, indices and interest rates, as described in Appendix I, "Investment Restrictions" for the purpose of efficient portfolio management. Also, where appropriate, the Company may hedge market and currency risks using futures, options or forward foreign exchange contracts. In order to facilitate efficient portfolio management and to better replicate the performance of the benchmark, the Company may finally, for a purpose other than hedging, invest in derivative instruments. The Company may only invest within the limits set out in Appendix I, " Investment Restrictions".

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Funds Investing in Smaller Companies
Funds which invest in smaller companies may fluctuate in value more than other Funds because of the greater potential volatility of share prices of smaller companies.

Funds Investing in Technology Related Companies
Funds which invest in technology related companies may fluctuate in value more than other Funds because of the greater potential volatility of share prices of technology related companies.

High Yield Bonds
Investment in fixed income securities is subject to interest rate, sector, security and credit risks. High yield bonds are lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry.

Emerging and Less Developed Markets
In emerging and less developed markets, in which some of the Funds will invest, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio. Investments in emerging and less developed markets should be made only by sophisticated investors or professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include, but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. The following statements are intended to illustrate some of the risks which in varying degrees are present in investing in emerging and less developed markets instruments, but are not exhaustive, nor do they offer advice on the suitability of investments.

(A) Political and Economic Risks

- Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal/fiscal/regulatory/market reforms. Assets could be compulsorily re-acquired without adequate compensation.

- A country's external debt position could lead to sudden imposition of taxes or exchange controls.

- High interest and inflation rates can mean that businesses have difficulty in obtaining working capital.

- Local management may be inexperienced in operating companies in free market conditions.

- A country may be heavily dependent on its commodity and natural resource exports and is therefore vulnerable to weaknesses in world prices for these products.

(B) Legal Environment

- The interpretation and application of decrees and legislative acts can be often contradictory and uncertain particularly in respect of matters relating to taxation.

- Legislation could be imposed retrospectively or may be issued in the form of internal regulations not generally available to the public.

- Judicial independence and political neutrality cannot be guaranteed.

- State bodies and judges may not adhere to the requirements of the law and the relevant contract. There is no certainty that investors will be compensated in full or at all for any damage incurred.

- Recourse through the legal system may be lengthy and protracted.

(C) Accounting Practices

- The accounting, auditing and financial reporting system may not accord with international standards.

- Even when reports have been brought into line with international standards, they may not always contain correct information.

- Obligations on companies to publish financial information may also be limited.

(D) Shareholder Risk

- Existing legislation may not yet be adequately developed to protect the rights of minority shareholders.

- There is generally no concept of any fiduciary duty to shareholders on the part of management.

- Liability for violation of what shareholder rights there are, may be limited.

(E) Market and Settlement Risks

- The securities markets in some countries lack the liquidity, efficiency and regulatory and supervisory controls of more developed markets.

- Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Fund may make it difficult to assess reliably the market value of assets.

- The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.

- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.

- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Funds.

- Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

(F) Price Movement and Performance

- Factors affecting the value of securities in some markets cannot easily be determined.

- Investment in securities in some markets carries a high degree of risk and the value of such investments may decline or be reduced to zero.

(G) Currency Risk

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.

- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.

- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

(H) Taxation
Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Company invests or may invest in the future (in particular Russia and other emerging markets) is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result, the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

(I) Execution and Counterparty Risk
In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

(J) Nomineeship
The legislative framework in some markets is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. Consequently the courts in such markets may consider that any nominee or custodian as registered holder of securities would have full ownership thereof and that a beneficial owner may have no rights whatsoever in respect thereof.

Potential Conflicts of Interest
The Manager and J.P. Morgan Chase & Co may effect transactions in which the Manager or J.P. Morgan Chase & Co has, directly or indirectly, an interest which may involve a potential conflict with the Manager's duty to the Company. Neither the Manager nor J.P. Morgan Chase & Co shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Manager's fees, unless otherwise provided, be abated.

The Manager will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

Such potential conflicting interests or duties may arise because the Manager or J.P. Morgan Chase & Co may have invested directly or indirectly in the Company.

Depositary Receipts
Investment into a given country may be made via direct investments into that market or by depository receipts traded on other international exchanges in order to benefit from increased liquidity in a particular security and other advantages. A depository receipt admitted to the official listing on a stock exchange in an Eligible State or traded on an Eligible Market may be deemed an eligible transferable security regardless of the eligibility of the market in which the security to which it relates normally trades.

Listing
Where the Shares are listed, the exchanges on which those Shares are listed take no responsibility for the contents of

this document, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any kind of loss arising from or in reliance upon any part of the contents of this document.

This Prospectus includes particulars given in compliance with the Listing Regulations of the exchanges on which the Shares are listed for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Appendix III - Fund Characteristics

In Appendix III:
Classes of Shares
Note
Equity Funds
Balanced Funds
Convertible Bond Funds
Bond Funds

1. Classes of Shares
Each Fund within JPMorgan Fleming Funds may contain A, B, C, D, J and X classes of Shares, which may differ in the minimum subscription amount, minimum holding amount and/or eligibility requirements and the fees and expenses applicable to them. In addition, each Fund may contain classes of Shares named either "JPMF" or "JF".

Within each Fund, individual classes of Shares may have a currency of denomination that differs from the currency denomination of the Fund. The currency of denomination for each class of Share is indicated by a suffix on the name of the Share class.

Note:
(a) Minimum initial investment amounts, minimum subsequent investment amounts and minimum holding amounts per class of share are listed below and are in USD or at equivalent amounts in alternative currencies:

Share Class	Minimum Initial Investment Amount	Minimum Subsequent Investment Amount	Minimum Holding Amount
A	USD 10,000	USD 5,000	USD 5,000
B	USD 5,000,000	USD 5,000	USD 5,000,000
C	USD 10,000,000	USD 1,000,000	USD 10,000,000
D	USD 5,000	USD 5,000	USD 5,000
J	USD 10,000	USD 5,000	USD 5,000
X	On Application	On Application	On Application

(b) A, B, D and J classes of Shares will bear a fixed annual Operating and Administrative Expenses charge as set out in this Appendix.

(c) C and X classes of Shares will be subject to a maximum annual Operating and Administrative Expenses charge as set out in this Appendix. If the annual Operating and Administrative Expenses fall below the stated percentage, the charge will be reduced by the amount of the shortfall.

(d) The X classes of Shares may only be acquired by Institutional Investors who are clients of J.P. Morgan Chase & Co. and (i) which meet the minimum account maintenance or qualification requirements established from time to time for J.P. Morgan Chase & Co client accounts and/or (ii) whose Class X shares will be held in a J.P. Morgan Chase & Co client account subject to separate advisory fees payable to the Investment Adviser or any of its affiliated companies. The X class of Shares are designed to accommodate an alternative charging structure whereby an Annual Management & Advisory Fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the Global Distributor directly from the shareholder or through the relevant J.P. Morgan Chase & Co entity.

(e) The X classes of Shares will not be listed on either the Luxembourg or Bermuda Stock Exchanges. With the exception of Sterling Bond Fund and UK Equity Fund, the A-GBP classes of Shares will not be listed on either the Luxembourg or Bermuda Stock Exchanges.

(f) Classes of Shares denominated in GBP, with the exception of the JPMorgan Fleming Funds - UK Equity Fund and JPMorgan Fleming Funds - Sterling Bond Fund, are available only for distribution by J.P. Morgan Fleming Fund Marketing Limited through an Individual Savings Account.

2. Equity Funds
The equity Funds aim to provide long-term capital growth through investment in a diversified range of securities in the relevant region or sector. For regional and country Funds, the Fund may invest in selected companies that have their principal activities in the localities specified by the name and objective of the Fund, or that are organised under the laws of such localities, or that, in the opinion of the Manager, derive a predominant proportion of their earnings or revenues from those localities, even if listed or quoted else where. Equity exposure may be achieved, where appropriate, through investment in depository receipts and shares, convertible bonds, index and participation notes to the extent permitted under the laws of the Grand-Duchy of Luxembourg. These Funds may, on occasion, invest in unquoted securities or other collective investment schemes (see Appendix I, “Investment Restrictions”). The description “Micro Cap”, “Small Cap” and “Large Cap” in the Fund name implies that a maximum capitalisation amount will apply which will normally not be exceeded by the capitalisation of the companies that the Fund invests in. Micro and small capitalisation securities are normally securities of companies with a maximum capitalisation of USD 10 billion, at the time of purchase, whereas US large capitalisation securities are normally securities of companies with a capitalisation in excess of USD 1 billion, at the time of purchase. Bonds and warrants may be held on an ancillary basis and the extent of such holdings may vary according to market conditions. When warrants are held, the Net Asset Value per Share may fluctuate more than would otherwise be the case because of the greater volatility of warrant prices. Options and futures may also

be used for hedging purposes and for efficient portfolio management (see Appendix I, “Investment Restrictions”). The Funds will invest primarily in those securities identified by the objective of the fund. However, from time to time and to a limited extent, the availability of appropriate investment opportunities may require the Manager to place investments elsewhere. In addition, where investments are made to a limited extent or on an ancillary basis or which are not readily identifiable as those that would be described by the name of the Fund, such investments will not exceed one third of the portfolio. However, internal guidelines may limit such investments to a greater extent.

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - America Equity Fund	To provide long-term capital growth by investing primarily in North American securities.		Robert Fleming Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF America Equity A - USD	5.0%	1.25%	0.40%	0.5%
JF America Equity A - USD	5.0%	1.50%	0.40%	0.5%
JPMF America Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JPMF America Equity B - USD	Nil	0.95%	0.25%	Nil
JPMF America Equity C - USD	Nil	0.55%	0.25% Max	Nil
JPMF America Equity D - USD	5.0%	1.85%	0.40%	0.5%
JPMF America Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF America Equity X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - America Large Cap Fund	To provide long-term capital growth by investing primarily in "Blue Chip" North American securities.		Robert Fleming Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF America Large Cap A - USD	5.0%	1.25%	0.40%	0.5%
JF America Large Cap A - USD	5.0%	1.50%	0.40%	0.5%
JPMF America Large Cap A - EUR	5.0%	1.25%	0.40%	0.5%
JPMF America Large Cap B - USD	Nil	0.95%	0.25%	Nil
JPMF America Large Cap C - USD	Nil	0.55%	0.25% Max	Nil
JPMF America Large Cap D - USD	5.0%	1.85%	0.40%	0.5%
JPMF America Large Cap D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF America Large Cap X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - America Micro Cap Fund	To provide long-term capital growth by investing primarily in North American micro-capitalisation companies.		Robert Fleming Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF America Micro Cap A - USD	5.0%	1.50%	0.40%	0.5%
JF America Micro Cap A - USD	5.0%	1.50%	0.40%	0.5%
JPMF America Micro Cap D - USD	5.0%	2.10%	0.40%	0.5%
JPMF America Micro Cap X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - America Small Cap Fund	To provide long-term capital growth by investing primarily in North American smaller companies.		Robert Fleming Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF America Small Cap A - USD	5.0%	1.25%	0.40%	0.5%
JF America Small Cap A - USD	5.0%	1.50%	0.40%	0.5%
JPMF America Small Cap A - GBP	5.0%	1.25%	0.40%	0.5%
JPMF America Small Cap B - USD	Nil	1.05%	0.25%	Nil
JPMF America Small Cap C - USD	Nil	0.80%	0.25% Max	Nil
JPMF America Small Cap D - USD	5.0%	1.85%	0.40%	0.5%
JPMF America Small Cap X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Asia Diversified Fund	To provide long-term capital growth with a moderate risk by investing primarily in a diversified portfolio of equities of companies based in or trading in countries in the Pacific Basin[1] excluding Japan .		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Asia Diversified A - USD	5.0%	1.25%	0.40%	0.5%
JF Asia Diversified B - USD	Nil	1.00%	0.25%	Nil
JF Asia Diversified C - USD	Nil	0.75%	0.25% Max	Nil
JF Asia Diversified D - USD	5.0%	1.85%	0.40%	0.5%
JF Asia Diversified X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Asia Equity Fund	To provide long-term capital growth by investing primarily in equities of companies based in or trading in countries in the Pacific Basin[1] excluding Japan.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Asia Equity A - USD	5.0%	1.25%	0.40%	0.5%
JF Asia Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JF Asia Equity A - GBP	5.0%	1.25%	0.40%	0.5%
JF Asia Equity B - USD	Nil	1.00%	0.25%	Nil
JF Asia Equity C - USD	Nil	0.75%	0.25% Max	Nil
JF Asia Equity D - USD	5.0%	1.85%	0.40%	0.5%
JF Asia Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JF Asia Equity J - USD	5.0%	1.50%	0.40%	0.5%
JF Asia Equity X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Asia Special Situations Fund	To provide superior long-term capital growth by investing primarily in equities of companies based in or trading in countries in the Pacific Basin[1] excluding Japan, either which are undervalued, are currently out of favour with investors or are in a recovery situation, or other shares that the Manager believes to be a 'special situation'.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Asia Special Situations A - USD	5.0%	1.50%	0.40%	0.5%
JF Asia Special Situations B - USD	Nil	1.25%	0.25%	Nil
JF Asia Special Situations C - USD	Nil	0.75%	0.25% Max	Nil
JF Asia Special Situations D - USD	5.0%	2.10%	0.40%	0.5%
JF Asia Special Situations X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - China Fund	To provide long-term capital growth by investing primarily in companies in the People's Republic of China including Chinese companies based or operating in China that are quoted on the Hong Kong Stock Exchange or other non-Chinese stock exchanges.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF China A - USD	5.0%	1.50%	0.40%	0.5%
JF China B - USD	Nil	1.25%	0.25%	Nil
JF China C - USD	Nil	0.75%	0.25% Max	Nil
JF China D - USD	5.0%	2.10%	0.40%	0.5%
JF China X - USD	Nil	Nil	0.20% Max	Nil

[1] The term "Pacific Basin" refers to an area including Australia, Hong Kong, New Zealand, Singapore, China, Indonesia, Korea, Malaysia, the Philippines, Taiwan, Thailand and the Indian sub-continent.

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Eastern Europe Equity Fund	To provide long-term capital growth by investing primarily in central and eastern Europe, including Austria and eastern Germany. The Fund may invest up to 10% directly in the states of the former Soviet Union.	J.P. Morgan Fleming Asset Management (UK) Limited	EUR

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JPMF Eastern Europe Equity A - EUR	5.0%	1.50%	0.45%	0.5%
JF Eastern Europe Equity A - EUR	5.0%	1.50%	0.45%	0.5%
JPMF Eastern Europe Equity B - EUR	Nil	1.00%	0.30%	Nil
JPMF Eastern Europe Equity C - EUR	Nil	0.75%	0.30% Max	Nil
JPMF Eastern Europe Equity D - EUR	5.0%	2.10%	0.45%	0.5%
JPMF Eastern Europe Equity X - EUR	Nil	Nil	0.25% Max	Nil

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Emerging Europe Equity Fund	To provide long-term capital growth by investing in equities primarily in the emerging markets of central, eastern and southern Europe, including Austria and eastern Germany and, to a limited extent, the markets of the Middle East, and North Africa. The Fund may invest up to 10% directly in the states of the former Soviet Union.	J.P. Morgan Fleming Asset Management (UK) Limited	USD

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JPMF Emerging Europe Equity A - USD	5.0%	1.50%	0.45%	0.5%
JF Emerging Europe Equity A - USD	5.0%	1.50%	0.45%	0.5%
JPMF Emerging Europe Equity B - USD	Nil	1.00%	0.30%	Nil
JPMF Emerging Europe Equity C - USD	Nil	0.75%	0.30% Max	Nil
JPMF Emerging Europe Equity D - USD	5.0%	2.10%	0.45%	0.5%
JPMF Emerging Europe Equity X - USD	Nil	Nil	0.25% Max	Nil

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Emerging Markets Equity Fund	To provide long-term capital growth by investing primarily in emerging markets equities.	J.P. Morgan Fleming Asset Management (UK) Limited	USD

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JPMF Emerging Markets Equity A - USD	5.0%	1.50%	0.40%	0.5%
JF Emerging Markets Equity A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Emerging Markets Equity A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Emerging Markets Equity A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF Emerging Markets Equity B - USD	Nil	1.00%	0.25%	Nil
JPMF Emerging Markets Equity C - USD	Nil	0.75%	0.25% Max	Nil
JPMF Emerging Markets Equity D - USD	5.0%	2.10%	0.40%	0.5%
JPMF Emerging Markets Equity D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Emerging Markets Equity X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Euroland Equity Fund	To provide long-term capital growth by investing primarily in equities of companies in which are or might become part of the Euro zone. The fund may invest up to 10% in companies from other Continental European countries.	J.P. Morgan Fleming Asset Management (UK) Limited	EUR

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JPMF Euroland Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JF Euroland Equity A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Euroland Equity B - EUR	Nil	1.05%	0.25%	Nil
JPMF Euroland Equity C - EUR	Nil	0.65%	0.25% Max	Nil
JPMF Euroland Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF Euroland Equity X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Convergence Equity Fund	To provide long-term capital growth by investing in equities primarily in those countries applying or likely to apply for membership of the European Union or EUR.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Convergence Equity A - EUR	5.0%	1.50%	0.45%	0.5%
JF Europe Convergence Equity A - EUR	5.0%	1.50%	0.45%	0.5%
JPMF Europe Convergence Equity B - EUR	Nil	1.00%	0.30%	Nil
JPMF Europe Convergence Equity C - EUR	Nil	0.75%	0.30% Max	Nil
JPMF Europe Convergence Equity D - EUR	5.0%	2.10%	0.45%	0.5%
JPMF Europe Convergence Equity X - EUR	Nil	Nil	0.25% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Dynamic Fund	To maximise long-term capital growth by investing primarily in European equities.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Dynamic A - EUR	5.0%	1.50%	0.40%	0.5%
JF Europe Dynamic A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Europe Dynamic A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF Europe Dynamic B - EUR	Nil	1.25%	0.25%	Nil
JPMF Europe Dynamic C - EUR	Nil	0.80%	0.25% Max	Nil
JPMF Europe Dynamic D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Europe Dynamic X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Equity Fund	To provide long-term capital growth by investing primarily in European equities.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JPMF Europe Equity A - USD	5.0%	1.25%	0.40%	0.5%
JF Europe Equity A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Europe Equity B - EUR	Nil	1.05%	0.25%	Nil
JPMF Europe Equity C - EUR	Nil	0.65%	0.25% Max	Nil
JPMF Europe Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF Europe Equity X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Focus Fund	To provide superior long-term capital growth by investing in a concentrated portfolio of shares of primarily European large, medium and small companies.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Focus A - EUR	5.0%	1.50%	0.40%	0.5%
JF Europe Focus A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Europe Focus B - EUR	Nil	1.25%	0.25%	Nil
JPMF Europe Focus C - EUR	Nil	0.80%	0.25% Max	Nil
JPMF Europe Focus D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Europe Focus X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Small Cap Fund	To provide long-term capital growth by investing primarily in European smaller companies.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Small Cap A - EUR	5.0%	1.50%	0.40%	0.5%
JF Europe Small Cap A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Europe Small Cap A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF Europe Small Cap B - EUR	Nil	1.25%	0.25%	Nil
JPMF Europe Small Cap C - EUR	Nil	0.80%	0.25% Max	Nil
JPMF Europe Small Cap D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Europe Small Cap X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Special Situations Fund	To provide superior long-term capital growth by investing primarily in equities of European companies either which are undervalued, are currently out of favour with investors or are in a recovery situation, or other shares that the Manager believes to be a 'special situation'.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Special Situations A - EUR	5.0%	1.50%	0.40%	0.5%
JF Europe Special Situations A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Europe Special Situations B - EUR	Nil	1.25%	0.25%	Nil
JPMF Europe Special Situations C - EUR	Nil	0.80%	0.25% Max	Nil
JPMF Europe Special Situations D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Europe Special Situations X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Strategic Growth Fund	To provide long-term capital growth by investing primarily in a growth style biased portfolio of European companies.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Strategic Growth A - EUR	5.0%	1.25%	0.40%	0.5%
JF Europe Strategic Growth A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Europe Strategic Growth A - GBP	5.0%	1.25%	0.40%	0.5%
JPMF Europe Strategic Growth B - EUR	Nil	1.05%	0.25%	Nil
JPMF Europe Strategic Growth C - EUR	Nil	0.75%	0.25% Max	Nil
JPMF Europe Strategic Growth D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF Europe Strategic Growth X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Strategic Value Fund	To provide long-term capital growth by investing primarily in a value style biased portfolio of European companies.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Strategic Value A - EUR	5.0%	1.25%	0.40%	0.5%
JF Europe Strategic Value A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Europe Strategic Value A - GBP	5.0%	1.25%	0.40%	0.5%
JPMF Europe Strategic Value B - EUR	Nil	1.05%	0.25%	Nil
JPMF Europe Strategic Value C - EUR	Nil	0.75%	0.25% Max	Nil
JPMF Europe Strategic Value D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF Europe Strategic Value X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Technology Fund	To provide long-term capital growth by investing primarily in technology related companies in Europe.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Technology A - EUR	5.0%	1.50%	0.40%	0.5%
JF Europe Technology A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Europe Technology A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF Europe Technology B - EUR	Nil	1.25%	0.25%	Nil
JPMF Europe Technology C - EUR	Nil	0.80%	0.25% Max	Nil
JPMF Europe Technology D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Europe Technology X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Germany Equity Fund	To provide long-term capital growth by investing primarily in equities of German companies.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Germany Equity A - EUR	5.0%	1.50%	0.40%	0.5%
JF Germany Equity A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Germany Equity B - EUR	Nil	1.25%	0.25%	Nil
JPMF Germany Equity C - EUR	Nil	0.75%	0.25% Max	Nil
JPMF Germany Equity D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Germany Equity X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Global Dynamic Fund	To maximise long-term capital growth by investing primarily in equities throughout the world.		J.P. Morgan Fleming Asset Management (UK) Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Global Dynamic A - USD	5.0%	1.50%	0.40%	0.5%
JF Global Dynamic A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Global Dynamic A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Global Dynamic A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF Global Dynamic B - USD	Nil	1.25%	0.25%	Nil
JPMF Global Dynamic C - USD	Nil	1.10%	0.25% Max	Nil
JPMF Global Dynamic D - USD	5.0%	2.10%	0.40%	0.5%
JPMF Global Dynamic D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Global Dynamic X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Global Equity Fund	To provide long-term capital growth by investing primarily in equities, throughout the world. The Fund may invest, to a limited extent, in fixed-interest securities.		J.P. Morgan Fleming Asset Management (UK) Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Global Equity A - USD	5.0%	1.25%	0.40%	0.5%
JF Global Equity A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Global Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JPMF Global Equity B - USD	Nil	1.05%	0.25%	Nil
JPMF Global Equity C - USD	Nil	0.60%	0.25% Max	Nil
JPMF Global Equity D - USD	5.0%	1.85%	0.40%	0.5%
JPMF Global Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF Global Equity X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Global Life Sciences Fund	To provide long-term capital growth by investing primarily in companies in the healthcare and life sciences industries, throughout the world.		J.P. Morgan Fleming Asset Management (UK) Limited **Sub-Investment Manager:** Robert Fleming Inc. JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Global Life Sciences A - USD	5.0%	1.50%	0.40%	0.5%
JF Global Life Sciences A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Global Life Sciences A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF Global Life Sciences A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF Global Life Sciences B - USD	Nil	1.25%	0.25%	Nil
JPMF Global Life Sciences C - USD	Nil	0.80%	0.25% Max	Nil
JPMF Global Life Sciences D - USD	5.0%	2.10%	0.40%	0.5%
JPMF Global Life Sciences D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF Global Life Sciences X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Global Recovery Fund	To provide superior long-term capital growth by investing primarily in companies based throughout the world and that are deemed to be in recovery situations (i.e. for which the market sentiment is deemed to be excessively negative and therefore that are considered to offer potential for outperformance compared to the market average).		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Global Recovery A – EUR	5.0%	1.50%	0.40%	0.5%
JF Global Recovery A – USD	5.0%	1.50%	0.40%	0.5%
JPMF Global Recovery B – EUR	Nil	1.25%	0.25%	Nil
JPMF Global Recovery C – EUR	Nil	1.10%	0.25% Max	Nil
JPMF Global Recovery D – EUR	5.0%	2.10%	0.40%	0.5%
JPMF Global Recovery X – EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Global Socially Responsible Fund (formerly JPMorgan Fleming Funds - Global Small Cap Fund)	To provide long-term capital growth by investing primarily in equities of companies throughout the world that demonstrate socially responsible principles. Such companies would be expected to work towards environmental sustainability, develop positive relationships with their shareholders and uphold or support universal human rights.		J.P. Morgan Fleming Asset Management (UK) Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Global Socially Responsible A - USD	5.0%	1.50%	0.40%	0.5%
JF Global Socially Responsible A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Global Socially Responsible B - USD	Nil	1.25%	0.25%	Nil
JPMF Global Socially Responsible C - USD	Nil	1.00%	0.25% Max	Nil
JPMF Global Socially Responsible D - USD	5.0%	2.10%	0.40%	0.5%
JPMF Global Socially Responsible X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Greater China Fund	To provide long-term capital growth by investing primarily in companies in the People's Republic of China, Hong Kong and Taiwan.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Greater China A - USD	5.0%	1.50%	0.40%	0.5%
JF Greater China B - USD	Nil	1.25%	0.25%	Nil
JF Greater China C - USD	Nil	0.75%	0.25% Max	Nil
JF Greater China D - USD	5.0%	2.10%	0.40%	0.5%
JF Greater China X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Hong Kong Fund	To provide long-term capital growth by investing primarily in companies with the predominant proportion of their business in Hong Kong, even if listed elsewhere.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Hong Kong A - USD	5.0%	1.50%	0.40%	0.5%
JF Hong Kong B - USD	Nil	1.25%	0.25%	Nil
JF Hong Kong C USD	Nil	0.75%	0.25% Max	Nil
JF Hong Kong D - USD	5.0%	2.10%	0.40%	0.5%
JF Hong Kong X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - India Fund	To provide long-term capital growth by investing primarily in Indian securities and in companies which derive the predominant proportion of their revenue from the Indian sub-continent. A Mauritius subsidiary, wholly-owned by JPMorgan Fleming Funds, may be used to facilitate an efficient means of investing.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF India A - USD	5.0%	1.50%	0.60%	0.5%
JF India B - USD	Nil	1.25%	0.45%	Nil
JF India C - USD	Nil	0.75%	0.45% Max	Nil
JF India D - USD	5.0%	2.10%	0.60%	0.5%
JF India X - USD	Nil	Nil	0.40% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - International Equity Fund	To provide long-term capital growth by investing primarily in equities, throughout the world. The Fund may invest, to a limited extent, in fixed-interest securities.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF International Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JPMF International Equity A - USD	5.0%	1.25%	0.40%	0.5%
JF International Equity A - USD	5.0%	1.50%	0.40%	0.5%
JPMF International Equity B - EUR	Nil	1.05%	0.25%	Nil
JPMF International Equity C - EUR	Nil	0.60%	0.25% Max	Nil
JPMF International Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JPMF International Equity D - USD	5.0%	1.85%	0.40%	0.5%
JPMF International Equity X - EUR	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Japan Diversified Fund	To provide long-term capital growth with a moderate risk by investing primarily in a diversified portfolio of Japanese equities.		J.P. Morgan Fleming Asset Management (Japan) Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Japan Diversified A - USD	5.0%	1.25%	0.40%	0.5%
JF Japan Diversified B - USD	Nil	1.00%	0.25%	Nil
JF Japan Diversified C - USD	Nil	0.75%	0.25% Max	Nil
JF Japan Diversified D - USD	5.0%	1.85%	0.40%	0.5%
JF Japan Diversified X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Japan Equity Fund	To provide long-term capital growth by investing primarily in equities of Japanese companies.	JF Asset Management Limited **Sub-Investment Manager:** J.P. Morgan Fleming Asset Management (Japan) Limited	USD

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JF Japan Equity A - USD	5.0%	1.25%	0.40%	0.5%
JF Japan Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JF Japan Equity A - GBP	5.0%	1.25%	0.40%	0.5%
JF Japan Equity B - USD	Nil	1.00%	0.25%	Nil
JF Japan Equity C - USD	Nil	0.75%	0.25% Max	Nil
JF Japan Equity D - USD	5.0%	1.85%	0.40%	0.5%
JF Japan Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JF Japan Equity J - USD	5.0%	1.50%	0.40%	0.5%
JF Japan Equity X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Japan Small Cap Fund	To provide long-term capital growth by investing primarily in Japanese smaller companies.	JF Asset Management Limited **Sub-Investment Manager:** J.P. Morgan Fleming Asset Management (Japan) Limited	USD

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JF Japan Small Cap A - USD	5.0%	1.50%	0.40%	0.5%
JF Japan Small Cap B - USD	Nil	1.25%	0.25%	Nil
JF Japan Small Cap C - USD	Nil	0.75%	0.25% Max	Nil
JF Japan Small Cap D - USD	5.0%	2.10%	0.40%	0.5%
JF Japan Small Cap X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Japan Special Situations Fund	To provide superior long-term capital growth by investing primarily in equities of Japanese companies either which are undervalued, are currently out of favour with investors or are in a recovery situation, or other shares that the Manager believes to be a 'special situation'.	JF Asset Management Limited **Sub-Investment Manager:** J.P. Morgan Fleming Asset Management (Japan) Limited	USD

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JF Japan Special Situations A - USD	5.0%	1.50%	0.40%	0.5%
JF Japan Special Situations B - USD	Nil	1.25%	0.25%	Nil
JF Japan Special Situations C - USD	Nil	0.75%	0.25% Max	Nil
JF Japan Special Situations D - USD	5.0%	2.10%	0.40%	0.5%
JF Japan Special Situations X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective	Investment Manager	Fund Currency
JPMorgan Fleming Funds - Latin America Equity Fund	To provide long-term capital growth by investing primarily in equities of Latin American companies.	J.P. Morgan Fleming Asset Management (UK) Limited	USD

Share Class	Initial Charge	Annual Management & Advisory Fee	Operating & Administrative Expenses	Redemption Charge
JPMF Latin America Equity A - USD	5.0%	1.50%	0.40%	0.5%
JF Latin America Equity A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Latin America Equity B - USD	Nil	1.00%	0.25%	Nil
JPMF Latin America Equity C - USD	Nil	0.75%	0.25% Max	Nil
JPMF Latin America Equity D - USD	5.0%	2.10%	0.40%	0.5%
JPMF Latin America Equity X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Middle East Equity Fund	To provide long-term capital growth by investing primarily in equities of Middle East companies. Additionally the Fund may invest, to a limited extent, in Morocco and Tunisia.		J.P. Morgan Fleming Asset Management (UK) Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Middle East Equity A - USD	5.0%	1.50%	0.45%	0.5%
JF Middle East Equity A - USD	5.0%	1.50%	0.45%	0.5%
JPMF Middle East Equity B - USD	Nil	1.00%	0.30%	Nil
JPMF Middle East Equity C - USD	Nil	0.75%	0.30% Max	Nil
JPMF Middle East Equity D - USD	5.0%	2.10%	0.45%	0.5%
JPMF Middle East Equity X - USD	Nil	Nil	0.25% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Pacific Equity Fund	To provide long-term capital growth by investing primarily in equities of companies based or trading in Japan and the Pacific region, excluding the United States of America.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption**
JF Pacific Equity A - USD	5.0%	1.25%	0.40%	0.5%
JF Pacific Equity A - EUR	5.0%	1.25%	0.40%	0.5%
JF Pacific Equity A - GBP	5.0%	1.25%	0.40%	0.5%
JF Pacific Equity B - USD	Nil	1.00%	0.25%	Nil
JF Pacific Equity C - USD	Nil	0.75%	0.25% Max	Nil
JF Pacific Equity D - USD	5.0%	1.85%	0.40%	0.5%
JF Pacific Equity D - EUR	5.0%	1.85%	0.40%	0.5%
JF Pacific Equity J - USD	5.0%	1.50%	0.40%	0.5%
JF Pacific Equity X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Pacific Technology Fund	To provide long-term capital growth by investing primarily in technology related companies in Japan and the Pacific region.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Pacific Technology A - USD	5.0%	1.50%	0.40%	0.5%
JF Pacific Technology A - EUR	5.0%	1.50%	0.40%	0.5%
JF Pacific Technology A - GBP	5.0%	1.50%	0.40%	0.5%
JF Pacific Technology B - USD	Nil	1.25%	0.25%	Nil
JF Pacific Technology C - USD	Nil	0.80%	0.25% Max	Nil
JF Pacific Technology D - USD	5.0%	2.10%	0.40%	0.5%
JF Pacific Technology D - EUR	5.0%	2.10%	0.40%	0.5%
JF Pacific Technology X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Singapore Fund	To provide long-term capital growth by investing primarily in companies listed on the stock exchange of Singapore or in companies listed elsewhere but which trade with or invest significantly in Singapore.		JF Asset Management Limited **Sub Investment Manager:** JF Asset Management (Singapore) Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Singapore A - USD	5.0%	1.50%	0.40%	0.5%
JF Singapore B - USD	Nil	1.25%	0.25%	Nil
JF Singapore C - USD	Nil	0.75%	0.25% Max	Nil
JF Singapore D - USD	5.0%	2.10%	0.40%	0.5%
JF Singapore X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Taiwan Fund	To provide long-term capital growth by investing primarily in Taiwanese securities.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Taiwan A - USD	5.0%	1.50%	0.40%	0.5%
JF Taiwan B - USD	Nil	1.25%	0.25%	Nil
JF Taiwan C - USD	Nil	0.75%	0.25% Max	Nil
JF Taiwan D - USD	5.0%	2.10%	0.40%	0.5%
JF Taiwan X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - UK Equity Fund	To provide long-term capital growth by investing primarily in UK equities.		J.P. Morgan Fleming Asset Management (UK) Limited	GBP
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF UK Equity A - GBP	5.0%	1.25%	0.40%	0.5%
JF UK Equity A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF UK Equity B - GBP	Nil	1.05%	0.25%	Nil
JPMF UK Equity C - GBP	Nil	0.75%	0.25% Max	Nil
JPMF UK Equity D - GBP	5.0%	1.85%	0.40%	0.5%
JPMF UK Equity X - GBP	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - US Dynamic Fund	To maximise long-term capital growth by investing primarily in US equities.		Robert Fleming Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF US Dynamic A - USD	5.0%	1.50%	0.40%	0.5%
JPMF US Dynamic A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF US Dynamic B - USD	Nil	1.25%	0.25%	Nil
JPMF US Dynamic C - USD	Nil	0.80%	0.25% Max	Nil
JPMF US Dynamic D - USD	5.0%	2.10%	0.40%	0.5%
JPMF US Dynamic D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF US Dynamic X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - US Strategic Growth Fund	To provide long-term capital growth by investing primarily in a growth style biased portfolio of U.S. companies.		J.P. Morgan Fleming Asset Management (USA) Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF US Strategic Growth A - USD	5.0%	1.25%	0.40%	0.5%
JF US Strategic Growth A - USD	5.0%	1.50%	0.40%	0.5%
JPMF US Strategic Growth A - GBP	5.0%	1.25%	0.40%	0.5%
JPMF US Strategic Growth B - USD	Nil	0.95%	0.25%	Nil
JPMF US Strategic Growth C - USD	Nil	0.55%	0.25% Max	Nil
JPMF US Strategic Growth D - USD	5.0%	1.85%	0.40%	0.5%
JPMF US Strategic Growth X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - US Strategic Value Fund	To provide long-term capital growth by investing primarily in a value style biased portfolio of U.S. companies.		Robert Fleming Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF US Strategic Value A - USD	5.0%	1.25%	0.40%	0.5%
JF US Strategic Value A - USD	5.0%	1.50%	0.40%	0.5%
JPMF US Strategic Value A - GBP	5.0%	1.25%	0.40%	0.5%
JPMF US Strategic Value B - USD	Nil	0.95%	0.25%	Nil
JPMF US Strategic Value C - USD	Nil	0.55%	0.25% Max	Nil
JPMF US Strategic Value D - USD	5.0%	1.85%	0.40%	0.5%
JPMF US Strategic Value X - USD	Nil	Nil	0.20% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - US Technology Fund	To provide long-term capital growth by investing primarily in technology related companies based or operating in the United States of America.		Robert Fleming Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF US Technology A - USD	5.0%	1.50%	0.40%	0.5%
JF US Technology A - USD	5.0%	1.50%	0.40%	0.5%
JPMF US Technology A - EUR	5.0%	1.50%	0.40%	0.5%
JPMF US Technology A - GBP	5.0%	1.50%	0.40%	0.5%
JPMF US Technology B - USD	Nil	1.25%	0.25%	Nil
JPMF US Technology C - USD	Nil	0.80%	0.25% Max	Nil
JPMF US Technology D - USD	5.0%	2.10%	0.40%	0.5%
JPMF US Technology D - EUR	5.0%	2.10%	0.40%	0.5%
JPMF US Technology X - USD	Nil	Nil	0.20% Max	Nil

3. Balanced Funds

The balanced Funds represent a more conservative form of investment than equity funds, and invest in a diversified portfolio of equities, bonds and ancillary cash. For regional and country Funds, the Fund may invest in selected companies that have their principal activities in the localities specified by the name and objective of the Fund, or that are organised under the laws of such localities, or that, in the opinion of the Manager, derive a significant proportion of their earnings or revenues from those localities, even if listed or quoted elsewhere. The portfolio will hold between 30% and 60% of its net assets in equities with the remainder of the funds' assets in bonds. Warrants on securities, short-term money market instruments and cash may be used on an ancillary basis. Options and futures may also be used for hedging purposes and for efficient portfolio management (see Appendix I, "Investment Restrictions"). The Funds will invest primarily in those securities identified by the objective of the Fund. However, from time to time and to a limited extent, the availability of appropriate investment opportunities may require the Manager to place investments elsewhere. In addition where investments are made to a limited extent or on an ancillary basis or which are not readily identifiable as those that would be described by the name of the fund, such investments will not exceed one third of the portfolio. However, internal guidelines may limit such investments to a greater extent.

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Balanced Fund	To provide long-term capital growth and income by investing in a balanced portfolio, primarily of equities and debt securities throughout the world.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Balanced A - EUR	5.0%	1.00%	0.40%	0.5%
JPMF Balanced D - EUR	5.0%	1.80%	0.40%	0.5%

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Pacific Balanced Fund	To provide long-term capital growth and income by investing primarily in the securities of companies from the Asia-Pacific region.		JF Asset Management Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JF Pacific Balanced A - USD	5.0%	1.50%	0.40%	0.5%
JF Pacific Balanced B - USD	Nil	1.00%	0.25%	Nil
JF Pacific Balanced C - USD	Nil	0.75%	0.25% Max	Nil
JF Pacific Balanced D - USD	5.0%	1.80%	0.40%	0.5%
JF Pacific Balanced X - USD	Nil	Nil	0.20% Max	Nil

4. Convertible Bond Funds

The convertible bond funds represent a more conservative form of investment than equity funds, and invest in a diversified portfolio of convertible bonds, equities, bonds and ancillary cash. Warrants and short-term money market instruments may be used on an ancillary basis. Options and futures may also be used for hedging purposes and for efficient portfolio management (see Appendix I, "Investment Restrictions"). The Funds will invest primarily in those securities identified by the objective of the Fund. However, from time to time and to a limited extent, the availability of appropriate investment opportunities may require the Manager to place investments elsewhere. In addition, where investments are made to a limited extent or on an ancillary basis or which are not readily identifiable as those that would be described by the name of the Fund, such investments will not exceed one third of the portfolio. Of that one third, the predominant proportion would be invested into bonds. However, internal guidelines may limit such investments to a greater extent.

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Global Convertible Bond Fund	To provide a return by investing primarily in a diversified portfolio of convertible bonds and warrants, throughout the world. The Fund may hold to a limited extent straight bonds and equities.		JF Asset Management Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Global Convertible Bond A - EUR	5.0%	1.25%	0.40%	0.5%
JF Global Convertible Bond A - USD	5.0%	1.50%	0.40%	0.5%
JPMF Global Convertible Bond A - USD	5.0%	1.25%	0.40%	0.5%
JPMF Global Convertible Bond B - EUR	Nil	1.00%	0.25%	Nil
JPMF Global Convertible Bond C - EUR	Nil	0.75%	0.25% Max	Nil
JPMF Global Convertible Bond D - EUR	5.0%	1.60%	0.40%	0.5%
JPMF Global Convertible Bond X - EUR	Nil	Nil	0.20% Max	Nil

5. Bond Funds

The bond Funds aim to provide investors with income and the possibility of capital gains. Credit-linked securities, warrants and short-term money market instruments may be held on an ancillary basis. Options and futures will be used for hedging purposes and for efficient portfolio management (see Appendix I, "Investment Restrictions"). The Funds will invest primarily in those securities identified by the objective of the Fund. However, from time to time and to a limited extent, the availability of appropriate investment opportunities may require the Manager to place investments elsewhere. In addition, where investments are made to a limited extent or on an ancillary basis or which are not readily identifiable as those that would be described by the name of the Fund, such investments will not exceed 10% of the net assets within the portfolio. However, internal guidelines may limit such investments to a greater extent.

The bond Funds may also invest in credit-linked securities within the diversification limits set out under Appendix I section 1 Investment in Transferable Securities and Liquid Assets (C) (i).

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe Aggregate Bond Fund	To provide a return at moderate risk by investing primarily in fixed and floating-rate debt securities of European governments, government agencies and corporations denominated in western European currencies.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe Aggregate Bond A - EUR	3.0%	0.90%	0.20%	0.5%
JPMF Europe Aggregate Bond B - EUR	Nil	0.60%	0.20%	Nil
JPMF Europe Aggregate Bond C - EUR	Nil	0.45%	0.10% Max	Nil
JPMF Europe Aggregate Bond D - EUR	3.0%	1.15%	0.20%	0.5%
JPMF Europe Aggregate Bond X - EUR	Nil	Nil	0.05% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Europe High Yield Bond Fund	To provide a return superior to EMU government debt by investing in European and EUR denominated corporate debt securities. The Fund may invest, to a limited extent, in government debt securities of countries considered, by the Manager, to be candidates for joining the EUR and up to 50% in government debt securities of those countries participating in EUR.		J.P. Morgan Fleming Asset Management (UK) Limited	EUR
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Europe High Yield Bond A - EUR	3.0%	0.85%	0.25%	0.5%
JPMF Europe High Yield Bond B - EUR	Nil	0.65%	0.25%	Nil
JPMF Europe High Yield Bond C - EUR	Nil	0.45%	0.15% Max	Nil
JPMF Europe High Yield Bond D - EUR	3.0%	1.10%	0.25%	0.5%
JPMF Europe High Yield Bond X - EUR	Nil	Nil	0.05% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - FF Emerging Markets Debt Fund	To provide a return by investing primarily in fixed and floating-rate debt securities from emerging markets.		J.P. Morgan Fleming Asset Management (UK) Limited **Sub-Investment Manager:** J.P. Morgan Investment Management Inc., New York	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF FF Emerging Markets Debt A - USD	3.0%	1.00%	0.40%	0.5%
JPMF FF Emerging Markets Debt D - USD	3.0%	1.60%	0.40%	0.5%

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - FF USD Bond Fund	To provide a return by investing primarily in fixed and floating-rate debt securities denominated in USD or, to a limited extent, either in a closely linked currency, or one that is hedged back into USD.		J.P. Morgan Fleming Asset Management (USA) Inc.	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF FF USD Bond A - USD	3.0%	0.75%	0.35%	0.5%
JPMF FF USD Bond D - USD	3.0%	1.00%	0.35%	0.5%

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Global Aggregate Bond Fund	To provide a return at moderate risk and a degree of capital protection by investing primarily in high quality international fixed and floating-rate debt securities.		J.P. Morgan Fleming Asset Management (UK) Limited	USD
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Global Aggregate Bond A - USD	3.0%	0.90%	0.20%	0.5%
JPMF Global Aggregate Bond B - USD	Nil	0.60%	0.20%	Nil
JPMF Global Aggregate Bond C - USD	Nil	0.45%	0.10% Max	Nil
JPMF Global Aggregate Bond D - USD	3.0%	1.15%	0.20%	0.5%
JPMF Global Aggregate Bond X - USD	Nil	Nil	0.05% Max	Nil

Fund Name	Investment Objective		Investment Manager	Fund Currency
JPMorgan Fleming Funds - Sterling Bond Fund	To provide a return at moderate risk by investing primarily in fixed and floating-rate securities denominated in GBP or, to a limited extent, either in a closely linked currency, or one that is hedged back into GBP.		J.P. Morgan Fleming Asset Management (UK) Limited	GBP
Share Class	**Initial Charge**	**Annual Management & Advisory Fee**	**Operating & Administrative Expenses**	**Redemption Charge**
JPMF Sterling Bond A - GBP	3.0%	0.75%	0.35%	0.5%
JPMF Sterling Bond B - GBP	Nil	0.60%	0.20%	Nil
JPMF Sterling Bond C - GBP	Nil	0.45%	0.10% Max	Nil
JPMF Sterling Bond D - GBP	3.0%	1.30%	0.35%	0.5%
JPMF Sterling Bond X - GBP	Nil	Nil	0.05% Max	Nil

J.P. Morgan Fleming Asset Management (Europe) S.à r.l.
European Bank & Business Centre,
6 route de Trèves
L-2933 Senningerberg
Grand Duchy of Luxembourg
Internet: www.jpmorganfleming.com
E-mail: fundinfo@jpmorganfleming.com

Distribution of this Prospectus is not authorised unless accompanied by a copy of the latest annual financial report and of the latest semi-annual financial report, if published thereafter. Such reports form an integral part of this Prospectus.

NOT FOR USE BY OR DISTRIBUTION TO U.S. PERSONS

GB H227 05/03

JPMorgan Fleming

Asset Management

JPMorgan Fleming Investment Funds

PROSPECTUS – NOVEMBRE 2001

Société d'investissement à capital variable Luxembourg

Ne peut être utilisé par, ou être distribué à des ressortissants américains

JPMorgan Fleming Investment Funds (ci-après la **«SICAV»**) a été agréé en vertu du chapitre I de la loi luxembourgeoise du 30 mars 1988 relative aux organismes de placement collectif et a obtenu la qualification d'Organisme de Placement Collectif en Valeurs Mobilières (ci-après **«OPCVM»**) selon les termes de l'article 1 alinéa 2 de la Directive CE 85/611 du 20 décembre 1985, et peut donc être commercialisé dans les Etats membres de l'Union Européenne (UE) (sous réserve d'enregistrement dans les Etats autres que le Luxembourg). En outre, la SICAV pourra faire l'objet de demandes d'enregistrement dans d'autres pays. L'offre et la distribution de la SICAV en Suisse ou à partir de la Suisse ont été autorisées par la Commission Fédérale des Banques Suisses (**«CFB»**) en vertu des dispositions de l'article 45 de la loi suisse du 18 mars 1994 sur les Fonds de Placement.

Aucune des actions n'a été ni ne sera enregistrée en application de l'*United States Securities Act of 1933* (la Loi fédérale américaine sur les valeurs mobilières de 1933, ci-après la **«Loi de 1933»**) ou de toute loi sur les valeurs mobilières de tout Etat ou subdivision politique des Etats-Unis d'Amérique ou de leurs territoires, possessions ou autres régions soumises à la juridiction des Etats-Unis d'Amérique, notamment le Commonwealth of Puerto Rico (ci-après les **«Etats-Unis»**), et lesdites actions ne peuvent être offertes, vendues ou cédées que conformément aux dispositions de la Loi de 1933 et des lois sur les valeurs mobilières desdits Etats ou autres. Certaines limitations s'appliquent également à la revente des actions aux Etats-Unis à, ou pour le compte de, toute Personne Américaine (telle que définie par la Réglementation S de la Loi de 1933), qui couvre tout résident des Etats-Unis, ou toute société de capitaux ou de personnes ou autre entité créée ou constituée aux Etats-Unis ou selon le droit des Etats-Unis (y compris toute succession d'une telle personne morale créée ou constituée aux Etats-Unis). Il incombe aux investisseurs de prendre connaissance de certaines dispositions de rachat obligatoire applicables aux Personnes Américaines figurant à la section «Les actions – Rachat des actions» ci-dessous. La SICAV n'est pas et ne sera pas enregistrée dans le cadre de l'*United States Investment Company Act* (la Loi fédérale américaine sur les sociétés d'investissement de 1940), telle que modifiée.

La distribution du présent Prospectus dans d'autres pays pourra également faire l'objet de restrictions; il incombe aux personnes entrant en possession de ce Prospectus de s'informer de ces restrictions et de s'y conformer. Ce Prospectus ne constitue pas une offre de quiconque dans quelque juridiction que ce soit dans laquelle une telle offre n'est pas autorisée ou à quiconque il serait illicite de faire une telle offre.

Les investisseurs potentiels sont invités à prendre attentivement connaissance de la totalité de ce Prospectus, puis à consulter leurs conseillers juridiques, fiscaux et financiers relativement (i) aux conditions juridiques et réglementaires de souscription, d'achat, de conservation, de conversion, de rachat ou de cession des actions dans leur pays, (ii) aux conditions de contrôle des changes auxquelles ils sont soumis dans leur pays en matière de souscription, d'achat, de conservation, de conversion, de rachat ou de cession des actions, (iii) aux conséquences juridiques, fiscales, financières ou autre du fait de souscrire, d'acheter, de conserver, de convertir, de rembourser ou de céder les actions, et (iv) à toutes autres conséquences des activités susvisées.

Avant d'autoriser la distribution de ce Prospectus, certains pays exigent qu'il soit traduit dans une certaine langue. Sauf disposition contraire de la législation du pays concerné, comme en Suisse où la version en français prévaudra, la version anglaise de ce Prospectus prévaudra en cas d'incohérence ou d'ambiguïté quant à la signification d'une version traduite.

Toute information ou déclaration émanant de quiconque et ne figurant pas dans ce Prospectus ou dans tout autre document pouvant être consulté par le public devrait être considérée comme non autorisée et donc ne servir de base à aucune décision. Ni la remise de ce Prospectus ni l'offre, l'émission ou la vente des actions de la SICAV ne sauraient en aucune circonstance constituer une déclaration selon laquelle les informations figurant dans ce Prospectus sont exactes au-delà de sa date de publication.

Sauf spécification contraire, toute référence horaire figurant dans ce Prospectus fait référence à l'heure d'Europe centrale («heure CET»).

Les actions de la SICAV sont ou seront (à l'émission) cotées à la Bourse du Luxembourg, tel qu'il est indiqué plus précisément ci-après.

Le dernier rapport annuel et le dernier rapport semestriel, s'il a été publié postérieurement, font partie intégrante de ce Prospectus. Ces documents seront disponibles auprès du siège social de la Sicav et auprès de ses distributeurs locaux mentionnés sous la section intitulée «Informations destinées aux investisseurs dans certains pays».

Conseil d'Administration

Administrateurs
Iain O.S. Saunders, Banquier,
Polebrook, Oundle, Peterborough PE8 5LN, Royaume-Uni

James B. Broderick, Directeur Général,
J.P. Morgan Investment Management Limited,
20 Finsbury Street, Londres EC2Y 9AQ, Royaume-Uni

Veit O. Schuhen, Gérant,
J.P. Morgan Fleming Asset Management (Europe) S.à r.l.,
European Bank & Business Centre,
6 route de Trèves, L-2633 Senningerberg,
Grand-Duché de Luxembourg

André Elvinger, Associé,
Elvinger, Hoss & Prussen,
2 Place Winston Churchill, L-2014 Luxembourg,
Grand-Duché de Luxembourg

Pierre Jaans, Economiste,
L-8356 Garnich, Grand-Duché de Luxembourg

Conseiller en Placement
J.P. Morgan Investment Management Limited, 20 Finsbury Street, Londres EC2Y 9AQ, Royaume-Uni ou toute autre société que le Conseil d'Administration pourra nommer en tant que conseiller en placement et gestionnaire d'un Compartiment donné et qui est indiquée à la section correspondante dans l'Annexe jointe à ce Prospectus.

Dépositaire, Agent Administratif, d'Entreprise et Domiciliataire
J.P. Morgan Bank Luxembourg S.A.,
5 rue Plaetis, L-2338 Luxembourg
Grand-Duché de Luxembourg

Teneur de Compte et Agent de Transfert
First European Transfer Agent, S.A.,
11 boulevard Grande-Duchesse Charlotte,
L-1331 Luxembourg, Grand-Duché de Luxembourg

Distributeur Principal
J.P. Morgan Fleming Asset Management (Europe) S.à r.l.,
6, route de Trèves, L-2633 Senningerberg,
Grand-Duché de Luxembourg

Réviseurs d'entreprises
Price WaterhouseCoopers S.à r.l,
400 route d'Esch,
B.P. 1443, L-1014 Luxembourg,
Grand-Duché de Luxembourg

Agents payeurs
J.P. Morgan Bank Luxembourg S.A.,
5 rue Plaetis, L-2338 Luxembourg,
Grand-Duché de Luxembourg

Morgan Guaranty Trust Company of New York,
60, Wall Street, New York, N.Y. 10015 et tous bureaux ou sociétés du groupe désignés par elle.

Conseils juridiques
Elvinger, Hoss & Prussen,
2 Place Winston Churchill,
BP 425, L-2014 Luxembourg,
Grand-Duché de Luxembourg

Sommaire

Principales caractéristiques et définitions **4**

Règles d'investissement **6**
1. Règles d'investissement spécifiques à chaque Compartiment 6
2. Autres règles d'investissement s'appliquant à l'ensemble des Compartiments 6
3. Terminologie spécifique contenue dans l'Annexe concernant certains Compartiments 6
4. Regroupement d'actifs 6
5. Remarque importante 6

Les actions **9**
1. Souscription des actions 9
2. Souscription Minimale, Montants des Participations et Eligibilité pour la Souscription d'Actions 10
3. Cotation des actions 11
4. Rachat des actions 11
5. Conversion d'actions 12
6. Transfert d'actions 13

Informations générales **14**
1. Constitution 14
2. Assemblées 14
3. Rapports et comptes 14
4. Allocation des éléments d'actif et de passif entre les Compartiments 14
5. Regroupement d'actifs 15
6. Détermination de la valeur nette d'inventaire des actions 15
7. Calcul des Prix de l'Offre et de Souscription 16
8. Suspension Temporaire des Emissions, des Rachats et des Conversions 16
9. Liquidation de la SICAV 16
10. Fusion ou liquidation des Compartiments 17
11. Conflits d'intérêts 17
12. Contrats principaux 17
13. Documents 18

Politique de distribution de dividende **19**

Gestion et administration **20**
1. Le Conseiller en Placement 20
2. Philosophie d'investissement 20
3. Dépositaire et Agent Administratif Central 20
4. Teneur de Compte et Agent de Transfert 21
5. Distributeur Principal 21

Frais de gestion et autres frais de la SICAV **22**
1. Explication des Structures de Frais et Charges 22
2. Commission Annuelle de Gestion et de Conseil 22
3. Frais Administratifs et d'Exploitation 23
4. Commissions de Transaction 23
5. Frais Extraordinaires 23
6. Compte Rendu des Commissions et Frais 23

Restrictions d'investissement **24**

Fiscalité **28**
1. La SICAV 28
2. Les actionnaires 28

Informations destinées aux investisseurs dans certains pays **29**
1. Autriche 29
2. Belgique 29
3. France 29
4. Allemagne 29
5. Irlande 30
6. Italie 30
7. Pays-Bas 30
8. Espagne 30
9. Suisse 30
10. Royaume-Uni 31

Annexes – Détails des compartiments **32**
JPMorgan Fleming Investment Funds – ASIA SELECT EQUITY FUND
JPMorgan Fleming Investment Funds – US DISCIPLINED EQUITY FUND
JPMorgan Fleming Investment Funds – EUROPE SELECT LARGE CAP FUND
JPMorgan Fleming Investment Funds – GLOBAL SELECT EQUITY FUND
JPMorgan Fleming Investment Funds – GLOBAL 50 EQUITY FUND
JPMorgan Fleming Investment Funds – GLOBAL TELETECH FUND
JPMorgan Fleming Investment Funds – GLOBAL ex-US SELECT SMALL CAP FUND
JPMorgan Fleming Investment Funds – JAPAN SELECT EQUITY FUND
JPMorgan Fleming Investment Funds – LATIN AMERICA SELECT EQUITY FUND
JPMorgan Fleming Investment Funds – EUROPE SELECT EQUITY FUND
JPMorgan Fleming Investment Funds – RENTA VARIABLE GLOBAL
JPMorgan Fleming Investment Funds – US SELECT EQUITY FUND
JPMorgan Fleming Investment Funds – US SELECT SMALL CAP FUND
JPMorgan Fleming Investment Funds – BLUE AND GREEN FUND
JPMorgan Fleming Investment Funds – GLOBAL CAPITAL APPRECIATION FUND
JPMorgan Fleming Investment Funds – GLOBAL CAPITAL PRESERVATION FUND
JPMorgan Fleming Investment Funds – EUR GLOBAL BALANCED FUND
JPMorgan Fleming Investment Funds – USD GLOBAL BALANCED FUND
JPMorgan Fleming Investment Funds – INVESTMENT STRATEGY 98P FUND
JPMorgan Fleming Investment Funds – EMERGING MARKETS BOND FUND
JPMorgan Fleming Investment Funds – EUROPE BOND FUND
JPMorgan Fleming Investment Funds – EUR GLOBAL BOND FUND
JPMorgan Fleming Investment Funds – USD GLOBAL BOND FUND
JPMorgan Fleming Investment Funds – GLOBAL HIGH YIELD BOND FUND
JPMorgan Fleming Investment Funds – GLOBAL ex-US BOND FUND
JPMorgan Fleming Investment Funds – US SHORT DURATION BOND FUND
JPMorgan Fleming Investment Funds – US BOND FUND
JPMorgan Fleming Investment Funds – EURO FONDO DE DINERO
JPMorgan Fleming Investment Fund – GLOBAL FINANCIALS FUNDS
JPMorgan Fleming Investment Funds – GLOBAL HEALTHTECH FUND
JPMorgan Fleming Investment Funds – GLOBAL ENHANCED BOND FUND
JPMorgan Fleming Investment Funds – ASIA 50 EQUITY FUND
JPMorgan Fleming Investment Funds – EUROPE 50 EQUITY FUND
JPMorgan Fleming Investment Funds – JAPAN 50 EQUITY FUND
JPMorgan Fleming Investment Funds – US 50 EQUITY FUND
JPMorgan Fleming Investment Funds – EUROPE SMART INDEX FUND
JPMorgan Fleming Investment Funds – EUR SHARP 25 FUND
JPMorgan Fleming Investment Funds – EUR SHARP 50 FUND
JPMorgan Fleming Investment Funds – EUR SHARP 75 FUND
JPMorgan Fleming Investment Funds – USD SHARP 25 FUND
JPMorgan Fleming Investment Funds – USD SHARP 50 FUND
JPMorgan Fleming Investment Funds – USD SHARP 75 FUND
JPMorgan Fleming Investment Funds – EUROPE HIGH YIELD BOND

Principales caractéristiques et définitions

Le résumé suivant doit se lire à la lumière des informations plus détaillées figurant ailleurs dans ce Prospectus.

La SICAV: La SICAV est une société d'investissement constituée en société anonyme de droit luxembourgeois ayant reçu l'agrément de société d'investissement à capital variable (SICAV). La SICAV est constituée de plusieurs Compartiments dont chacun pourra être constitué d'une ou de plusieurs classes d'actions. La SICAV a été agréée en vertu du Chapitre I de la loi du Luxembourg du 30 mars 1988 sur les organismes de placement collectif, en qualité d'Organisme de Placement Collectif en Valeurs Mobilières (OPCVM) en vertu de l'article 1 alinéa 2 de la Directive nº 85/611 du 20 décembre 1985.

Les Compartiments: La SICAV propose aux investisseurs, au sein d'un même véhicule d'investissement, plusieurs possibilités de placement dans un ou plusieurs Compartiments (ci-après les **«Compartiments»**) distingués les uns des autres par leurs propres règles et objectifs d'investissement et/ou par leur devise de référence. Les caractéristiques de chaque Compartiment sont décrites à la section correspondante dans l'Annexe s'y rapportant. Le Conseil d'Administration de la SICAV (ci-après le **«Conseil»**, les **«Administrateurs»** ou le **«Conseil d'Administration»**) pourra à tout moment décider de créer de nouveaux Compartiments et, dans ce cas, l'Annexe à ce Prospectus sera mise à jour.

Les Classes: En vertu des Statuts de la SICAV, le Conseil d'Administration pourra décider d'émettre, au sein de chaque Compartiment, des classes distinctes d'actions (ci-après **«Classe»** ou **«Classes»,** selon le cas), dont les actifs seront investis en commun mais auxquelles pourront s'appliquer des structures spécifiques de droit d'entrée ou de rachats, des structures de commissionnement, des montants minimums de souscription, une politique de dividendes. Si différentes Classes sont émises au sein d'un Compartiment, les caractéristiques de chaque Classe seront dans la section correspondante de l'Annexe.

Le Conseiller en Placement: J.P. Morgan Investment Management Limited interviendra en qualité de conseiller en placement et de gestionnaire (ci-après le **«Conseiller en Placement»**) de tous les Compartiments, à l'exception de ceux pour lesquels l'Annexe fait référence à une autre entité intervenant en tant que gestionnaire et conseiller. Le Conseil d'Administration peut nommer pour tout compartiment un gestionnaire et conseiller autre que le Conseiller en Placement (ci-après «**le Sous-Conseiller en Placement**»). Le Sous-Conseiller en Placement interviendra en qualité de gestionnaire et de conseiller de ce Compartiment et le Conseiller en Placement ne sera pas responsable de la fourniture d'un quelconque service à ce Compartiment.

Les coordonnées de chaque Conseiller en Placement d'un Compartiment donné (qui pourra être une société du Groupe J.P. Morgan tel que défini au chapitre «Administration et Gestion – Conseiller en Placement» ci-dessous) sont précisées dans l'Annexe jointe à ce Prospectus.

Le Conseiller en Placement ou tout Sous-Conseiller en Placement pourront nommer un ou plusieurs sous-conseillers pour le Compartiment qu'ils conseillent. Tous les sous-conseillers seront identifiés à la section correspondante de l'Annexe.

Le Dépositaire: Les actifs de la SICAV sont conservés ou contrôlés par J.P. Morgan Bank Luxembourg S.A. (le **«Dépositaire»**).

Teneur de Compte et Agent de Transfert: L'émission, le rachat, la cession et la conversion des actions seront effectués par First European Transfert Agent (ci-après le **«Teneur de Compte et Agent de Transfert»**).

Les Actions:

Les actions de chaque Compartiment seront proposées sous forme nominative à moins que le Conseil d'Administration décide d'émettre certaines actions au porteur, auquel cas cela sera précisé à la section correspondante de l'Annexe. Toutes les actions doivent être entièrement libérées. Dans l'hypothèse où des actions au porteur d'une Classe quelconque seraient émises, des certificats de 1, 10, 100, 1.000 et 10.000 actions seront émis. En ce qui concerne les actions nominatives seulement, les fractions seront arrondies à 3 décimales. Les actions nominatives pourront être émises (au gré de l'investisseur) accompagnées ou non de certificats d'actions. En l'absence de demande d'émission d'actions sous une forme particulière, les investisseurs seront réputés avoir demandé que leurs actions soient détenues en la forme nominative sans certificat.

Prix d'Offre et de Souscription:

Les Actions de chaque Classe sont émises au Prix de Souscription de cette Classe telle que déterminé au Jour de Valorisation conformément aux dispositions prévues à la section «Calcul des Prix d'Offre et de Souscription».

Sous réserve de certaines restrictions stipulées ci-après, les Actionnaires peuvent à tout moment demander le rachat de leurs actions au Prix d'Offre de la Classe concernée telle que déterminée au jour de Valorisation conformément aux dispositions prévues à la section «Calcul des Prix d'Offre et de Souscription».

Cotation des Actions:

Les actions de chaque Classe de chaque Compartiment (à l'exception de la Classe d'Actions X) sont ou seront cotées à la Bourse du Luxembourg, sauf disposition contraire à la section correspondante de l'Annexe .

Conversion des actions:

Comme cela est décrit en plus amples détails dans la rubrique section «Les Actions – Conversion des Actions» ci-dessous, sauf indication contraire figurant à la section correspondante de l'Annexe et sous réserve de conformité aux conditions (notamment les minima de souscription) s'appliquant à la Classe de destination d'une opération de conversion, les actionnaires peuvent demander à tout moment la conversion de leurs actions en actions d'une autre Classe existante de ce Compartiment ou d'un autre Compartiment sur la base du Prix d'Offre de la Classe initiale et la valeur nette d'inventaire de l'autre Classe. L'opération pourra donner lieu à la perception d'une commission de conversion, ainsi que cela est décrit plus amplement à la section «Les actions – Conversion des actions» ci-après.

Jour de Valorisation:

La valeur nette d'inventaire par action de chaque Classe est déterminée chaque jour de Valorisation du Compartiment concerné. Sauf indication contraire de l'Annexe concernée, le terme **«Jour de Valorisation»** lorsqu'il se rapporte à un Compartiment désigne chaque jour de la semaine (i.e.: du lundi au vendredi) autre que le 1er janvier, le lundi de Pâques, le 25 décembre, le jour précédent et suivant le 25 décembre, ou si ces jours ne tombent pas en semaine, les jours fériés remplaçant ces jours, ou, concernant les placements d'un Compartiment, un jour durant lequel toute bourse ou tout marché sur lequel une partie importante substantielle des placements du Compartiment concerné est négociée, est fermé ou lorsque les négociations sur toute bourse échange ou marché sont restreintes ou suspendues. Les demandes d'émission, de rachat, de cession et de conversion d'actions de toute Classe sont acceptées par la SICAV au Luxembourg durant tout Jour de Valorisation du Compartiment concerné.

Règles d'investissement

1. Règles d'investissement spécifiques à chaque Compartiment
Le Conseil d'Administration a déterminé les règles et l'objectif d'investissement de chacun des Compartiments; ils figurent dans l'Annexe au présent Prospectus. Il n'est pas certain que l'objectif d'un Compartiment quelconque puisse être atteint. Les règles et l'objectif d'investissement de chaque Compartiment seront poursuivis conformément aux limites et restrictions exposées à la section «Restrictions d'Investissement» ci-après.

2. Autres règles d'investissement s'appliquant à l'ensemble des Compartiments
Chaque Compartiment pourra, aux fins d'efficacité de la gestion de portefeuille et de couverture des risques de marché, mettre en œuvre différentes stratégies de portefeuille. Ces stratégies comprennent des transactions sur contrats à terme sur instruments financiers et options sur ces contrats. Les Compartiments pourront aussi négocier des options et des bons de souscription sur titres en portefeuille, sur obligations, sur indices boursiers et sur portefeuilles d'indices. Les Compartiments peuvent couvrir leurs investissements contre le risque de change à l'aide d'options de change, de contrats à terme sur instruments financiers et de contrats de change à terme.

Chaque Compartiment pourra également pour une autre fin que la couverture acheter et vendre des contrats à terme et options de tout type sur instrument financier sous réserve des limitations indiquées au chapitre «Restrictions d'Investissement» ci-dessous.

Les Compartiments pourront vendre des contrats à terme sur taux d'intérêt, émettre des options d'achat ou acheter des options de vente sur taux d'intérêt, ou encore conclure des contrats de swap en vue de couvrir leur risque de taux. Les Compartiments pourront détenir, à titre accessoire, des liquidités selon ce que le Conseiller en Placement ou le Sous-Conseiller en Placement concerné considérera approprié, sous forme notamment de comptes courants, de dépôts à terme fixe ou d'instruments du marché monétaire venant à échéance sous 12 mois au plus. Chacun des Compartiments pourra aussi prêter des titres et conclure des contrats de mise et de prise en pension.

Si, un Compartiment est susceptible d'utiliser ces techniques régulièrement plutôt qu'occasionnellement, il en sera fait mention en conséquence à l'Annexe.

L'utilisation par les Compartiments des techniques et instruments décrits aux paragraphes précédents est soumise aux limites et restrictions mentionnées à la section «Restrictions d'Investissement» ci-après.

L'utilisation desdites techniques et desdits instruments implique certains risques et il n'y a aucune garantie que l'objectif recherché au travers de cette utilisation soit atteint.

Conformément aux dispositions de l'Annexe, les placements d'un Compartiment peuvent être détenus indirectement par une ou plusieurs filiales à 100% de la SICAV (ci-après les «Filiales»). Par conséquent, les investissements d'un Compartiment peuvent comprendre des actifs détenus directement par la SICAV et indirectement par l'entremise de Filiales. Les participations détenues dans une ou plusieurs Filiales ne sont pas considérées comme des investissements d'un Compartiment. Ainsi, lors de la préparation des comptes annuels certifiés et semestriels non certifiés de la SICAV, les résultats financiers des Filiales seront consolidés dans les résultats du Compartiment auquel elles sont rattachées.

3. Terminologie spécifique contenue dans l'Annexe concernant certains Compartiments
Le terme «Sharp» fait référence à la stratégie d'allocation sectorielle structurée de JPMorgan Fleming qui vise à surpasser les performances du marché par une sélection appropriée des risques sectoriels. Les références aux nombres «25», «50» et «75» contenues dans le nom du Compartiment se rapportent au profil relatif du risque du Compartiment.

«Sharp 25» présentant un risque moindre par rapport au «Sharp 50», qui à son tour lui même présente un profil de risque moins important comparé au «Sharp 75». Bien que le Conseiller en Placement cherche à appliquer cette méthodologie, il n'y a aucune garantie quant au maintien de celle-ci.

4. Regroupement d'actifs
Lorsque les règles d'investissement des Compartiments (et les lois et règlements applicables) le permettent, et aux fins d'une gestion efficace, le Conseil d'Administration, conformément aux dispositions statutaires, pourra regrouper tout ou partie des actifs des Compartiments concernés de sorte que chaque Compartiment participera dans la masse d'actifs concernée proportionnellement aux actifs qu'il y aura apportés. On trouvera de plus amples détails à la section «Informations Générales – Regroupement d'Actifs».

5. Remarque importante
Investissements sur les marchés des pays en voie de développement ou sur les marchés émergents
Il est précisé aux investisseurs que certains Compartiments peuvent investir sur les marchés des pays en voie de développement ou sur les marchés émergents ainsi qu'il est décrit à la section correspondante de l'Annexe correspondante des dits Compartiments. Ces marchés peuvent être volatils et peu liquides, et les

placements des Compartiments sur ces marchés sont considérés comme spéculatifs et sujets à des retards de règlement/livraison significatifs. Le risque de fluctuations significatives de la valeur nette d'inventaire et le risque de suspension des rachats de ces Compartiments peuvent être plus élevés que ceux encourus par les Compartiments investissant sur les grands marchés du monde. En outre, il peut exister un risque plus élevé d'instabilité politique, économique, sociale et religieuse, et de changement défavorable dans la réglementation et la législation des marchés moins développés ou émergents. Les actifs des Compartiments investissant sur ces marchés, ainsi que les revenus tirés du Compartiment, peuvent également être obérés par l'évolution des parités monétaires, du contrôle des changes et de la réglementation fiscale, ce qui est susceptible de rendre très volatile la valeur nette d'inventaire des actions de ces Compartiments. Certains de ces marchés peuvent ne pas être soumis à des normes et pratiques comptables, d'audit et d'information financière comparables à celles de pays plus développés, et les marchés financiers des pays en voie de développement ou émergents peuvent être fermés sans préavis. En outre, la surveillance des autorités de tutelle et la réglementation juridique peuvent être moins étendues et les législations et procédures fiscales moins bien définies que dans les pays dont les marchés financiers sont plus développés.

Il est conseillé aux investisseurs de consulter un conseiller professionnel afin d'évaluer le bien-fondé pour eux d'un placement dans l'un quelconque des Compartiments et notamment d'un Compartiment investissant dans les marchés en voie de développement ou émergents. Seuls les investisseurs conscients des risques inhérents à ces marchés et capables de supporter ces risques doivent souscrire dans les Compartiments investissant sur ces marchés, et ces placements doivent s'envisager à long terme.

Placements en actions

Les placements en actions peuvent offrir un taux de rendement supérieur à ceux des obligations à court et long terme. Cependant, les risques associés aux placements en actions peuvent également être plus importants, les performances de ces instruments dépendant de facteurs difficilement prévisibles, tels que des baisses subites et prolongées d'un marché et les risques inhérents aux sociétés elles-mêmes. Le risque fondamental rattaché à tout portefeuille d'actions est le risque de diminution de la valeur des investissements qu'il détient. La valeur d'une action peut fluctuer en fonction des activités de la société qui l'a émise ou en fonction de l'évolution du marché et/ou de la conjoncture économique. Sur le plan historique, les actions ont servi des rendements supérieurs à long terme et ont comporté des risques plus importants à court terme que les autres types d'investissement.

Opérations de change

Les Compartiments pourront acheter et vendre des valeurs mobilières et percevoir des intérêts et des dividendes en devises autres que leur propre devise de référence. De ce fait, les Compartiments pourront parfois effectuer des opérations de change soit au comptant, soit à terme. Les Compartiments ne concluront pas de contrats de change à terme à des fins spéculatives.

Les opérations de change au comptant ou à terme n'éliminent pas les fluctuations des prix ou des parités monétaires des valeurs mobilières détenues par un Compartiment et n'empêchent pas les moins-values si les prix de ces valeurs mobilières baissent.

Un Compartiment pourra effectuer des opérations de change en vue de se prémunir contre des fluctuations des taux de change de la devise d'un pays intervenant entre les dates d'exécution et de règlement d'opérations sur valeurs mobilières en cours ou à venir. Un Compartiment pourra également conclure des contrats de change à terme en vue de couvrir un risque de fluctuation des taux de change d'une devise qui entraînerait une dépréciation des investissements libellés ou principalement traités dans une devise de référence autre que celle dudit Compartiment. Pour ce faire, le Compartiment conclurait un contrat de vente à terme de la devise dans laquelle l'investissement est libellé ou principalement traité, en contrepartie d'un achat correspondant de la devise de référence du Compartiment.

Quoique ces opérations soient destinées à minimiser le risque de moins-value due à une dépréciation de la valeur de la devise objet de l'opération de couverture à terme, elles limitent parallèlement les plus-values potentielles pouvant être réalisées sur une appréciation de la devise couverte. Il sera généralement impossible de faire correspondre exactement les montants objets de contrats à terme et la valeur des titres concernés, sachant que la valeur future de ces titres évoluera avec les fluctuations de leur prix sur le marché entre la date de conclusion et la date de règlement du contrat à terme. C'est pourquoi, la réussite d'une stratégie de couverture qui correspond exactement au profil des investissements d'un compartiment ne peut être garanti.

Placements en obligations et autres titres de créance

Aux investissements en obligations et autres titres de créance se rattachent des risques de taux, sectoriels, de signature et de crédit. Les informations se rapportant à la qualité de crédit des investissements en obligations et autres titres de créance d'un Compartiment particulier figurent dans l'Annexe. Les obligations de moindre qualité offriront habituellement des rendements supérieurs à ceux des obligations de première qualité afin de compenser la moindre qualité de crédit et l'accroissement du risque de défaillance inhérents à ces titres. Les obligations de moindre qualité tendent à subir

davantage les événements affectant les marchés et leurs émetteurs que les obligations de première qualité, qui réagissent principalement à l'évolution générale des taux d'intérêt. Les obligations de moindre qualité sont moins liquides et il peut s'avérer plus difficile d'acheter et de vendre ces titres au moment optimum.

Il est précisé aux investisseurs que les notations de la qualité d'un crédit ne rendent pas nécessairement compte du risque véritable associé à un placement et que le Conseiller en Placement peut utiliser ses propres critères d'évaluation pour établir son analyse de la qualité d'un crédit, qui peuvent différer des critères utilisés par les agences de notation.

Afin d'appliquer les notations de la qualité d'un crédit à ses décisions d'investissement, le Conseiller en Placement considère que tous les titres d'une même catégorie sont de qualité équivalente. Par exemple, une condition de qualité de crédit minimale de A signifie que toutes les obligations titres notées A ou A agrémenté d'un signe ou d'un chiffre quelconque et quelle que soit l'agence de notation, seraient considérées comme équivalentes.

Dans les cas où deux ou davantage des notations de qualité de crédit sont publiées par des agences de notation indépendantes pour un même titre et qu'elles diffèrent, la notation la plus élevée sera retenue.

Le volume des transactions sur certains marchés obligataires internationaux peut être très inférieur à ceux des principaux marchés mondiaux tel que le marché américain. De ce fait, les investissements d'un Compartiment sur ces marchés peuvent être moins liquides et leurs prix plus volatils que des investissements comparables réalisés dans des titres se traitant sur des marchés aux volumes de transactions plus importants. En outre, le délai de règlement sur certains marchés peut être plus long que sur d'autres marchés, ce qui peut affecter la liquidité d'un portefeuille.

Les actions

Sous réserve des restrictions décrites ci-après dans ce document, les actions de chaque Classe de chaque Compartiment sont librement transférables et donnent droit à une part égale des profits et des produits de liquidation attribuables à leur Classe. Les règles régissant cette attribution sont exposées ci-après. Les actions, qui n'ont aucune valeur nominale et doivent être entièrement libérées à leur émission, ne comportent aucun droit préférentiel ou de préemption, et chacune a droit à un vote lors des assemblées générales d'actionnaires ainsi qu'à toutes les assemblées du Compartiment dont les actions sont détenues. Les actions rachetées par la SICAV sont annulées.

Le Conseil d'Administration pourra limiter ou interdire la détention d'actions par toute personne, société de personne ou de capitaux si cette détention est contraire aux intérêts de la SICAV ou de la majorité de ses actionnaires ou de tout Compartiment ou Classe d'actions. Si le Conseil d'Administration apprend qu'une personne à qui il est interdit de détenir des actions, seule ou conjointement avec toute autre personne, est le propriétaire réel (*beneficial owner*) des actions, la SICAV peut procéder au rachat obligatoire de toutes les actions ainsi détenues.

Sauf disposition contraire précisée dans l'Annexe pour chaque Compartiment, les demandes de souscription, de rachat et de conversion adressées à tout Compartiment seront traitées le Jour de Valorisation auquel elles seront reçues, à la condition qu'elles soient reçues avant 2:30 pm l'heure CET ce jour de Valorisation-là. Les demandes reçues après cette heure seront acceptées le Jour de Valorisation suivant.

Cependant, toute demande individuelle reçue entre 13h00 heure CET et 14h30 heure CET, pour un montant dépassant 1% de la totalité des actifs nets du Compartiment concerné au Jour de Valorisation précédent sera, si cela va dans le sens du meilleur intérêt de la SICAV et considérant le principe d'égal traitement entre actionnaires, considéré comme ayant été reçue après 14h30 et sera par conséquent acceptée le Jour de Valorisation suivant.

On trouvera d'autres informations sur les modalités de souscription, de conversion et de rachat des actions ci-dessous.

1. Souscription des actions

Les souscriptions d'actions d'un Compartiment peuvent être effectuées durant un Jour de Valorisation quelconque du Compartiment. Les demandes de souscription d'actions doivent être envoyées à l'un des agents de commercialisation et de distribution (ci-après les **«Distributeurs»**) à l'adresse indiquée à la section «Informations à l'intention des investisseurs dans certains pays» ci-dessous ou encore au Teneur de Compte et Agent de Transfert, dans un cas comme dans l'autre, aux adresses indiquées dans le rapport annuel.

La date initiale de lancement ou la période d'offre de chaque Classe ou Compartiment nouveau ou activé sera déterminée par le Conseil d'Administration et divulguée dans le Formulaire de Souscription, ainsi que dans le dernier rapport annuel de la SICAV. Le Formulaire de Souscription sera mis à jour à mesure de la mise à disposition de nouvelles Classes ou de nouveaux Compartiments. Le Conseil d'Administration pourra fixer des seuils minimums de souscription pour chaque Classe qui, le cas échéant, seront précisés ci-après à la section «Les Actions – 2. Souscription Minimale, Montants des Participations et Eligibilité pour la Souscription d'Actions». Le Conseil d'Administration pourra renoncer aux seuils minimums de souscription applicables. Le montant minimum de souscription correspondant ne s'appliquera pas lorsque les actions sont souscrites par des sociétés du Groupe JP Morgan intervenant en tant que gestionnaires ou d'autres gestionnaires approuvés par JP Morgan qui souscrivent au profit de leurs clients.

Les actions de chaque Classe seront attribuées au Prix de Souscription de ladite Classe, déterminée le Jour de Valorisation durant lequel la demande de souscription aura été acceptée.

Une commission d'opérations pourra également être appliquée à toute souscription ou tout rachat d'actions. Des informations sur cette commission (éventuelle) sont fournies dans l'Annexe.

Le paiement des actions devra être reçu par le Dépositaire dans la devise de référence du Compartiment correspondant, à la date et à l'heure précisée par le Distributeur correspondant pour ce Compartiment, mais en toute hypothèse au plus tard dans les 10 jours suivant l'acceptation de la demande de souscription. Les demandes de souscription dans toute autre grande devise librement convertible ne seront acceptées que sur décision du Conseil d'Administration et sur la base de la réception par le Dépositaire des fonds convertis dans la devise de référence. Le Conseil d'Administration peut de temps à autres accepter des souscriptions d'actions contre apport en nature de titres ou d'autres actifs qui pourraient être acquis par le Compartiment concerné conformément à ses règles et Restrictions d'Investissement. Un tel apport en nature sera évalué dans un rapport du commissaire au comptes rédigé conformément aux exigences du droit Luxembourgeois.

Le Conseil d'Administration se réserve le droit d'accepter ou de refuser toute demande de souscription en tout ou partie, quelle qu'en soit la raison. La SICAV pourra également limiter la distribution d'actions d'une Classe ou d'un Compartiment donné à des pays spécifiques. L'émission d'actions d'une Classe donnée sera

suspendue dès que la détermination de la valeur nette d'inventaire par action de ladite Classe sera suspendue par la SICAV (cf. «Informations générales – Suspension temporaire des émissions, rachats et conversions»).

En vertu de la loi luxembourgeoise du 19 février 1973 (modifiée), de la loi du 5 avril modifiée et des circulaires de l'autorité de contrôle luxembourgeoise IML 94/112, BCL 98/153, et CSSF 2000/21 des obligations professionnelles ont été définies en vue d'empêcher l'utilisation d'OPCVM aux fins de blanchiment d'argent. Ainsi, la SICAV doit recueillir une preuve de l'identité des souscripteurs particuliers (telle qu'une copie certifiée conforme de leur passeport ou de leur carte d'identité) ou des souscripteurs personnes morales (telle qu'une copie certifiée conforme de leurs statuts ou documents équivalents) ou la preuve du statut des intermédiaires financiers (telle qu'un extrait récent du Registre du Commerce et, le cas échéant ou s'il est obligatoire de la produire, une copie certifiée conforme de l'autorisation d'exercer délivrée par les autorités locales compétentes). Ces informations ne seront recueillies qu'aux fins de conformité à la législation et la réglementation, et ne seront pas divulguées à des personnes non habilitées.

La confirmation des souscriptions exécutées sera envoyée, accompagnée, le cas échéant, des certificats d'actions, au risque de l'investisseur à l'adresse indiquée dans sa demande de souscription dans les dix jours ouvrables bancaires luxembourgeois suivant l'émission des actions.

La SICAV peut également conclure des accords contrats avec certains Distributeurs (tels qu'ils sont définis ci-dessous) en vertu desquels ces derniers acceptent d'agir comme intermédiaires ou de nommer des représentants pour les investisseurs qui souscrivent des actions par leurs agences. En cette qualité, le Distributeur peut effectuer des souscriptions, conversions et rachats d'actions au nom de l'intermédiaire pour le compte des investisseurs individuels et demander l'inscription de ces opérations au registre des actionnaires de la SICAV au nom dudit intermédiaire. L'intermédiaire/Distributeur tient ses propres registres et fournit à l'investisseur des informations personnalisées sur ses participations dans le capital de la SICAV. Sauf en cas d'interdiction d'une telle pratique découlant de la législation ou de la pratique locale, les investisseurs peuvent investir directement dans la SICAV et décider de ne pas avoir recours aux services d'un intermédiaire. Sauf disposition contraire de la législation locale, tout actionnaire qui détient des actions via le compte d'un intermédiaire a le droit d'exiger, à tout moment, d'avoir un droit direct sur ces actions.

2. Souscription Minimale, Montants des Participations et Eligibilité pour la Souscription d'Actions

Le montant minimum de souscription minimum et les conditions d'éligibilité de chaque Classe d'action de chaque Compartiment sont spécifiées ci-dessous.

Montant de souscription et de participation minimum

CLASSE	$US[1]
A	10.000
B	5.000.000
C	10.000.000
D	5.000

[1] ou son équivalent dans la monnaie de référence du Compartiment concerné.

Les actions de Classe D ne peuvent être acquises que par des distributeurs nommés par J.P. Morgan et qui achèteront les actions au nom de leurs clients.

Les actions de Classe X ne peuvent être acquises que par les Investisseurs qui sont des clients du Conseiller en placement ou de l'une des entreprises affiliées (collectivement désignées «le Groupe J.P. Morgan») et qui (i) satisfont aux exigences en matière de détention minimum ou les conditions requises fixées périodiquement pour les comptes des clients du Groupe J.P. Morgan et/ou (ii) dont les actions de Classe X seront détenues sur un compte client de J.P. Morgan soumis à des commissions de conseil distinctes à payer au Conseiller en Investissement ou à l'une de ses entreprises affiliées.

La vente d'actions de certaines Classes est réservée aux investisseurs institutionnels, tel que ce terme est défini par les directives ou recommandations émises par les autorités de contrôle luxembourgeoises (les «Investisseurs Institutionnels») et la SICAV n'émettra aucune action, ni ne donnera suite à aucune cession d'actions appartenant à ces Classes en faveur d'investisseurs qui ne pourraient être considérés comme Investisseurs Institutionnels. La SICAV peut, à sa discrétion, reporter l'acceptation des souscriptions d'actions appartenant à ces Classes réservées aux Investisseurs Institutionnels jusqu'à tant qu'elle ait reçu des preuves suffisantes de ce que l'investisseur est bien un Investisseur Institutionnel. S'il apparaît à un certain moment que le détenteur d'actions appartenant à une Classe réservée aux Investisseurs Institutionnels n'est pas un Investisseur Institutionnel, la SICAV pourra, à sa discrétion, soit racheter lesdites actions conformément à ce qui est dit au paragraphe «5. Rachat d'actions» ci-dessous, soit convertir ces mêmes actions en actions d'une Classe qui n'est pas réservée aux Investisseurs Institutionnels (à supposer qu'il existe une telle Classe dont les caractéristiques sont similaires) et ensuite notifier l'actionnaire concerné de cette conversion.

Les Classes sont soit appelées soit «JPMF» soit «JF». Les Actions des Classes JF ne peuvent être acquises que par des distributeurs nommés par JF Funds Limited qui achètent des actions pour le compte de leurs clients et par d'autres membres du Groupe J.P. Morgan, comme convenu de temps à autre.

Lorsqu'un actionnaire souhaite augmenter sa participation dans une classe d'actions donnée, les souscriptions supplémentaires doivent être au moins d'un montant tel qu'il est indiqué dans le tableau ci-dessous. Le Conseil d'Administration n'est pas tenu d'accepter des souscriptions supplémentaires d'un montant inférieur à celui précisé.

Montant de souscription supplémentaire minimum

CLASSE	$US[1]
Classes A, B et D	5.000
Classe C	1.000.000

[1] ou son équivalent dans la monnaie de référence du Compartiment concerné.

Le Conseil d'Administration peut, à sa discrétion, quand il le juge nécessaire, supprimer ou réduire les montants minimums de souscription. Le montant minimum de souscription ne s'appliquera pas lorsque les actions sont souscrites par des sociétés du Groupe J.P. Morgan agissant en qualité de gestionnaire ou par des tiers gestionnaires ou distributeurs agréés par J.P. Morgan qui souscrivent pour le compte de leurs clients.

Lorsque l'actionnaire d'une Classe d'actions donnée d'un Compartiment accumule et détient un nombre d'Actions de cette classe d'une importance suffisante pour satisfaire aux exigences de souscription minimum d'une «Classe d'action parallèle» d'un Compartiment, dont les commissions et frais sont plus faibles, le Conseil d'Administration peut, de façon discrétionnaire, convertir les actions des actionnaires en actions d'une «Classe d'action parallèle» dont les commissions et frais applicables sont plus faibles. Une «Classe d'action parallèle» d'un Compartiment est une classe identique en ce qui concerne ses aspects essentiels (y compris la politique d'investissement et de dividende) sauf pour ce qui concerne le montant minimum de souscription et les frais qui lui sont applicables.

Le Conseil d'Administration peut à tout moment décider de racheter toutes les actions des actionnaires dont la participation est inférieure au montant minimum mentionné dans le tableau ci-dessous, ou qui ne satisfont pas aux autres conditions d'éligibilité établies ci-dessus ou mentionnées dans l'Annexe applicable. Dans ce cas, l'actionnaire concerné recevra un préavis d'un mois pour lui permettre d'augmenter sa participation au-dessus du montant minimum, ou de satisfaire aux conditions d'éligibilité.

3. Cotation des actions

Les actions de chaque Classe des Compartiments, à l'exception des actions de Classe X, sont ou seront cotées, si nécessaire, à la Bourse du Luxembourg sauf indication contraire dans la section correspondante de l'Annexe. Si les Administrateurs décident de créer de nouveaux Compartiments ou Classes d'actions, ils pourront, s'ils le jugent approprié, déposer une demande d'admission des actions de ces Compartiments à la cote de la Bourse du Luxembourg. Tant que les actions de tout Compartiment seront cotées à la Bourse du Luxembourg, la SICAV devra se conformer aux exigences de la Bourse de Luxembourg en ce qui concerne ces actions.

4. Rachat des actions

Tout actionnaire pourra demander le rachat de tout ou partie de ses actions un Jour de Valorisation quelconque. Les demandes de rachat doivent être adressées au Teneur de Compte et Agent de Transfert à son adresse au 11, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg, ou, selon le cas, à l'adresse du Distributeur (si un Distributeur a été nommé pour traiter ces rachats) ainsi qu'indiqué à la section «Informations destinées aux investisseurs dans certains pays» ci-dessous.

Les rachats seront effectués au Prix d'Offre par action de la Classe correspondante, calculée au Jour de Valorisation auquel la demande de rachat a été acceptée. A la discrétion du Conseil d'Administration, les demandes de rachats pourront être exécutées uniquement si les montants dus au titre de la souscription des actions concernées ont été reçus par la SICAV.

Les rachats seront effectués dans la devise de référence du Compartiment correspondant, et le Dépositaire émettra des instructions de paiement à cette fin à sa banque correspondante pour paiement à la date et à l'heure précisées par le Distributeur concerné dans le cadre de ce Compartiment, mais en toute hypothèse au plus tard dans les 10 jours suivant l'acceptation de la demande de rachat (sauf indication contraire dans l'Annexe) à la condition que les certificats d'actions correspondants, s'il en existe, aient été dûment reçus par le Teneur de Compte et Agent de Transfert pour annulation.

Le Conseil d'Administration peut, à titre exceptionnel, demander à un actionnaire d'accepter «un rachat en nature» c'est à dire de recevoir un portefeuille de titres de la Classe d'actions d'un montant équivalent au montant du rachat en espèces applicable. L'investisseur est libre dans un tel cas de refuser le rachat en nature et d'exiger un paiement du rachat dans la devise de référence du Compartiment. Lorsque l'investisseur accepte un rachat en nature il recevra dans la mesure du possible une sélection représentative des participations de la Classe d'actions au pro rata du nombre d'actions rachetées. La

valeur du rachat en nature sera certifiée par un certificat du commissaire aux comptes établi conformément aux exigences du droit Luxembourgeois.

Si, du fait d'un rachat, la valeur des actifs d'un actionnaire devenait inférieure au seuil de souscription correspondant, cet actionnaire pourrait être réputé (au gré du Conseil) avoir demandé le rachat de l'ensemble de ses actions.

Les actionnaires ont l'obligation de notifier immédiatement au Teneur de Compte et à l'Agent de Transfert qu'ils sont, ou sont devenus des Personnes Américaines ou qu'ils détiennent des actions pour le compte ou au bénéfice de Personnes Américaines ou qu'ils détiennent sinon des actions en violation de toute législation ou réglementation ou encore dans des circonstances ayant ou pouvant avoir des conséquences réglementaires ou fiscales défavorables pour la SICAV ou les actionnaires, ou allant à l'encontre des intérêts de la SICAV. Si les Administrateurs apprennent qu'un actionnaire (a) est une Personne Américaine ou détient des actions pour le compte d'une Personne Américaine, (b) détient des actions en violation de toute législation ou réglementation ou encore dans des circonstances ayant ou pouvant avoir des conséquences réglementaires ou fiscales défavorables pour la SICAV ou les actionnaires, ou allant contre les intérêts de la SICAV, les Administrateurs peuvent racheter les actions conformément aux Statuts de la Société.

En outre, si des demandes de rachat de plus de 10% du nombre total des actions émises de tout Compartiment sont reçues lors d'un Jour de Valorisation, le Conseil d'Administration peut décider de reporter les demandes de rachats supérieures qui excèdent les 10% jusqu'au Jour de Valorisation suivant le Jour de Valorisation auquel les demandes de rachat concernées ont été reçues. Les demandes de rachat non traitées du fait d'un tel report devront être traitées en priorité par rapport aux dernières demandes faites le ou les Jours de Valorisation suivants jusqu'au règlement complet des demandes originelles.

Le rachat des actions d'un Compartiment donné sera suspendu si la SICAV suspend le calcul de la valeur nette d'inventaire par action dudit Compartiment (cf. «Informations Générales – Suspension temporaire des émissions, rachats et conversions»).

Une demande de rachat des actions d'une Classe quelconque ne pourra être retirée par l'actionnaire dont elle émane, sauf en cas de suspension du calcul de la valeur nette d'inventaire de la Classe et, dans ce cas, le retrait de la demande ne prendra effet que si le Teneur de Compte et l'Agent de Transfert en reçoivent notification écrite avant la fin de la période de suspension. Si la demande de remboursement n'est pas retirée, la SICAV procédera au rachat le premier Jour de Valorisation applicable suivant la fin de la période de suspension du calcul de la valeur nette d'inventaire des actions du Compartiment concerné.

La SICAV devra parfois emprunter temporairement les capitaux nécessaires au financement des rachats. On trouvera les limitations à la capacité d'emprunt de la SICAV à la section «Restrictions d'Investissement» ci-dessous.

5. Conversion d'Actions

Dans la limite décrite et autorisée par l'Annexe pour certains Compartiments, et sous réserve de toute suspension du calcul des valeurs nettes d'inventaire concernées, les actionnaires ont le droit de convertir tout ou une partie de leurs actions de toute Classe d'un Compartiment en actions d'une autre Classe existante de ce Compartiment ou d'un autre Compartiment en demandant la conversion de la même manière que pour l'émission ou le rachat des actions. Toutefois, le droit de convertir des actions est soumis au respect des conditions (y compris les conditions de montants minimums de souscription et d'éligibilité) applicables à la Classe dans laquelle la conversion doit être effectuée. Par conséquent, si du fait d'une conversion, la valeur des actifs d'un actionnaire dans la nouvelle Classe serait inférieure au montant minimum de souscription mentionné ci-dessus, sous à la rubrique section «Montants minimums de Souscription de Détention Minimale et d'Eligibilité pour les Actions», ou dans l'Annexe, le Conseil d'Administration pourra décider de ne pas accepter la demande de conversion des actions. En outre, si du fait de la conversion, la valeur des actifs d'un actionnaire dans la Classe initiale devient inférieure au montant minimum de souscription applicable, l'actionnaire pourra être réputé (si le Conseil d'Administration le décide) avoir demandé la conversion de la totalité de ses actions.

Le nombre d'actions émises à la suite d'une conversion sera basé sur le Prix d'Offre de la Classe initiale et la valeur nette d'inventaire de l'autre Classe, augmentée du montant de la commission de conversion applicable, au Jour de Valorisation commun auquel la demande de conversion est acceptée. Si les deux Classes ne partagent aucun Jour de Valorisation commun, la conversion sera effectuée sur la base des prix calculés au Jour de Valorisation suivant de chacune des deux Classes concernées (les demandes reçues après 14h30 heure CET un Jour de Valorisation quelconque sera reporté au Jour de Valorisation suivant, de la même manière que pour l'émission ou le rachat des actions).

Le Conseil d'Administration pourra appliquer une commission de conversion au maximum égale à 1% de la valeur nettre d'inventaire des actions dans la nouvelle Classe. Lorsqu'un Actionnaire demande une conversion en une Classe dont les droits d'entrée sont plus élevés, le

droit d'entrée supplémentaire payable pour cette Classe sera facturé. Le Distributeur Principal a droit à toute commission provenant de conversions et à tout ajustement des arrondis.

Si les actions de la Classe initiale avaient fait l'objet d'une émission de certificats, il sera émit de nouveau(x) certificat(s) (le cas échéant) uniquement sur remise des anciens certificats au Teneur de Compte et Agent de Transfert. En cas de conversion d'actions en actions au porteur, les fractions d'actions ne seront pas émises et la soulte (si elle est inférieure à 10 dollars US ou un montant équivalent dans la devise de référence des actions à convertir) sera perdue pour être reversée à la Classe ou au Compartiment initial à partir duquel la conversion aura été effectuée.

6. Transfert d'actions
La cession d'actions nominatives peut habituellement être effectuée par remise au Distributeur concerné ou au Teneur de Compte et Agent de Transfert d'un instrument de cession en bonne et due forme, accompagné des certificats s'y rapportant. S'agissant des actions au porteur, la propriété des actions sera transférée par simple remise de ces dernières. A réception de la demande de cession, le Distributeur concerné ou le Teneur de Compte et Agent de Transfert pourra, après examen des endos, exiger que les signatures soient garanties par une banque, une société de bourse ou un notaire.

Il est conseillé aux actionnaires de contacter le Distributeur concerné ou le Teneur de Compte et Agent de Transfert avant de demander une cession afin de s'assurer qu'ils disposent des documents nécessaires à l'opération.

Informations générales

1. Constitution
La SICAV est une société d'investissement constituée sous la forme d'une société anonyme de droit du Grand-Duché du Luxembourg, ayant reçu l'agrément de société d'investissement à capital variable (SICAV). La SICAV a été constituée au Luxembourg le 22 décembre 1994 pour une durée indéterminée. Ses Statuts ont été publiés dans le Mémorial, Recueil des Sociétés et Associations («Mémorial») le 10 février 1995. La SICAV est immatriculée au Registre de Commerce de Luxembourg sous le numéro B 49 663. Une modification des Statuts a été publiée dans le Mémorial, le 9 septembre 1996.

Les Statuts (tels que modifiés) et un avis relatif à l'émission et à la vente des actions par la SICAV ont été déposés auprès du Greffe du Tribunal d'Arrondissement au Luxembourg.

Le capital minimum de la SICAV requis par la législation luxembourgeoise est l'équivalent en dollars américains de 50.000.000 (cinquante millions) de francs luxembourgeois.

2. Assemblées
L'assemblée générale annuelle des actionnaires (ci-après l' «**Assemblée Générale Annuelle»**) sera tenue au siège social de la SICAV au Luxembourg le dernier vendredi du mois d'avril de chaque année à midi ou, si ce jour n'est pas un jour ouvrable bancaire luxembourgeois, le jour ouvrable bancaire suivant. Des avis relatifs à toutes les assemblées générales seront publiés dans le Mémorial dans la mesure exigée par la législation luxembourgeoise, dans le Luxemburger Wort et dans tout autre journal choisi par le Conseil d'Administration, et seront adressées aux actionnaires nominatifs par la poste, avant l'assemblée, à leur adresse telle qu'apparaissant au registre des actionnaires. Ces avis comporteront l'ordre du jour et préciseront l'heure et le lieu de tenue de l'assemblée ainsi que les conditions d'admission. Ils mentionneront également les règles de quorum et de majorité requises par la législation luxembourgeoise et stipulées dans les articles 67 et 67-1 de la loi du 10 août 1915 sur les sociétés commerciales (telle que modifiée) ainsi que dans les Statuts de la SICAV.

Chaque action confère à son détenteur une voix de vote. Le vote sur le versement d'un dividende (le cas échéant) sur un Compartiment ou une Classe particuliers requiert un vote séparé à la majorité des voix de l'assemblée générale des actionnaires du Compartiment ou de la Classe concernés. Toute modification des Statuts affectant les droits d'un Compartiment ou d'une Classe devra être approuvée par une résolution de l'assemblée générale de la SICAV et des actionnaires du Compartiment ou de la Classe d'actions concernés.

3. Rapports et comptes
Les rapports annuels certifiés seront publiés dans les quatre mois de la clôture de l'exercice social et les rapports semestriels non certifiés seront publiés dans les 2 mois de la fin de la période à laquelle ils se rapportent. Les rapports annuels seront envoyés à chaque actionnaire nominatif à l'adresse figurant au registre des actionnaires, et les rapports annuels et semestriels pourront être consultés au siège social de la SICAV et du Dépositaire durant les heures de bureau. L'exercice social de la SICAV s'achève le 31 décembre de chaque année.

La devise de référence de la SICAV est le dollar américain. Les rapports susvisés comprendront les comptes consolidés de la SICAV établis en dollars américains ainsi que les informations spécifiques à chaque Compartiment établies dans la devise de référence de chaque Compartiment.

4. Allocation des éléments d'actif et de passif entre les Compartiments
Aux fins d'allocation des éléments d'actif et de passif entre les Compartiments, le Conseil d'Administration a établi pour chaque Compartiment une masse d'actifs de la façon suivante:

(a) les produits de l'émission de chaque action de chaque Compartiment seront affectés, dans les livres de la SICAV, à la masse d'actifs établie pour ce Compartiment et l'actif, le passif, les produits et les charges s'y rapportant seront imputés sur cette masse sous réserve des dispositions énoncées ci-après;

(b) lorsqu'un élément d'actif provient d'un autre élément d'actif, cet élément d'actif dérivé est imputé, dans les livres de la SICAV, à la même masse que l'élément d'actif dont il provient et à chaque réévaluation d'un élément d'actif, l'augmentation ou la diminution de valeur est imputée à la masse concernée;

(c) lorsque la SICAV contracte une obligation se rapportant à tout élément d'actif d'une masse particulière ou à toute action entreprise en relation à un élément d'actif d'une masse particulière, ladite obligation est imputée sur la masse concernée;

(d) au cas où un élément d'actif ou de passif de la SICAV ne pourrait être considéré comme imputable à une masse particulière, ledit élément d'actif ou de passif sera également imputé à l'ensemble des masses ou, si les montants le justifient, au pro rata de la valeur nette des actifs des Compartiments concernés;

(e) au moment du versement des dividendes aux actionnaires d'un quelconque Compartiment, la valeur nette des actifs de chaque Compartiment sera réduite du montant desdits dividendes.

Conformément aux Statuts de la SICAV, le Conseil d'Administration pourra décider de créer au sein de

chaque Compartiment une ou plusieurs Classes dont les actifs seront investis en commun dans le cadre des règles d'investissement du Compartiment concerné; cependant une structure de frais Droit d'entrée ou de rachat, une structure de commissionnement, un seuil de souscription minimale ou une politique de distribution de dividendes pourront être appliqués à chaque Classe. Une valeur nette d'inventaire distincte, différente d'une Classe à l'autre du fait des paramètres variables susmentionnés, sera calculée pour chaque Classe. Si une ou plusieurs Classes ont été créées au sein d'un même Compartiment, les règles d'allocation susmentionnées s'appliqueront, selon le cas, à chaque Classe.

5. Regroupement d'actifs

Aux fins d'efficacité de la gestion, et sous réserve des dispositions des Statuts et des lois et règlements applicables, le Conseil d'Administration pourra investir et gérer tout ou partie du portefeuille regroupant des actifs de deux ou plusieurs Compartiments (ci-après les **«Compartiments Participants»**). Un tel portefeuille sera formé par transfert de liquidités ou d'autres actifs (sous réserve que ces actifs correspondent aux règles d'investissement du regroupement d'actifs concerné) de chacun des Compartiments Participants. Par la suite, le Conseil d'Administration pourra parfois effectuer d'autres transferts vers chaque portefeuille de regroupement. Les actifs pourront également être retransférés vers un Compartiment Participant à du montant de la participation de la Classe concernée. La quote-part d'un Compartiment Participant dans un portefeuille de regroupement sera mesurée en unités notionnelles d'égale valeur dans le portefeuille de regroupement. A la création d'un portefeuille de regroupement, le Conseil d'Administration pourra, à son gré, déterminer la valeur initiale des unités notionnelles (exprimées dans la devise que le Conseil d'Administration considérera appropriée) et attribuer à chaque Compartiment Participant des unités dont la valeur totale sera égale au montant des liquidités (ou à la valeur des autres actifs) apportés. Par la suite, la valeur de l'unité notionnelle sera déterminée en divisant la valeur nette des actifs du portefeuille de regroupement par le nombre d'unités notionnelles subsistantes.

Si des liquidités ou des actifs supplémentaires sont apportés ou retirés d'un portefeuille de regroupement, le nombre d'unités attribuées au Compartiment Participant concerné sera augmenté ou diminué, selon le cas, d'un nombre d'unités déterminé en divisant le montant des liquidités ou la valeur des actifs apportés ou retirés par la valeur courante de l'unité. Lorsque l'apport est réalisé en liquidités, il sera minoré aux fins de ce calcul d'un montant que le Conseil d'Administration considérera approprié pour couvrir les charges fiscales ainsi que les coûts de transaction et d'achat pouvant être encourus au titre de l'investissement desdites liquidités; en cas de retrait de liquidités, le montant retiré sera majoré d'un montant reflétant les coûts pouvant être encourus au titre de la vente de valeurs mobilières ou autres actifs du portefeuille de regroupement.

Les dividendes, coupons et autres distributions s'apparentant à un revenu financier reçus sur les actifs d'un portefeuille de regroupement seront immédiatement crédités aux Compartiments Participants au pro rata de leur participation dans le portefeuille de regroupement à ce moment. A la dissolution de la SICAV, les actifs d'un portefeuille de regroupement seront alloués aux Compartiments Participants au pro rata de leur participation respective dans le portefeuille de regroupement.

6. Détermination de la valeur nette d'inventaire des actions

La valeur nette d'inventaire des actions de chaque Classe est déterminée dans sa devise de référence chaque Jour de Valorisation en divisant la valeur nette des actifs de chaque Classe par le nombre d'actions en circulation de ladite Classe. La valeur nette des actifs de chaque Classe est constituée de la valeur des actifs de cette Classe minorée des éléments de passif imputables à cette Classe, calculés au moment choisi à cette fin par le Conseil d'Administration.

La valeur des actifs de la SICAV sera déterminée de la manière suivante:

(a) la valeur des liquidités en caisse ou en dépôt, des effets et du papier à vue et des comptes clients, des charges constatées d'avance, des dividendes versés en espèces et des coupons déclarés ou exigibles ainsi qu'indiqué plus haut et non encore perçus sera réputée constituer la totalité du montant de ces instruments, sauf s'il est peu probable que ce montant soit payé ou perçu en totalité, auquel cas ladite valeur sera minorée d'une décote considérée appropriée par le Conseil d'Administration pour refléter la valeur réelle de ces instruments;

(b) la valeur des titres cotés ou échangés sur une bourse quelconque sera basée sur le dernier prix disponible ou, selon le cas, sur le prix moyen sur le marché habituellement considéré comme le marché principal de ces titres, et tout titre traité sur un autre marché organisé sera valorisé d'une manière aussi proche que possible de celle employée pour les titres cotés;

(c) la valeur des titres non cotés ou non échangés sur une bourse ou un autre marché réglementé, ainsi que la valeur des titres cotés ou non cotés sur tel autre marché pour lesquels il n'est pas possible d'obtenir un prix, ou des titres dont le prix coté n'est pas représentatif de leur valeur de marché, sera déterminée de toute bonne foi par le Conseil d'Administration sur la base des prix de vente prévisibles et en respectant le principe de prudence;

(d) les actions de SICAV ou parts de FCP sous-jacentes seront valorisées à leur dernière valeur nette d'inventaire publiée;

(e) les actifs liquides et les instruments du marché monétaire peuvent être valorisés à leur valeur nominale majorée de tout coupon couru ou sur la base du coût amorti. Tous les autres actifs peuvent, dès lors que cette méthode est praticable, être valorisés sur cette même base.

La SICAV est autorisée à employer tous autres principes d'évaluation appropriés aux actifs de la SICAV et/ou aux actifs d'une Classe donnée s'il paraît impossible ou non approprié d'employer les méthodes de Valorisation susvisées du fait de circonstances ou d'événements exceptionnels.

La valeur des actifs libellés dans une devise autre que la devise de référence d'un Compartiment sera déterminée sur la base du taux de change pratiqué au moment du calcul de la valeur nette d'inventaire.

La valeur nette d'inventaire par action de chaque Classe et les Prix d'Offre et de Souscription desdites actions sont disponibles au siège social de la SICAV.

7. Calcul des Prix d'Offre et de Souscription
Le Prix de Souscription par action de chaque Classe est calculé en ajoutant, le cas échéant, un droit d'entrée à la valeur nette d'inventaire par action. Le droit d'entrée sera calculé comme un pourcentage de la valeur nette d'inventaire par action, n'excédant pas les niveaux mentionnés dans l'Annexe. Le prix de Souscription sera arrondi aux deux décimales les plus proches de l'unité de la devise dans laquelle les actions sont libellées. Le Distributeur Principal a droit au versement de droit d'entrée et à tout ajustement résultant d'arrondi.

Le Prix d'Offre par action de chaque Classe est calculé en déduisant, le cas échéant, une commission de rachat , de la valeur nette d'inventaire par action. La commission de rachat sera calculée comme un pourcentage de la valeur nette d'inventaire par action, n'excédant pas les niveaux mentionnés dans l'Annexe. Le prix d'Offre sera arrondi aux deux décimales les plus proches de l'unité de la devise dans laquelle les actions sont libellées. Le Distributeur Principal a droit au versement de la commission de rachat et à tout ajustement résultant d'arrondi.

8. Suspension Temporaire des Emissions, des Rachats et des Conversions
Le calcul de la valeur nette d'inventaire des actions d'une ou plusieurs Classes pourra être suspendu durant:

(a) toute période au cours de laquelle l'une quelconque des bourses ou marchés principaux sur lesquels une partie significative des investissements du Compartiment concerné est cotée ou échangée est fermée autrement que les jours fériés ordinaires, ou au cours de laquelle les transactions sur ces bourses ou marchés sont limitées ou suspendues; ou

(b) l'existence de circonstances constituant une urgence rendant la cession ou de Valorisation des actifs du Compartiment concerné impraticable; ou

(c) toute panne des moyens de communication ou de calcul normalement employés pour déterminer le prix ou la valeur des actifs du Compartiment concerné ou les prix ou valeurs courantes sur tout marché ou toute bourse; ou

(d) toute période durant laquelle la SICAV est dans l'incapacité de rapatrier des capitaux en vue d'effectuer les paiements de remboursement d'actions ou durant laquelle tout transfert des capitaux nécessaires à la réalisation ou à l'acquisition d'investissements ou de paiements exigibles au rachat d'actions ne peut, de l'avis du Conseil d'Administration, être effectué à des taux de change normaux; ou

(e) toutes autres circonstances dans lesquelles une telle incapacité pourrait faire encourir à la SICAV ou à ses actionnaires une obligation fiscale ou tout autre inconvénient pécuniaire ou autre que la SICAV ou ses actionnaires n'auraient pas sinon encouru.

Le Conseil d'Administration est habilité à suspendre l'émission, le rachat et la conversion des actions d'une ou plusieurs Classes pendant toute période au cours de laquelle la SICAV suspend le calcul de la valeur nette d'inventaire par action des Compartiments concernés en vertu des pouvoirs susvisés. Toute demande de rachat/conversion effectuée ou en suspens durant une telle période de suspension pourra être retirée par notification écrite devant être reçue par la SICAV avant le terme de ladite période de suspension. Si ce retrait n'était pas effectué, les actions en question seraient rachetées/converties le premier Jour de Valorisation suivant la fin de la période de suspension. Dans le cas où cette période serait prolongée, cette prolongation serait notifiée par voie de presse dans les journaux des pays de commercialisation des actions de la SICAV. Les investisseurs ayant demandé l'émission, le rachat ou la conversion d'actions seront informés de cette suspension au moment où ils effectueront leur demande

9. Liquidation de la SICAV
La SICAV est constituée pour une durée illimitée et sa liquidation devra normalement être décidée par une assemblée générale extraordinaire des actionnaires. Cette assemblée devra être convoquée si la valeur nette des actifs de la SICAV devient inférieure aux deux tiers du capital minimum requis par la loi – à l'heure actuelle,

l'équivalent en dollars américains de 50.000.000 (cinquante millions) de francs luxembourgeois.

En cas de liquidation de la SICAV, cette liquidation serait conduite conformément aux dispositions de la loi luxembourgeoise du 30 mars 1988 sur les organismes de placement collectif, qui indique les étapes à suivre pour permettre aux actionnaires de prendre part aux distributions de liquidation et, à cet égard, prévoit que les montants qui n'auraient pu être distribués aux actionnaires à la clôture de la liquidation sont consignés en dépôt bloqué auprès de la Caisse de Consignation au Luxembourg. Les montants non réclamés avant l'expiration de la période prescrite pourront être réputés abandonnés conformément aux dispositions de la loi luxembourgeoise. Les produits nets de liquidation de chaque Compartiment seront distribués aux actionnaires de chaque Classe du Compartiment concerné au pro rata du montant de leurs actifs respectifs dans ladite Classe.

10. Fusion ou liquidation des Compartiments

Le Conseil d'Administration pourra décider de liquider tout Compartiment si la valeur nette des actifs dudit Compartiment devient inférieure à 20.000.000 (vingt millions) de dollars américains ou si un changement de situation économique ou politique liée au Compartiment justifie ladite liquidation. La décision de liquider sera publiée par la SICAV avant la date effective de liquidation et la publication indiquera les raisons et la procédure de liquidation employée. A moins que le Conseil d'Administration n'en décide autrement dans l'intérêt des actionnaires ou pour maintenir une égalité de traitement entre eux, les actionnaires du Compartiment concerné pourront continuer à demander le rachat ou la conversion de leurs actions sans frais. Les actifs non répartis à la liquidation du Compartiment seront déposés auprès du Dépositaire pendant une période de 6 mois à compter de la conclusion de la liquidation. Passée cette période, les actifs seront déposés auprès de la Caisse de Consignation au nom des ayants droit.

Dans les mêmes circonstances que celles susvisées, le Conseil d'Administration pourra décider de fermer tout Compartiment ou Classe par fusion-absorption par un autre Compartiment (ci-après le «nouveau Compartiment»), une autre Classe (ci après la «nouvelle Classe») ou un autre Organisme de Placement Collectif domicilié à Luxembourg. En outre, une telle fusion-absorption pourra être décidée par le Conseil d'Administration si elle est dans l'intérêt des actionnaires de l'un quelconque des Compartiments ou Classe concernés. Cette décision sera publiée de la manière indiquée dans le paragraphe précédent et, en outre, la publication comportera les informations se rapportant au nouveau Compartiment, à la nouvelle Classe d'actions ou à l'Organisme de Placement Collectif. Ladite publication sera effectuée au plus tôt un mois avant la date de prise d'effet de la fusion-absorption, afin de permettre aux actionnaires de demander le rachat de leurs actions, sans frais, avant que ne devienne effective l'opération d'apport dans le nouveau Compartiment, Classe d'actions ou Organisme de Placement Collectif.

11. Conflits d'intérêts

Le Conseiller en Placement, le Conseiller en Placement d'un Compartiment donné, les Distributeurs, le Teneur de Compte et Agent de Transfert et le Dépositaire pourront périodiquement exercer la fonction de gestionnaires financiers ou de conseillers, Distributeurs, administrateurs, teneurs de compte, dépositaires ou *trustees*, ou être impliqués d'une autre manière dans le cadre d'autres fonds ou organismes de placement collectif ayant des objectifs d'investissement similaires à ceux de la SICAV ou de tout Compartiment. Il est donc possible que l'un d'entre eux puisse, dans le cadre de ses activités, se heurter à un conflit d'intérêts potentiel avec la SICAV ou un Compartiment. Dans ce cas, chacun prendra en considération ses obligations contractuelles vis-à-vis de la SICAV ou de tout Compartiment. Considérant notamment l'obligation qui lui est faite d'agir au mieux des intérêts des actionnaires lorsqu'il entreprend toute transaction ou tout placement dans le cadre duquel il peut survenir un conflit d'intérêts, chacun s'efforcera de s'assurer que lesdits conflits sont équitablement résolus.

Il n'est nullement interdit à la SICAV d'exécuter des opérations avec le Conseiller en Placement, le Conseiller en Placement d'un Compartiment donné, les Distributeurs, le Teneur de Compte et Agent de Transfert ou le Dépositaire ou l'une quelconque des sociétés de leur groupe, à la condition que lesdites opérations soient conclues aux conditions du marché. Le Conseiller en Placement ou toute société de son groupe agissant en qualité de représentant de ses comptes clients peut recommander ou indiquer à ses clients d'acheter ou de vendre des actions de la SICAV. Au cas où un client serait en défaut de rembourser à J.P. Morgan des dettes qui seraient garanties par ses actions dans la SICAV, et que J.P. Morgan saisissait ces valeurs, J.P. Morgan deviendrait un actionnaire du Compartiment. En conséquence de cela, J.P. Morgan pourrait, ou les sociétés de son Groupe pourraient détenir une proportion relativement importante d'actions et des droits de vote dans la SICAV.

Les Sociétés du Groupe J.P. Morgan agissent en tant que contrepartie pour certains contrats à terme sur devises étrangères ou produits financiers. Le Dépositaire, l'Agent d'Entreprise et Administratif, l'Agent Domiciliataire et les Agents Payeurs de la SICAV sont considérés comme des parties liées.

12. Contrats principaux

Les contrats principaux suivants ont été ou devraient être conclus:

(a) un Contrat daté du 23 décembre 1994, modifié, entre la SICAV et le Conseiller en Placement en vertu duquel ce dernier agit en qualité de conseiller en placement et de gérant financier de la SICAV avec le pouvoir de nommer des sous-conseillers. Ce Contrat a été conclu pour une durée indéterminée et peut être dénoncé par l'une ou l'autre des parties sous réserve d'un préavis écrit de 3 mois;

(b) des Contrats datés du 29 août 1996 entre la SICAV et J.P. Morgan Bank Luxembourg S.A. (anciennement Chase Manhattan Bank Luxembourg S.A.) en vertu desquels cette dernière a été nommé dépositaire des actifs de la SICAV, ainsi qu'agent domiciliataire, agent payeur principal et agent administratif. Ces Contrats ont été conclus pour une durée indéterminée et peuvent être dénoncés par l'une ou l'autre des parties sous réserve d'un préavis écrit de 3 mois;

(c) un Contrat daté du 29 août 1996 entre la SICAV et First European Transfer Agent S.A. en vertu duquel ce dernier a été nommé teneur de compte et agent de transfert de la SICAV. Ce Contrat a été conclu pour une durée indéterminée et pourra être dénoncé par l'une ou l'autre des parties sous réserve d'un préavis écrit de 3 mois.

13. Documents

Des copies des contrats susvisés peuvent être consultés et des copies des Statuts de la SICAV, du Prospectus et des derniers rapports périodiques peuvent être obtenues sans frais durant les heures de bureau au siège social de la SICAV au Luxembourg. Ces rapports forment une partie intégrante de ce Prospectus.

Politique de distribution de dividende

A moins qu'il ne soit indiqué autrement dans la section correspondante de l'Annexe, la politique de chaque Compartiment et Classe est de réinvestir tous les revenus et plus-values et de ne verser aucun dividende. Le Conseil d'Administration, s'il le juge approprié, pourra néanmoins, au cours d'un exercice, proposer aux actionnaires d'un Compartiment ou d'une Classe d'actions lors de l'Assemblée Générale annuelle le paiement d'un dividende sur tout ou partie des revenus nets dudit Compartiment ou de ladite Classe d'actions. Le Conseil d'Administration ne peut proposer le paiement d'un dividende que lorsqu'un compartiment ou une Classe d'actions donné a dégagé un profit réel et qu'il ne s'agit pas d'un bénéfice fictif.

Gestion et administration

Les Administrateurs de la SICAV ont la responsabilité de la gestion et du contrôle de la SICAV, notamment de la détermination des politiques d'investissement. J.P. Morgan Investment Management Limited a été nommé en qualité de gestionnaire financier et de conseiller. Les administrateurs de la SICAV peuvent en outre désigner un gestionnaire financier et conseiller différent pour tout Compartiment. J.P. Morgan Bank Luxembourg S.A. a été nommée en qualité de Dépositaire et d'agent administratif central, et First European Transfer Agent a été nommé en qualité de Teneur de Compte et Agent de Transfert. En cas de nomination d'un Conseiller en Placement d'un Compartiment, l'Annexe ou les Annexes correspondantes seront modifiées en conséquence.

1. Le Conseiller en Placement

Le Conseil d'Administration a nommé J.P. Morgan Investment Management Limited en qualité de Conseiller en Placement de certains Compartiments. Le Conseil d'Administration pourra également nommer pour les autres Compartiments un Sous-Conseiller en Placement autre que le Conseiller en Placement. Le Sous-Conseiller en Placement interviendra en qualité de gestionnaire financier et de conseiller de ce Compartiment et le Conseiller en Placement ne sera pas responsable de la fourniture d'un quelconque service à ce Compartiment. En cas de nomination d'un Conseiller en Placement pour un Compartiment donné, la section correspondante de l'Annexe sera modifiée en conséquence.

Le Conseiller en Placement sera chargé de la gestion journalière, des investissements et ré-investissements des actifs pour tous les Compartiments autres que ceux pour lequel un Sous-Conseiller en Placement a été nommé. Dans ce dernier cas, le Sous-Conseiller en Placement sera chargé de cette gestion.

Le Conseiller en Placement ou chaque Sous-Conseiller en Placement pourra nommer pour chaque Compartiment qu'il conseille un ou plusieurs sous-conseillers en placement, notamment d'autres sociétés du Groupe J.P. Morgan ou d'autres bureaux de J.P. Morgan Investment Management Limited tels que décrits plus précisément dans l'Annexe.

Le Conseiller en Placement fait et certains Conseillers en Placement du Compartiment peuvent faire partie du Groupe J.P. Morgan. Les appellations **«J.P. Morgan»** ou le **«Groupe J.P. Morgan»** désignent J.P. Morgan Chase & Co. Incorporated, 270, Park Avenue, New York, N.Y. 10017-2070, USA, une société holding, ainsi que toutes ses filiales directes ou indirectes qui proposent dans le monde entier une gamme étendue de services financiers, telle que Morgan Guaranty Trust Company of New York, un établissement bancaire de l'Etat de New York, membre du système de la Réserve Fédérale, dont l'établissement principal est sis au 60 Wall Street, New York, N.Y. 10260-0060, USA, et toutes ses succursales et filiales directes et indirectes sur ou en dehors du territoire des Etats-Unis.

Le Conseiller en Placement et le Sous-Conseiller en Placement pourront, à leur gré, acheter et vendre des titres par l'intermédiaire de courtiers qui leur fourniront de la recherche, des statistiques et d'autres informations. Ces informations supplémentaires émanant d'un courtier s'ajoutent aux services exigés du Conseiller en Placement ou du Sous-Conseiller en Placement dans le cadre du Contrat de Conseil en Placements applicable et les frais encourus par le Conseiller en Placement ou le Sous-Conseiller en Placement dans le cadre de la fourniture de prestations de conseil de la SICAV ne seront pas nécessairement minorés du fait de la réception desdites informations. En outre, le Conseiller en Placement et chaque Sous-Conseiller en Placement pourront conclure des transactions ou des accords avec d'autres sociétés du Groupe J.P. Morgan.

2. Philosophie d'investissement

La philosophie d'investissement de J.P. Morgan est basée sur une expérience plus que centenaire en matière de fourniture de services de gestion d'investissement aux entreprises, aux Etats, aux institutions et aux particuliers dans le monde entier.

En ce qui concerne la gestion des portefeuilles d'actions et des portefeuilles globaux, J.P. Morgan estime qu'il est possible d'établir la valeur théorique d'actifs financiers sur la base de la recherche fondamentale conduite sur des facteurs économiques, boursiers, industriels et comptables; en outre, J.P. Morgan estime qu'à long terme la valeur de marché d'un titre devrait se rapprocher de sa valeur théorique. De ce fait, les gérants de portefeuille envisageront de se porter acheteurs d'un titre lorsque son prix est faible par rapport à sa valeur théorique, et de se porter vendeurs d'un titre lorsque son prix est devenu relativement élevé.

En ce qui concerne la gestion des portefeuilles d'obligations et d'autres titres de créance, la philosophie d'investissement de J.P. Morgan est basée sur une recherche économique fondamentale conduisant à une prévision d'évolution des taux d'intérêts sur les marchés obligataires. Les gérants de portefeuille se servent de ces anticipations pour effectuer une allocation optimale entre les différents marchés obligataires et sur la courbe des taux. J.P. Morgan se sert également de ses capacités de recherche quantitative et de crédit afin de choisir les valeurs mobilières et les structures de portefeuille susceptibles de permettre d'atteindre les objectifs d'investissement des clients.

3. Dépositaire et Agent Administratif Central

J.P. Morgan Bank Luxembourg S.A. a été nommé en qualité de dépositaire de l'ensemble des actifs de la SICAV, qui comprennent des titres, des instruments du

marché monétaire, des liquidités et d'autres actifs. Le Dépositaire pourra confier la conservation physique des titres et des autres actifs, principalement les titres négociés à l'étranger, cotés sur une bourse étrangère ou acceptés par les chambres de compensation pour leurs opérations, à ces chambres de compensation ou à un ou plusieurs de ses correspondants bancaires.

J.P. Morgan Bank Luxembourg S.A. doit:

(a) s'assurer que la vente, l'émission, le rachat et l'annulation d'actions effectués par ou pour le compte de la SICAV sont conduits conformément à la loi et aux Statuts de la SICAV;

(b) s'assurer que pour les opérations impliquant les actifs de la SICAV, la contrepartie lui soit remise dans les délais usuels;

(c) s'assurer que les revenus de la SICAV sont imputés conformément à ses dispositions statutaires.

J.P. Morgan Bank Luxembourg S.A. a été constituée au Luxembourg sous forme de société anonyme le 16 mai 1973 et son siège social est sis au 5 rue Plaetis, L-2338 Luxembourg. La société a des activités bancaires depuis sa constitution.

En sa qualité de Dépositaire, de Domiciliataire, d'Agent Administratif et d'organisme en charge du secrétariat juridique, J.P. Morgan Bank Luxembourg S.A. est chargée de l'administration centrale de la SICAV et notamment du calcul de la valeur nette d'inventaire des actions de chaque Compartiment et de la tenue des livres comptables.

4. Teneur de Compte et Agent de Transfert

First European Transfer Agent S.A. a été constituée au Luxembourg le 30 mars 1994 et son siège social est sis au 11, boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg. En sa qualité de Teneur de Compte et Agent de Transfert, First European Transfer Agent S.A. est chargé du traitement de l'émission, du rachat et de la conversion des actions ainsi que de la tenue du registre des actionnaires.

5. Distributeur Principal

J.P. Morgan Fleming Asset Management (Europe) S.à.r.l. a été nommée Distributeur Principal de la SICAV.

Le Distributeur Principal a le droit de recevoir les frais commissions de souscription, les frais commissions de rachat et toute frais commission de conversions et tout ajustement d'arrondi comme indiqué dans le Prospectus. Il peut payer tout ou une partie des commissions qu'il reçoit comme commission ou réduction aux intermédiaires financiers ou distributeurs.

La SICAV et/ou le Distributeur Principal peuvent conclure des contrats avec certains distributeurs en vertu desquels le Distributeur Principal et les distributeurs acceptent d'agir comme intermédiaires ou de nommer des intermédiaires pour les investisseurs qui souscrivent des actions par leurs agences. En cette qualité, le distributeur peut effectuer des souscriptions, conversions et rachats d'actions au nom de l'intermédiaire mais pour le compte des investisseurs individuels et demander l'enregistrement de telles ces opérations au registre des actionnaires de la SICAV au nom dudit intermédiaire. L'intermédiaire/distributeur conserve ses propres dossiers et fournit à l'investisseur des informations personnalisées concernant ses participations dans le capital de la SICAV. Sauf en cas d'interdiction d'une telle pratique découlant de la législation ou de la pratique locale, les investisseurs peuvent directement investir dans la SICAV et décider de ne pas avoir recours aux services d'un intermédiaire. Sauf disposition contraire à la législation locale, tout actionnaire détenant des actions sur un compte d'intermédiaire a un droit d'action direct sur les actions précises souscrites pour son compte par son intermédiaire.

Frais de gestion et autres frais de la SICAV

1. Explication des Structures de Frais et Charges

L'investissement dans la SICAV est généralement proposé à travers cinq structures de frais et charges correspondant aux Classes d'actions A, B, C, D et X. Les Classes d'actions se différencient principalement sur la base de l'exigence d'un investissement minimum, dans le cas des Classes d'actions A, B, C et D, ou sur les exigences en matière de détention minimum et sur les relations de l'actionnaire en tant que client du Groupe J.P. Morgan dans le cas des Classes d'Actions X. Les Classes d'actions X sont conçues pour s'adapter à une structure de frais et de charges alternative en vertu de laquelle une Commission Annuelle de Gestion et de Conseil normalement facturée à la SICAV et ensuite répercutée dans le prix de l'Action est à la place directement prélevée administrativement et perçue par le Distributeur Principal auprès de l'actionnaire ou auprès de l'entité J.P. Morgan Chase & Co concernée.

La SICAV cherche à préserver les actionnaires des fluctuations de ses Frais Administratifs et d'Exploitation (tel que ce terme est défini ci-dessous) et a prévu avec le Conseiller en Placement que certains Frais Administratifs et d'Exploitation, ou l'excédent de ces Frais par rapport au taux annuel spécifié pour certaines Classes d'actions, seront supportés directement par le Conseiller en Placement, tel qu'il est indiqué ci-dessous (si le Conseiller en Placement d'un Compartiment a été engagé, ces Frais Administratifs et d'Exploitation peuvent être supportés par ce Conseiller). Les Frais Administratifs et d'Exploitation sont attribués aux Compartiments auxquels ils correspondent ou à tous les Compartiments et Classes d'Actions au prorata de leur actif net (ou déterminés de manière équitable et raisonnable par les Administrateurs de la SICAV). L'attribution des Frais Administratifs et d'Exploitation fait l'objet d'un audit annuel par les Commissaires aux comptes de la SICAV. Les Frais Administratifs et d'Exploitation sont calculés quotidiennement pour chaque Classe d'Actions du Compartiment conformément à la structure de frais et charges de chaque Classe.

Sauf indication contraire dans l'Annexe, les Frais Administratifs et d'Exploitation supportés par les Classes d'actions A, B et D de tous les Compartiments (et la Classe d'actions C du JPMorgan Fleming Investment Funds – Euro Fondo de Dinero) sont soumis au taux fixe stipulé dans l'Annexe et Le Conseiller en Placement ou, le cas échéant,le Sous-Conseiller en Placement supportera la partie de ces Frais supérieure au taux stipulé.

Dans le cas de la Classe d'actions C de tous leMs Compartiments, les Frais Administratifs et d'Exploitation se limitent aux Frais de Conservation, Frais Fiduciaires, Frais de Comptabilité, Frais d'Agent de Transfert et Taxe d'Abonnement. Le Conseiller en Placement ou, le cas échéant, le Sous-Conseiller en Placement, supportera les Frais Administratifs et d'Exploitation non inclus dans cette liste.

Pour certaines Classes d'actions, les Frais Administratifs et d'Exploitation sont plafonnés à un montant maximal. Lorsque cela est le cas, ce taux est précisé dans l'Annexe et le Conseiller en Placement ou, le cas échéant, le Sous-Conseiller en Placement, supportera tout dépassement des Frais Administratifs et d'Exploitation attribuables à cette Classe d'actions par rapport au montant maximal indiqué dans l'Annexe.

Pour les Classes d'actions X de tous les Compartiments, les Frais Administratifs et d'Exploitation supportés par les Actionnaires des Classes d'actions X se limitent aux Frais de Comptabilité et de Conservation attribuables à la Classe d'actions X. Le Conseiller en Placement ou, le cas échéant, le Sous-Conseiller en Placement, supporte tous les autres Frais Administratifs et d'Exploitation attribuables à la Classe d'actions X.

Toutes les exceptions aux structures de frais et charges détaillées ci-dessus sont indiquées dans l' Annexe.

2. Commission Annuelle de Gestion et de Conseil

La SICAV paie au Conseiller en Placement (ou le Sous-Conseiller en Placement concerné) une commission Annuelle de gestion correspondant à un pourcentage de la moyenne quotidienne de l'actif net de chaque Compartiment ou Classe d'action dont il assure la gestion (la **«Commission Annuelle de Gestion et de Conseil»**). La Commission Annuelle de Gestion et de Conseil est calculée quotidiennement et payable mensuellement à terme échu au taux spécifié dans l'Annexe. Aucune Commission Annuelle de Gestion et de Conseil n'est prévue pour la Classe d'actions X.

La SICAV peut aussi payer au Conseiller en Placement (ou le Sous-Conseiller en Placement concerné) une commission de performance pour chaque Compartiment («Commission de Performance»). Si une Commission de Performance est facturée concernant l'un quelconque des Compartiments particulier, cela sera mentionné dans la section correspondante de l'Annexe.

Sous réserve des restrictions d'investissement décrites ci-dessous, le Compartiment peut investir dans des organismes de placements collectifs gérés par le Conseiller en Placement, le Sous-Conseiller en Placement concerné ou tout autre membre de leurs Groupes. La double facturation d'une Commission Annuelle de Gestion et de Conseil sur ce type d'actifs est évitée, par a) l'exclusion des actifs de l'actif net sur lequel la Commission Annuelle de Gestion et de Conseil est calculées ou b) par un investissement dans des Classes d'actions d'organismes de placements collectifs qui n'entraînent pas le calcul de commissions de conseil en

placement ou d'autres commissions payables au groupe de conseillers concernés.

3. Frais Administratifs et d'Exploitation
La SICAV supporte tous ses frais ordinaires d'exploitation (les **«Frais Administratifs et d'Exploitation»**), y compris mais sans caractère exhaustif, les frais de formation, tels que les coûts d'organisation et d'enregistrement, les frais de conservation en cours couvrant les frais de transaction et de sauvegarde, payables au Dépositaire (les **«Frais de Conservation»**); les Frais Fiduciaires payables au Dépositaire (les **«Frais Fiduciaires»**), les frais de comptabilité couvrant les frais de comptabilité de la SICAV et les frais administratifs payables au Dépositaire (les **«Frais de Comptabilité»**); les frais de l'agent de transfert couvrant les frais d'enregistrement et les frais d'agent de transfert payables au Teneur de Compte et Agent de Transfert (les **«Frais d'Agent de Transfert»**); la taxe d'abonnement luxembourgeoise sur les actifs, jusqu'au taux maximum indiqué sous la section «Taxation» ci-dessous (la **«Taxe d'Abonnement»**); les jetons de présence et les débours raisonnablement engagés par les Administrateurs de la SICAV; les frais légaux et d'audit; les frais d'enregistrement et les dépenses de cotation en cours, y compris les frais de traduction; et les coûts et frais de préparation d'impression et de distribution du prospectus de la SICAV, des rapports financiers et des autres documents mis à la disposition des actionnaires. Les Frais Administratifs et d'Exploitation n'incluent pas les Frais de Transaction et les Frais Extraordinaires (tels qu'ils sont définis ci-dessous).

Les frais de création de la SICAV et ceux concernant la création de nouveaux Compartiments peuvent être capitalisés et amortis sur une période n'excédant pas cinq années, conformément à la loi du Luxembourg.

4. Commission de Transaction
Chaque Compartiment supporte les coûts et frais d'achats et ventes de portefeuilles de valeurs mobilières et des instruments financiers, les frais et commissions de courtage, les intérêts et taxes dus, et les autres frais liés aux transactions (**«Commission de Transaction»**).

Les Frais de Transaction sont réglés en espèces et payés, lorsqu'ils sont dus ou facturés, sur les actifs nets du Compartiment concerné. Les Frais de Transaction sont répartis entre les Classes d'action de chaque Compartiment.

5. Frais Extraordinaires
La SICAV supporte tous les frais extraordinaires, y compris, mais sans limitation, les frais de contentieux et le montant total de toute taxe, impôt, droit ou charge similaire imposée à la SICAV ou à ses actifs qui ne seraient pas considérés comme des frais ordinaires (**«Frais Extraordinaires»**).

Les Frais Extraordinaires sont réglés en espèces et payés, lorsqu'ils sont dus ou facturés, sur les actifs nets du Compartiment concerné. Les Frais Extraordinaires sont répartis entre les Classes d'action de chaque Compartiment.

6. Compte Rendu des Commissions et Frais
Le montant global de toutes les commissions et frais payés ou dus par chaque Compartiment sont reportés dans le rapport semestriel non-audité et le rapport annuel audité.

Restrictions d'investissement

1. La SICAV ne pourra investir plus de 10% de la valeur nette des actifs d'un Compartiment en titres non cotés; à cette fin, le terme «titres cotés» désigne (i) les titres négociables admis à la cote officielle d'une bourse d'un Etat membre de l'UE, (ii) les titres admis à la cote officielle d'une bourse reconnue dans tout autre pays d'Europe, d'Asie, d'Océanie, d'Afrique et du continent américain, (iii) les titres négociés sur un autre marché réglementé dans tout autre Etat membre de l'UE ou tout autre pays susvisé, à la condition que ce marché fonctionne régulièrement, soit reconnu et ouvert au public, et (iv) les titres récemment émis, sous réserve que les conditions d'émission prévoient la demande d'admission à la cote officielle de l'une quelconque des bourses ou marchés réglementés susvisées et que cette admission soit obtenue dans l'année de l'émission.

   La SICAV pourra investir jusqu'à 10% de la valeur nette des actifs d'un Compartiment dans des valeurs obligataires équivalentes à des titres du fait de leurs caractéristiques, étant notamment négociables, liquides et d'une valeur précisément déterminable un Jour de Valorisation quelconque, à la condition que le total de ces valeurs obligataires et des titres non cotés ne dépasse pas 10% de la valeur nette des actifs d'un Compartiment.

2. La valeur totale des titres du même émetteur détenus par la SICAV pour un Compartiment n'excédera pas 10% des actifs nets de ce Compartiment, à la condition cependant que la valeur totale des titres d'émetteurs dans lesquels le Compartiment a investi plus de 5% de la valeur nette de ses actifs n'excède pas 40% de ladite valeur de ses actifs.

3. La limite visée au paragraphe 2 sera portée de 10% à 35% des actifs nets d'un Compartiment si les titres ainsi acquis ont été émis ou garantis par un Etat membre de l'UE ou d'une quelconque de ses collectivités locales, par un Etat non membre de l'UE ou par des organismes internationaux dont un ou plusieurs Etats membres de l'UE sont membres. S'agissant de ces investissements, le plafond de 40% visé au paragraphe 2 ne sera pas applicable.

4. Les limites visées au paragraphe 2 seront respectivement portées de 10% à 25% et de 40% à 80% dans le cas d'investissements dans des obligations d'établissements de crédit ayant leur siège social dans un Etat membre de l'UE et soumis par la loi à la surveillance particulière d'une autorité en vue d'assurer la protection des détenteurs de ces titres, à la condition que lesdits établissements de crédit investissent les produits de l'émission de ces obligations, en vertu des dispositions applicables de la législation, dans des actifs suffisant à couvrir les engagements liés à ces titres jusqu'à leur date d'échéance et affectés au remboursement préférentiel du capital et des intérêts courus en cas de défaut de l'émetteur.

5. Les limites visées aux paragraphes 2 et 4 ne sont pas cumulables et, de ce fait, l'investissement dans des titres d'un seul organisme émetteur ne pourra en aucun cas excéder 35% des actifs nets d'un Compartiment.

6. **Par dérogation aux paragraphes 2, 3, 4 et 5 ci-dessus, lorsque, conformément au principe de diversification du risque, un Compartiment investit en titres négociables émis ou garantis par un Etat Membre de l'UE ou ses collectivités locales ou un Etat Membre de l'OCDE ou par des organismes publics internationaux dont un ou plusieurs Etats membres de l'UE sont membres, la SICAV sera autorisée à investir 100% des actifs nets d'un Compartiment dans lesdits titres, à la condition que ledit Compartiment détienne au moins 6 différentes émissions de ces titres et qu'aucune de ces émissions ne représente plus de 30% des actifs nets dudit Compartiment.**

7. La SICAV pourra investir jusqu'à 5% de la valeur nette des actifs d'un Compartiment en actions ou parts d'autres organismes de placement collectif, à la condition que le capital de ces organismes soit variable et qu'il s'agisse d'organismes de placement collectif en valeurs mobilières au sens du premier et du second alinéa de l'article 1er, paragraphe 2, de la Directive du Conseil du 20 décembre 1985 (85/611/CEE) et à la condition que les règles d'investissements ne s'opposent pas à celles du Compartiment concerné. Dans le cas d'un organisme de placement collectif lié au Compartiment par une gestion ou un contrôle commun ou par une participation significative directe ou indirecte, ou géré par une société de gestion liée à la SICAV, l'organisme de placement collectif devra être spécialisé, conformément à ses règles, dans l'investissement dans une zone géographique ou un secteur économique; dans ce cas, aucune commission ni aucun frais ne pourra être facturé au titre des opérations conduites sur les parts ou actions de l'organisme de placement collectif.

8. La SICAV ne pourra en tout état de cause détenir plus de 10% des actions ou parts de tout autre organisme de placement collectif ou fonds d'investissement. Ce plafonnement à 10% s'appliquera également à l'acquisition d'obligations ou à l'acquisition d'actions sans droit de vote émises par un seul émetteur. En outre, la SICAV n'acquerra pas de titres lui permettant d'exercer une influence significative sur la gestion de l'émetteur susvisé.

9. La limite exposée au paragraphe 8 ne s'appliquera pas à l'acquisition de valeurs mobilières:

   – émises ou garanties par des Etats membres de l'UE ou leurs collectivités locales,

   – émises ou garanties par des Etats non membres de l'UE, ou

   – émises par des organismes publics internationaux dont un ou plusieurs Etats membres de l'UE sont membres.

10. La SICAV pourra emprunter sur une base temporaire un montant égal à un maximum de 10% des actifs nets de chaque Compartiment à la condition que ces emprunts ne soient pas destinés à être investis. Cette limite ne s'applique pas aux emprunts face à face (i.e. «back-to-back») contractés aux fins d'acheter des devises.

11. La SICAV pourra employer les techniques et instruments suivants à condition que lesdites techniques et lesdits instruments soient utilisés à des fins de couverture et de gestion efficace du portefeuille:

    (a) S'agissant des options sur titres:

    (i) la SICAV ne pourra investir en option de vente ou d'achat à moins que:

    – ces options soient cotées sur une bourse ou négociées sur un marché réglementé; et

    – le prix d'achat de ces options ne soit pas supérieur – en termes de prime – à 15% du total des actifs nets du Compartiment concerné;

    (ii) la SICAV ne pourra vendre d'options d'achat sur des titres qu'elle ne possède pas, à moins que le total des prix d'exercice de ces options d'achat ne soit pas supérieur à 25% des actifs nets du Compartiment concerné;

    (iii) la SICAV ne pourra vendre d'options de vente sur des valeurs mobilières à moins que le Compartiment concerné dispose de liquidités suffisantes pour couvrir le total des prix d'exercice desdites options vendues.

    (b) La SICAV pourra, afin de couvrir son risque de change, conclure des contrats de change à terme, vendre des options d'achat ou acheter des options de vente sur devises, à la condition cependant que les opérations conduites dans une devise pour un Compartiment n'excède pas en principe la valeur du total des actifs de ce Compartiment libellés dans cette devise (ou dans des devises dont il est probable qu'elles fluctueront de manière similaire) ni la durée de détention de ces actifs.

    La SICAV ne pourra conclure de contrats de change à terme que s'il s'agit de contrats sous seing privé avec des institutions financières à notation élevée et spécialisées dans ce type d'opérations, et ne pourra vendre des options d'achat et acheter des options de vente sur devises qu'à la condition qu'elles soient négociables sur un marché réglementé fonctionnant régulièrement, reconnu et ouvert au public.

    (c) La SICAV ne pourra conclure des contrats à terme sur instruments financiers; toutefois:

    (i) afin de couvrir le risque de fluctuation de la valeur des titres de ses Compartiments, la SICAV pourra vendre des contrats à termes sur indice boursier à la condition qu'il existe une corrélation suffisante entre la composition de l'indice retenu et le portefeuille correspondant du Compartiment concerné;

    (ii) aux fins d'efficacité de la gestion de portefeuille, la SICAV pourra, s'agissant de tout Compartiment, acheter et vendre des contrats à terme sur instruments financiers à la condition que le total des engagements relatifs à ces opérations et de ceux liés à la vente d'options d'achat et de vente de titres négociables [visées en a) ii) et iii) ci-dessus et d) ci-dessous] ne soit supérieur à aucun moment à la valeur des actifs nets du Compartiment;

    (d) La SICAV ne pourra négocier d'options sur indice; toutefois:

    (i) afin de couvrir le risque de fluctuation de la valeur des valeurs mobilières de ses Compartiments, la SICAV pourra vendre des options d'achat sur indice ou acheter des options de vente sur indice à la condition qu'existe une corrélation suffisante entre la composition de l'indice retenu et le portefeuille correspondant du Compartiment concerné. La valeur de l'instrument sous-jacent de l'option sur indice vendue ou achetée ne pourra excéder – cumulée avec les engagements non dénoués des contrats à terme sur instruments financiers conclus aux même fins – la valeur totale de la partie du portefeuille de titres objet de l'opération de couverture; et

(ii) aux fins d'efficacité de la gestion de portefeuille, la SICAV pourra, s'agissant de tout Compartiment, acheter et vendre des options sur toutes sortes d'instruments financiers à la condition que le total des engagements rattachés à ces opérations et de ceux liés à la vente d'options d'achat et de vente sur titres négociables [visés aux alinéas (a)(ii) et (iii) ci-dessus] et l'acquisition et la vente de contrats financiers à terme ou des instruments financiers [visés au point c) (ii) ci-dessus] n'excède à aucun moment la valeur nette des actifs du Compartiment;

étant entendu toutefois que le coût total d'acquisition (en termes de primes versées) des options sur titres et sur indice, des options sur taux d'intérêts et des options sur tout instrument financier achetées par la SICAV pour un Compartiment ne dépasse pas 15% du total des actifs nets du Compartiment concerné;

étant entendu que la SICAV ne pourra effectuer les opérations mentionnées aux paragraphes (c) et (d) ci-dessus que si ces opérations portent sur des contrats négociés sur un marché réglementé fonctionnant régulièrement, reconnu et ouvert au public.

(e) La SICAV pourra vendre des contrats à termes de taux d'intérêt aux fins de couverture des fluctuations des taux d'intérêt. Elle pourra également à la même fin vendre des options d'achat ou acheter des options de vente sur taux ou conclure des swaps de taux dans le cadre d'opérations privées avec des institutions financières disposant d'une notation élevée et spécialisées dans ce type d'opérations. En principe, le total des engagements de chaque Compartiment en matière de contrats à terme sur instruments financiers, options et opérations de swaps de taux ne pourra dépasser la valeur de marché totale estimée des actifs faisant l'objet de l'opération de couverture et détenus par le Compartiment dans la devise correspondant à ces contrats.

(f) La SICAV pourra conclure des opérations de prêt de titres dans le cadre strict des conditions et limitations suivantes:

(i) la SICAV ne pourra conclure des opérations de prêt de titres que dans le cadre d'un système de prêt organisé par un établissement de compensation de valeurs mobilières reconnu ou par une institution financière disposant d'une notation élevée et spécialisée dans ce type d'opérations;

(ii) la SICAV devra recevoir une couverture en espèces et/ou sous la forme de titres émis ou garantis par des Etats membres de l'OCDE ou leurs collectivités locales ou par des institutions et organismes supranationaux de l'UE d'envergure régionale ou mondiale, couverture qui sera bloquée en faveur de la SICAV jusqu'à l'échéance du contrat de prêt et dont la valeur sera au moins égale à la valeur totale des titres prêtés;

(iii) les opérations de prêt ne pourront porter sur plus de 50% de la valeur totale de marché des titres du portefeuille de chaque Compartiment, étant entendu cependant que cette limite n'est pas applicable lorsque la SICAV peut de plein droit dénoncer le contrat à tout moment et obtenir restitution des titres prêtés; et

(iv) les opérations de prêt ne pourront se prolonger au-delà d'une période de 30 jours.

(g) La SICAV pourra conclure des contrats de mise ou de prise en pension avec des institutions financières disposant d'une notation élevée et spécialisées dans ce type d'opérations. Pendant la durée desdits contrats, la SICAV ne pourra vendre les titres objet des contrats avant que (i) soit la contrepartie n'ait racheté les titres (ii) soit la période de rachat n'ait expiré. La SICAV devra s'assurer que l'importance des opérations de prise en pension de titres est limitée à un niveau lui permettant à tout moment de faire face à ses obligations de rachat de ses propres actions. Les contrats de rachat ne pourront être conclus qu'accessoirement sauf disposition contraire à cet égard pour un Compartiment dans l'Annexe.

(h) Pour les options auxquelles il est fait référence aux paragraphes a), b), d) et e) ci-dessus, la SICAV pourra conclure des opérations d'options OTC avec des institutions financières de première catégorie si ces opérations sont plus avantageuses pour la SICAV ou si les options cotés disposant des caractéristiques requises ne sont pas disponibles.

12. Hormis l'acquisition d'obligations, les dépôts bancaires et les opérations de prêt de titres susvisées, la SICAV ni ne consentira de prêt à des tiers ni ne garantira les obligations de tiers.

13. La SICAV n'est pas tenue de se conformer aux pourcentages limites susvisés lorsqu'elle exerce des droits de souscription rattachés aux titres figurant à son actif.

En cas de dépassement de ces pourcentages pour des raisons échappant au contrôle de la SICAV ou du fait de l'exercice de droits de souscription, la SICAV fixera pour objectif prioritaire dans ses opérations de vente de remédier à cette situation, en prenant dûment en compte les intérêts de ses actionnaires.

14. La SICAV pourra adopter de nouvelles Restrictions d'Investissement en vue de se conformer aux exigences particulières des pays où les actions de la SICAV seront distribuées.

15. Dans la mesure permise par la législation et la réglementation applicable, le Conseil d'Administration pourra décider de modifier les Restrictions d'Investissement susvisées pour tout Compartiment nouvellement créé si cette modification est justifiée par les règles d'investissement spécifiques de ce Compartiment. Tous ajouts aux Restrictions d'Investissement susvisées figureront à la section concernée dans l'Annexe de ce Prospectus se rapportant au Compartiment concerné.

16. La SICAV peut détenir des actifs liquides subsidiaires.

17. La SICAV ne peut effectuer de ventes de valeurs mobilières sans couverture.

18. La SICAV ne peut effectuer d'investissements dans des métaux précieux ou dans des certificats y relatifs.

19. La SICAV ne peut acquérir de biens immobiliers ni d'options, droits ou intérêts relatifs à des biens immobiliers, pourvu que la SICAV, pour le compte d'un Compartiment quelconque, puisse investir dans des titres garantis par ces biens immobiliers, dans un intérêt dans lesdits biens ou dans des titres de sociétés investissant dans des biens immobiliers.

Fiscalité

1. La SICAV
Dans le cadre de la législation et de la pratique actuelles, la SICAV n'est pas soumise à l'impôt luxembourgeois sur les bénéfices et les dividendes versés par la SICAV ne sont pas soumis à une retenue à la source luxembourgeoise. Toutefois, la SICAV est soumise au Luxembourg à la taxe d'abonnement de 0,06% par an sur ses actifs nets, cette taxe devant être versée trimestriellement sur la valeur nette totale des actifs de la SICAV à la fin de chaque trimestre. Cette taxe n'est pas applicable pour la partie des actifs de la SICAV investie dans d'autres organismes de placement collectif au Luxembourg. Les Compartiments investissant exclusivement en instruments du marché monétaire et obligataire, tels que définis dans le Règlement Grand-Ducal du 24 décembre 1996 sont assujettis à une taxe à taux réduit de 0,01% par an sur leurs actifs nets, ladite taxe devant être versée trimestriellement et calculée sur la valeur nette totale des actifs du Compartiment à la fin du trimestre concerné. L'émission des actions de la SICAV ne fait l'objet d'aucun droit de timbre ou autre taxe au Luxembourg, à l'exception d'une taxe unique de 50.000 francs luxembourgeois versée lors de la constitution de la SICAV. La taxe d'abonnement sus-mentionnée est intégrée à hauteur de 0,06% dans les commissions et frais indiqué à la section «Frais de Gestion et autres Frais de la SICAV» ci-dessus.

Le taux réduit de 0,01% par an sur la valeur des actifs nets sera applicable aux Classes qui sont vendues à et détenues par des Investisseurs Institutionnels uniquement, au sens de l'article 108 de la loi du 30 mars 1988 sur les organismes de placement collectif telle qu'amendée (les **«Investisseurs Institutionnels»**).

Les plus-values en capital réalisées ou latentes sur les actifs de la SICAV ne sont pas soumises à l'impôt au Luxembourg. Bien que les plus-values à court ou à long terme réalisées par la SICAV ne devraient pas être soumises à l'impôt dans d'autres pays, les actionnaires doivent savoir et admettre que cette éventualité ne peut être totalement écartée. Les revenus ordinaires de la SICAV provenant de certains des titres qu'elle détient, ainsi que les intérêts perçus sur les dépôts d'espèces dans certains pays peuvent être soumis à des retenues à la source à des taux différents, qu'il n'est en principe pas possible de recouvrer.

2. Les actionnaires
La législation en vigueur ne soumet les investisseurs ne résidant pas au Luxembourg à aucun impôt sur le revenu, retenue à la source, impôt sur le patrimoine, droit de succession ou autres au Luxembourg.

Les actionnaires non résidents sont également exonérés de l'impôt sur les plus-values à moins, d'une part, qu'ils détiennent 25% au moins des actions en circulation de la SICAV et, d'autre part, soit (i) qu'ils aient déjà résidé au Luxembourg (c'est-à-dire qu'ils ont été résidents au Luxembourg pendant 15 ans et ont cessé d'y être résidents moins de 5 ans avant la date de réalisation de la plus-value imposable), soit (ii) que les actions qu'ils détiennent soient vendues dans les 6 mois de leur acquisition.

Il est recommandé aux investisseurs de consulter leurs conseillers professionnels sur les conséquences fiscales éventuelles et autres conséquences de l'achat, la détention, le transfert ou la vente des actions de la SICAV dans la législation de leur pays de citoyenneté, de résidence ou de domiciliation.

Informations destinées aux investisseurs dans certains pays

Généralités
Les investisseurs dans chaque pays où la SICAV a été enregistrée auprès de l'autorité compétente peuvent obtenir gratuitement le Prospectus de la SICAV, ses Statuts et le rapport annuel le plus récent (ainsi que, s'il a été publié postérieurement, le rapport semestriel) auprès des Distributeurs dans ce pays. Les rapports et comptes apparaissant dans les rapports annuels sont vérifiés par des commissaires aux comptes indépendants.

Les investisseurs trouveront ci-dessous les informations sur les Distributeurs dans certains pays.

1. Autriche
La SICAV a nommé Creditanstalt AG, Schottengasse 6, A-1010 Vienne en qualité d'organisme chargé du service financier ainsi que de l'information en Autriche. Les ordres de souscription, de conversion et de rachat des actions peuvent aussi être effectués dans les bureaux de l'agent chargé du service financier et de l'information. Les remboursements, les payements de dividendes et les autres payements aux actionnaires peuvent être effectués en espèce par l'intermédiaire de l'agent chargé du service financier et de l'information dans la devise locale.

Les prix d'émission et de rachat sont disponibles auprès de l'agent chargé du service financier et de l'information.

Tout investisseur actuel ou futur peut obtenir toutes les informations requises par la loi auprès de l'agent chargé du service financier et de l'information.

Les statuts de la SICAV, son Prospectus et les rapports annuels et semestriels sont disponibles gratuitement en Autriche auprès de l'agent chargé du service financier et de l'information. Les contrats principaux y sont également disponibles.

Les Compartiments JPMorgan Fleming Investment Funds – Blue and Green Fund et JPMorgan Fleming Investment Funds – Investment Strategy 98P Fund ne sont pas commercialisés en Autriche pour le moment.

2. Belgique
La SICAV a désigné Morgan Guaranty Trust Company of New York, succursale de Bruxelles, 1 boulevard du Roi Albert II 151, B-1210, Bruxelles, Belgique, en qualité de Distributeur en Belgique.

La valeur nette d'inventaire quotidienne des actions fera l'objet d'une publication dans un ou plusieurs journaux belges, normalement, *l'Echo*.

Les frais et dépenses comptabilisés par la SICAV sont repris à la section concernée dans l'Annexe pour les différents Compartiments.

Conformément à l'article 3, 1° de l'arrêté royal du 7 juillet 1999 relatif au caractère public des opérations financières, les classes d'actions B, C et X ne font pas l'objet d'une offre publique en Belgique. Elles sont toutefois disponibles pour les investisseurs belges remplissant les conditions reprises dans le prospectus.

Fiscalité
Les dividendes qui seraient le cas échéant payés par la SICAV sont soumis au précompte mobilier belge au taux de 25%.

En Belgique, les commissions de souscription, de conversion et de rachat sont négociables avec des taux maximum de, respectivement, 5 %, 0,5%, et 1,0 %.

Les souscriptions, rachats, conversions et échanges d'actions de la SICAV sont soumis à un droit de timbre applicable aux résidents belges lorsque l'ordre est donné à Morgan Guaranty Trust of New York, succursale de Bruxelles, ou à tout autre intermédiaire en Belgique. Le taux et le montant maximum de ce droit de timbre dépendent des circonstances.

3. France
La SICAV a désigné J.P. Morgan & Cie S.A., 14, Place Vendôme, 75001 Paris, France, en qualité de Distributeur en France, et Morgan Guaranty Trust of New York, Succursale de Paris, 14, Place Vendôme, 75001 Paris, France, en qualité de Correspondant Centralisateur.

Les ordres de souscription et de vente doivent être adressés à Morgan Guaranty Trust of New York, Succursale de Paris, qui recevra les fonds de souscription et versera les produits de rachat ou les dividendes dus aux investisseurs.

Fiscalité
Les investisseurs résidant en France ont l'obligation de déclarer les revenus résultant de la conversion des actions entre Compartiments et les réinvestissements de dividendes, lesdits revenus étant assujettis à l'impôt sur les plus-values mobilières.

4. Allemagne
La SICAV a désigné Chase Manhattan Bank AG, Grüneburgweg 2, 60322 Frankfurt am Main, en qualité d'agent payeur et d'information (*Zahl-und Informationsstelle*) en République Fédérale d'Allemagne. Les demandes de souscription, de rachat et d'échange peuvent également être déposées auprès du bureau de l'agent payeur et d'information allemand. Les versements des produits de rachats, les distributions de bénéfices et autres paiements peuvent, sur demande, également être effectués auprès des actionnaires par l'agent payeur et d'information allemand en devise locale.

Les prix d'émission et de rachat seront publiés en République Fédérale d'Allemagne chaque jour de bourse dans le *Börsenzeitung* et pourront également être obtenus auprès de l'agent payeur et d'information allemand.

En outre, tout investisseur ou investisseur potentiel peut obtenir toutes les informations requises par la législation applicable auprès de l'agent payeur et d'information allemand.

Les Statuts et le Prospectus de la SICAV accompagné de ses rapports semestriels et annuels peuvent également être obtenus gratuitement en République Fédérale d'Allemagne auprès de l'agent payeur et d'information allemand.

5. Irlande

Agent Distributeur

AIB/BNY Fund Management (Irlande) Limited, a été désigné en tant qu'Agent Distributeur pour la SICAV en Irlande et il a été convenu qu'il assurerait la distribution en ses locaux de Guild House, Guild Street, P.O. Box 4935, IFSC, Dublin 1, Irlande, où:

(a) Les actionnaires peuvent procéder au rachat de leurs actions et obtenir paiement du prix de rachat; et

(b) Des renseignements relatifs au dernier cours publié des actions de la SICAV peuvent être obtenus verbalement ou par écrit.

Fiscalité des actionnaires résidents irlandais

L'analyse ci-dessous reflète la compréhension qu'a la SICAV de la législation, de la réglementation et de la pratique fiscales irlandaises actuelles. Il incombe aux investisseurs résidant en Irlande de recourir aux services d'un conseil professionnel en matière fiscale et autres questions pertinentes.

Il est prévu que la SICAV soit gérée et contrôlée de manière à ne pas être considérée comme résidant en Irlande au regard de la législation fiscale irlandaise.

Taxation en Irlande des dividendes payés par la SICAV

Les investisseurs résidant en Irlande au regard de la législation fiscale irlandaise seront redevables à l'impôt sur le revenu irlandais ou à l'impôt des sociétés irlandais pour les dividendes payés sur les actions de distribution.

Taxation en Irlande des plus-values sur les actions de la SICAV

Les actions de la SICAV constitueront «un intérêt significatif dans un fonds offshore» au sens du Chapitre 2, Section 27 du *Taxes Consolidation Act 1997* (ci-après la «**Loi Fiscale**»). De ce fait, toute plus-value réalisée lors du rachat ou de la cession de ses actions par un résident irlandais ou des investisseurs résidents (qu'il s'agisse de personnes physiques ou morales) sera soumise à l'impôt irlandais sur le revenu du Schedule D, Case IV, et non à l'impôt irlandais sur les plus-values ou à l'impôt des sociétés sur les plus-values, à moins que la SICAV ne reçoive l'agrément en tant que «SICAV de distribution» par l'*Irish Revenue* et qu'elle ait conservé ce statut pendant la période au cours de laquelle les actions ont été détenues. Il n'est pas prévu qu'une demande d'agrément en qualité de «SICAV de distribution» soit déposée pour la SICAV.

Les personnes qui résident en Irlande sans y être domiciliées sont fondées à réclamer le remboursement de la taxe perçue, auquel cas la taxe ne sera due que si et quand le revenu ou la plus-value sur les actions de la SICAV est perçu en Irlande.

Avertissement Général

Investir dans la SICAV comporte un certain degré de risque. La valeur des actions de même que le dividende produit par celles-ci peut diminuer aussi bien qu'augmenter et les investisseurs peuvent ne pas récupérer le montant investi. Investir dans la SICAV peut ne pas convenir à tous les types d'investisseurs. Le présent document ne doit pas être considéré comme une invitation à acheter, vendre ou maintenir un investissement ou une participation quelconques. Les investisseurs qui ont besoin d'être conseillés doivent consulter le conseiller financier approprié.

6. Italie

La SICAV a désigné BNP Paribas dont le siège social est 16, Boulevard des Italiens, à Paris, France, agissant par le biais de sa succursale de Milan située à la Piazza San Fedele, 2-20121, en qualité de correspondant bancaire et d'agent de distribution en Italie et J.P. Morgan Securities Limited dont le siège social est au 60 Victoria Embankment, Londres, agissant par le biais de sa succursale de Milan située à Corso Venezia, 54, 2-20121 Milan, en qualité d'agent de commercialisation.

7. Pays-Bas

La SICAV a nommé Bank Insinger de Beaufort, Herengracht 551, 1017 BW Amsterdam en qualité de représentant agréé aux Pays-Bas.

8. Espagne

La SICAV a désigné J.P. Morgan Sociedad de Valores y Bolsa S.A., 29 Jose Ortega y Gasset, 28006 Madrid, Espagne, en qualité de Distributeur, et Morgan Guaranty Trust Company of New York, Succursale d'Espagne, 29 Jose Ortega y Gasset, 28006 Madrid, Espagne, en qualité de distributeur.

9. Suisse

S'agissant des actions des Compartiments distribuées en Suisse ou à partir de la Suisse, J.P. Morgan (Suisse) S.A., 3, Place des Bergues, 1201 Genève, Suisse, agira en qualité

de représentant et de service de paiement en Suisse; le lieu d'exécution, le service de paiement et le for seront établis au siège social de J.P. Morgan (Suisse) S.A., où les Statuts, le Prospectus et les rapports annuels et semestriels de la SICAV pourront être obtenus gratuitement.

Les communications relatives à la SICAV, à ses Compartiments, ses Statuts et son Prospectus seront publiées dans la Feuille Officielle Suisse du Commerce et l'AGEFI. La valeur nette d'inventaire par action (avec la mention «plus commissions») sera publiée chaque Jour de Valorisation dans l'AGEFI.

Les personnes en possession de ce Prospectus sont informées que celui-ci ne constitue pas le Porspectus complet de la SICAV. Ce Prospectus ne contient pas les informations relatives aux Compartiments non-autorisés en Suisse.

Toute référence faite aux Compartiments de la SICAV doit être, selon le contexte, interprétée comme une référence aux Compartiments décrits dans ce Prospectus ou à tous les Compartiments disponibles au Luxembourg.

10. Royaume-Uni

La SICAV a nommé J.P. Morgan Investment Management Limited, 20 Finsbury Street, Londres EC2Y 9AQP, et J.P. Morgan International Bank Limited, 125 London Wall, Londres EC2Y 5AJ, en qualité d'agent de commercialisation et de distributeur.

Plan d'Indemnisation des Investisseurs.
Les personnes désirant acquérir des actions de la SICAV sont informées que les règles et la réglementation du *Financial Services Act 1986* du Royaume-Uni visant à la protection des investisseurs ne s'appliquent pas à la SICAV et que le Plan d'Indemnisation des Investisseurs créé par le *Securities and Investment Board* ne s'appliquera à aucun investissement dans la SICAV.

Taxation des actionnaires résidents britanniques.
Il est prévu que la SICAV soit gérée et contrôlée de telle sorte qu'elle ne soit pas traitée comme résidente au Royaume-Uni au point de vue fiscal.

(i) *Taxation au Royaume-Uni des dividendes versés par la SICAV.* Les investisseurs résidant au Royaume-Uni seront soumis à l'impôt sur le revenu des personnes physiques britanniques ou à l'impôt sur les sociétés au titre des dividendes versés sur les actions de distribution.

(ii) *Taxation des plus-values sur les actions de la SICAV.* Les actions de la SICAV constitueront «un intérêt significatif dans un fonds offshore» au sens de la section 757-763 de l'*Income and Corporation Taxes Act 1988* (ci-après la «**Loi Fiscale**») (ci-après «**les Dispositions sur les Fonds Offshore**»). De ce fait, toute plus-value réalisée lors du rachat ou de la cession de ses actions par un résident britannique ou des investisseurs résidents (qu'il s'agisse de personnes physiques ou morales) sera soumise à l'impôt sur le revenu britannique et non à l'impôt sur les plus-values ou à l'impôt des sociétés sur les plus-values, à moins que la SICAV ne reçoive l'agrément en tant que «SICAV de distribution» par l'*Inland Revenue* et qu'elle ait conservé ce statut pendant la période au cours de laquelle les actions ont été détenues. Il n'est pas prévu qu'une demande d'agrément en qualité de «SICAV de distribution» soit déposée pour la SICAV.

(iii) *Divers.* L'attention des personnes physiques résidant ordinairement au Royaume-Uni est attirée sur la section 739-742 de la Loi Fiscale qui peut en certaines circonstances assujettir les individus résidents au Royaume-Uni à l'impôt sur le revenu au titre des revenus non distribués de la SICAV. Néanmoins, l '*UK Inland Revenue* n'invoque pas habituellement ces dispositions lorsque les Dispositions sur les Fonds Offshore s'appliquent.

L'analyse ci-dessus reflète la compréhension qu'a la SICAV de la législation, de la réglementation et de la pratique fiscales britanniques. Il incombe aux investisseurs résidant au Royaume-Uni de recourir aux services d'un conseil professionnel en matière fiscale et autres questions pertinentes. Veuillez noter que les personnes investissant dans la SICAV peuvent ne pas recouvrer la totalité de leur investissement.

Les investisseurs peuvent obtenir des informations sur les prix de vente et de souscription des actions de la SICAV les plus récemment publiés, et adresser toute plainte sur le fonctionnement de la SICAV auprès des Distributeurs susvisés, de façon à ce qu'elle soit transmise au siège de la SICAV.

Ce qui précède est fondé sur la compréhension des Administrateurs de la législation et de la pratique actuellement en vigueur dans les pays susvisés, et est soumis aux modifications de la législation et de la pratique. Il ne s'agit en aucun cas d'un conseil juridique ou fiscal et il incombe aux investisseurs d'obtenir les informations et, si nécessaire, un conseil professionnel sur les conséquences fiscales et autres de l'acte de souscription, de détention, de cession ou de vente des actions de la SICAV dans le cadre de la législation de leur pays d'origine, de citoyenneté, de résidence ou de domicile.

Annexes – Détails des compartiments

Les informations contenues dans cette Annexe doivent être lues conjointement avec le texte complet du Prospectus dont elle fait partie intégrante

JPMorgan Fleming Investment Funds

Asia Select Equity Fund

1. Devise de référence
Le Dollar américain (USD)

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre des rendements supérieurs à ceux servis sur les marchés des actions asiatiques à l'exclusion du Japon à partir d'un portefeuille d'actions d'émetteurs conduisant leurs activités principales dans les pays de la région asiatique à l'exclusion du Japon, constitués selon les lois de ces pays ou tirant une partie importante de leurs revenus de ces pays. Le Compartiment s'adresse à des investisseurs cherchant à investir à un horizon de 3 à 5 ans dans un portefeuille diversifié d'actions sélectionnées géré activement et destiné à surpasser l'Indice Morgan Stanley Capital International (MSCI) All Countries Asia Free ex-Japan.

Le Compartiment investira principalement (c'est-à-dire 75% de ses actifs nets) dans des actions d'émetteurs situées dans les pays définis ci-dessus qui comprennent mais ne se limitent pas au Bangladesh, à la Chine, à l'Inde, l'Indonésie, la Corée, la Malaisie, le Pakistan, les Phillipines, le Sri Lanka, la Thaïlande, Taiwan, Hong Kong et Singapour. En règle générale, certains marchés porteurs asiatiques – par exemple Hong Kong – représentent un pourcentage important de la valeur de marché du prix de référence du Compartiment et les investissements dans ces pays représenteront donc une part importante du Compartiment .

Le Compartiment pourra investir en valeurs mobilières libellées en toutes devises ou en unités monétaires internationales. Le Conseiller en Placement cherchera systématiquement à couvrir les positions en devises du Compartiment. Néanmoins, le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations figurant dans le Prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

Les investissements dans les actions asiatiques, particulièrement celles libellées en devises locales peuvent être spéculatifs et impliquer des risques. Seuls les investisseurs pleinement conscients de ces risques et en mesure de les supporter pourront envisager de souscrire des actions dans ce Compartiment.

Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la rubrique «Règles d'investissement – Remarque importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, comme précisé ci-dessus.

4. Le Sous-Conseiller en Placement
J.P. Morgan Investment Management Limited agira en qualité de Sous-Conseiller en Placement. Le Conseiller en Placement a désigné J.P. Morgan Investment Management Limited, agissant à travers sa succursale de Singapour comme Sous-Conseiller en Placement.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Asia Select Equity A – USD	5,0%	1,60%	0,40%	0,5%
JPMF Asia Select Equity B – USD	Aucun	1,25%	0,25%	Aucune
JPMF Asia Select Equity C – USD	Aucun	0,65%	0,15% Max[1]	Aucune
JPMF Asia Select Equity D – USD	5,0%	1,85%	0,40%	0,5%
JPMF Asia Select Equity X – USD	Aucun	Aucune	0,25% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage mentionné, les commissions seront réduites à due concurrence. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

US Disciplined Equity Fund

1. Monnaie de référence
Le dollar américain (USD)

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont les caractéristiques peuvent différer concernant les exigences relatives au montant de souscription minimum et/ou des conditions d'éligibilité ainsi qu'aux commissions et frais.

3. Règle d'investissement
L'objectif de ce Compartiment est d'offrir un rendement total supérieur à celui du marché américain des actions en investissant principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions d'émetteurs de taille moyenne ou importante dont l'essentiel de l'activité se situe aux Etats-Unis, ou qui sont de droit américain, ou dont une part significative des bénéfices provient des Etats-Unis. Ce Compartiment s'adresse aux investisseurs à long terme, à un horizon de 3 à 5 ans, intéressés par un portefeuille diversifié et bénéficiant d'une gestion active, composé d'une sélection d'actions américaines et dont l'objectif est d'offrir un rendement, net de précompte, supérieur à celui de l'indice Standard & Poor's Rating Group 500.

L'objectif d'investissement poursuivi par ce Compartiment est différent de celui du JPM US Equity Fund (voir la section correspondante dans cette Annexe relative à ce Compartiment), car le Conseiller en investissements compte investir, dans un nombre plus important, en titres composant l'indice Standard & Poor's Rating Group 500, et ne pas surpondérer ou sous-pondérer la répartition sectorielle du Compartiment relative à cet indice, sous réserve cependant que les limitations en matière d'investissement précisées dans le corps du Prospectus soient respectées.

D'autres informations ayant trait à la règle d'investissement de ce Compartiment se trouvent dans le corps du Prospectus dans les chapitres intitulés «Politique d'investissement» (et spécialement dans le paragraphe intitulé «Note importante» de ce chapitre) et «Limitations en matière d'investissement».

4. Conseiller en placement
Le siège de New York de J.P. Morgan Investment Management Inc. exercera la fonction de Conseiller en placements pour ce Compartiment.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF US Disciplined Equity A – USD	5,0%	1,10%	0,40%	0,5%
JPMF US Disciplined Equity B – USD	Aucun	0,75%	0,25%	Aucune
JPMF US Disciplined Equity C – USD	Aucun	0,40%	0,10% Max[1]	Aucune
JPMF US Disciplined Equity D – USD	5,0%	1,60%	0,40%	0,5%
JPMF US Disciplined Equity X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Europe Select Large Cap Fund

1. Devise de référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X et X (inc) dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'obtenir un rendement total supérieur à celui offert par les marchés de titres de capital européens à partir d'un portefeuille d'actions de grande capitalisation sélectionnées d'émetteurs conduisant leurs activités principales dans les pays d'Europe, ou qui sont constitués selon les lois de ces pays ou tirant une part importante de leurs revenus de ces pays. Des valeurs de grande capitalisation sont normalement des valeurs qui dépassent 1 milliard USD, au moment de l'achat. Le Compartiment est destiné aux investisseurs cherchant à investir à un horizon à long terme de 3 à 5 ans.

Le Compartiment investira principalement (c'est-à-dire 75% de ses actifs nets) dans des actions d'émetteurs telles que décrites ci-dessus, mais, sous réserve de cette limitation, il pourra également investir dans d'autres secteurs, notamment sur les marchés émergents d'Europe tels que les pays d'Europe Orientale et la Turquie.

Les investissements du Compartiment sont principalement libellés en devises européennes, mais il pourra également investir dans des valeurs mobilières libellées en d'autres devises ou unités monétaires internationales. Le Conseiller en Placement ne cherchera pas systématiquement à couvrir les risques en devises autres que la devise de référence, encourus par le Compartiment. Néanmoins, le Conseiller en Placement pourra gérer l'allocation des devises du Compartiment dans le cadre des limitations énoncées dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Europe Select Large Cap A – EUR	5,0%	1,25%	0,40%	0,5%
JPMF Europe Select Large Cap B – EUR	Aucun	1,05%	0,25%	Aucune
JPMF Europe Select Large Cap C – EUR	Aucun	0,65%	0,10% Max[1]	Aucune
JPMF Europe Select Large Cap D – EUR	5,0%	1,85%	0,40%	0,5%
JPMF Europe Select Large Cap X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune
JPMF Europe Select Large Cap X (inc) – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

5. Politique de dividende
Le Conseil d'Administration entend déclarer des dividendes aux actionnaires de la Classe X (inc) annuellement avec une distribution des dividendes intervenant en avril de chaque année. Les dividendes seront payés uniquement au prorata des actions de la Classe X (inc) à partir du revenu net d'investissement du Compartiment moins les frais imputables aux actions de la Classe X (inc).

JPMorgan Fleming Investment Funds

Global Select Equity Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui servi sur les marchés mondiaux d'actions à partir d'un portefeuille d'actions géré activement.

Le Compartiment est destiné à des investisseurs cherchant à investir à un horizon de moyen et long terme (de 3 à 5 ans) dans un portefeuille diversifié d'actions mondiales et destiné à surpasser l'Indice Morgan Stanley Capital International (MSCI) World Equity, net de précompte.

Le Compartiment investira principalement (c'est-à-dire 75% de ses actifs nets) dans des actions cotées sur des bourses reconnues du monde entier. Le Compartiment pourra également investir une petite partie de son portefeuille dans des actions d'émetteurs sur les marchés émergents du monde entier.

Le Compartiment pourra investir en valeurs mobilières libellées en toutes devises ou en unités monétaires internationales. Le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations figurant dans le Prospectus à la section «Restrictions d'Investissement».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global Select Equity A – USD	5,0%	1,25%	0,40%	0,5%
JPMF Global Select Equity B – USD	Aucun	1,05%	0,25%	Aucune
JPMF Global Select Equity C – USD	Aucun	0,75%	0,10% Max[1]	Aucune
JPMF Global Select Equity D – USD	5,0%	1,85%	0,40%	0,5%
JPMF Global Select Equity X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global 50 Equity Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui du marché mondial des actions, tel qu'il est mesuré par l'Indice Morgan Stanley Capital International (MSCI) World Equity, à partir d'un portefeuille se concentrant sur environ cinquante type d'actions de sociétés à moyenne ou à forte capitalisation. Les actions sont choisies en fonction de leur possibilité de plus-value en capital. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (3 et 5 ans).

Le Compartiment pourra investir dans des actions d'émetteurs situés dans tout pays. Le Compartiment pourra investir jusqu'à 25% de ses actifs nets dans des pays dont les économies sont considérées être émergentes par la Banque Mondiale ou les Nations-Unies. Le Compartiment pourra investir dans des valeurs mobilières libellées en USD ou en toute autre devise ou unité monétaire internationale. Le Conseiller en Placement pourra gérer l'allocation devises du Compartiment (dans le cadre des limitations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement») en recourant à des techniques de couverture lorsque les investissements sont effectués dans des valeurs mobilières libellées dans des devises autres que le USD.

Du fait que le portefeuille se concentre sur environ 50 titres, il peut faire l'objet d'une volatilité plus grande qu'un portefeuille plus diversifié. Le Compartiment pourra investir dans des actions d'émetteurs sur les marchés émergents et les investisseurs doivent être conscients que ces investissements sont plus spéculatifs et impliquent plus de risques que les actions d'émetteurs des pays industrialisés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global 50 Equity A – USD	5,0%	1,50%	0,40%	0,5%
JF Global 50 Equity A – USD	5,0%	1,50%	0,40%	0,5%
JPMF Global 50 Equity B – USD	Aucun	1,25%	0,25%	Aucune
JPMF Global 50 Equity C – USD	Aucun	1,25%	0,10% Max[1]	Aucune
JPMF Global 50 Equity D – USD	5,0%	2,10%	0,40%	0,5%
JPMF Global 50 Equity X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global Teletech Fund

1. Devise de Référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total élevé en investissant dans un portefeuille diversifié de titres d'émetteurs établis dans tous pays y compris, dans une moindre mesure, dans des pays émergents et actifs dans le secteur des télécommunications et de la technologie. Le Compartiment est principalement destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (3 et 5 ans).

Le Compartiment investit principalement (c'est-à-dire au moins 75% de ses actifs nets) dans des actions.

Le Compartiment pourra investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents ou en voie de développement. Les investisseurs doivent être conscients du fait que les investissements dans des titres d'émetteurs des marchés émergents sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront lire attentivement les informations contenues dans le corps principal du Prospectus à la rubrique «Règles d'Investissement – Remarque importante».

On trouvera plus de précisions sur les règles d'investissement du Compartiment dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique). Ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global Teletech A – USD	5,0%	1,50%	0,40%	0,5%
JPMF Global Teletech B – USD	Aucun	1,25%	0,25%	Aucune
JPMF Global Teletech C – USD	Aucun	0,80%	0,25% Max[1]	Aucune
JPMF Global Teletech D – USD	5,0%	2,10%	0,40%	0,5%
JPMF Global Teletech X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global ex-US Select Small Cap Fund

1. Devise de Référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une Classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est l'accroissement du capital. Pour essayer d'atteindre cet objectif, le Compartiment investit principalement (c'est-à-dire normalement au moins 67% de ses actifs nets) dans un portefeuille international diversifié d'actions de petite capitalisation d'émetteurs non américains de plus petite taille et qui satisfont à certains critères de sélection essentiels et de nature technique. Des valeurs mobilières de petite capitalisation sont normalement des valeurs mobilières qui ne dépassent pas trois milliard de USD au moment de l'achat. Le compartiment peut également investir dans des valeurs mobilières liées à des actions émises par ces émetteurs.

Le Compartiment est destiné à des investisseurs cherchant à investir à moyen ou long terme (de 3 à 5 ans) et prêts à assumer le risque plus important résultant de l'investissement dans des valeurs mobilières de sociétés de petite taille dans le but d'obtenir un rendement supérieur à terme à celui qu'on pourrait attendre d'un portefeuille d'actions d'émetteurs de plus grande taille.

L'investissement dans des titres de sociétés de petite taille implique des risques mais aussi des rendements potentiellement plus importants que des investissements dans des titres de sociétés de plus grande taille et mieux implantées. Les petites sociétés ont souvent des lignes de produit, des marchés ou des ressources financières limités et peuvent dépendre d'un petit groupe de dirigeants inexpérimentés. Les investissements dans les titres de ces sociétés peuvent être plus volatils et plus spéculatifs que les investissements dans des titres de sociétés de plus grande taille. Ces titres sont commercialisables à une échelle plus limitée et leurs cours font l'objet de fluctuations plus accentuées ou plus irrégulières sur le marché que ne le font, d'une façon générale, les titres de sociétés de plus grande taille. Il n'existe aucune limitation en matière de qualité du crédit ou d'échéance pour les valeurs mobilières à revenu fixe et les instruments de la dette dans lesquels le Compartiment peut investir, même si moins de 35% de ses actifs peuvent être investis dans des valeurs mobilières à revenu fixe qualifiées d'investissements à risques.

Le Compartiment n'a pas de limitation géographique établie pour l'allocation de ses actifs par pays ou par région, et peut investir dans des titres d'émetteurs de pays normalement considérés comme étant des pays émergents ou en voie de développement. Les investisseurs doivent être conscients du fait que les investissements dans des titres d'émetteurs des marchés émergents sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Le Compartiment pourra investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

On trouvera plus de précisions sur les règles d'investissement du Compartiment dans le corps principal du Prospectus.

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a désigné American Century Investment Management Inc. en qualité de Sous-Conseiller en Placement pour gérer l'investissement du portefeuille du Compartiment et décider des achats et ventes des titres qu'il détient en portefeuille.

American Century Investment Management Inc. est une filiale d'American Century Companies Inc. qui, par le biais de ses filiales, fournit des services de gestion de portefeuille et autres services à des sociétés d'investissement et des comptes institutionnels. American Century Companies Inc. est une société affiliée de J.P. Morgan Chase & Co. Incorporated, la société-mère du Conseiller en Placement.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global ex-US Select Small Cap A – EUR	5,0%	1,50%	0,40%	0,5%
JPMF Global ex-US Select Small Cap B – EUR	Aucun	1,35%	0,25%	Aucune
JPMF Global ex-US Select Small Cap C – EUR	Aucun	1,10%	0,25% Max[1]	Aucune
JPMF Global ex-US Select Small Cap D – EUR	5,0%	2,10%	0,40%	0,5%
JPMF Global ex-US Select Small Cap X – EUR	Aucun	Aucune	0,25% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

Aucun frais fixe annuel n'a été fixé pour les Actions de Classe X. Les actions de Classe X ne font pas l'objet de Commissions de Conseil en Placement par la SICAV, mais supportent, au prorata de leur poids dans le Compartiment, les Frais de Conservation et de Comptabilité.

JPMorgan Fleming Investment Funds

Japan Select Equity Fund

1. Devise de référence
Le Yen (JPY).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre, des rendements supérieurs à ceux servis sur le marché japonais des actions en investissant dans un portefeuille d'actions d'émetteurs, qui ont leurs activités principales au Japon, qui sont constitués selon les lois japonaises ou tirent une part importante de leurs revenus du Japon. Le Compartiment est destiné aux investisseurs cherchant à investir à un horizon de long terme (de 3 à 5 ans) dans un portefeuille diversifié et géré activement d'actions choisies afin d'enregistrer des résultats nettement supérieurs à l'Indice des Cours de la Bourse de Tokyo (TOPIX), un indice composite pondéré de capitalisation boursière de toutes les actions ordinaires cotées à la première section de la Bourse de Tokyo.

Le compartiment investira principalement (c'est-à-dire au moins 75% de ses actifs nets) dans les actions ordinaires d'émetteurs japonais et aura activement recours aux bons de souscriptions dans le but d'augmenter la performance globale du portefeuille.

Dans la mesure où ce Compartiment pourra investir dans des bons de souscription, les actionnaires doivent être conscients du risque de volatilité de leurs cours et du risque d'une volatilité accrue de la valeur d'actif net du Compartiment qui en résulte.

Les investissements en actions du Compartiment seront principalement libellés en Yens, mais le Compartiment pourra également investir dans des titres libellés dans une quelconque devise ou unité monétaire internationale. Le Conseiller en Placement ne cherchera pas systématiquement à couvrir les positions en devise du Compartiment. Néanmoins, le Conseiller en Placement pourra modifier l'allocation devises du Compartiment dans le cadre des limitations énoncées dans le corps principal du Prospectus à la Rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, comme précisé ci-dessus.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Japan Select Equity A – JPY	5,0%	1,25%	0,40%	0,5%
JPMF Japan Select Equity B – JPY	Aucun	1,00%	0,25%	Aucune
JPMF Japan Select Equity C – JPY	Aucun	0,60%	0,15% Max[1]	Aucune
JPMF Japan Select Equity D – JPY	5.0%	1,85%	0,40%	0,5%
JPMF Japan Select Equity X – JPY	Aucun	Aucune	0,10% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Latin America Select Equity Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont Le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total élevé en investissant principalement (au minimum 75% de ses actifs nets) dans un portefeuille d'actions sélectionnées d'émetteurs ayant leurs activités principales en Amérique Latine ou aux Caraïbes, ou constitués selon les lois de ces pays ou tirant une part importante de leurs revenus de ces pays. Le Compartiment est destiné aux investisseurs cherchant à investir à long terme dans un portefeuille d'actions, géré activement et destiné à surpasser son repère, l'Indice Morgan Stanley Capital International (MSCI) Latin America Free.

Le Compartiment investira dans des actions ordinaires d'émetteurs latino-américains et des Caraïbes ainsi que dans une moindre mesure dans des valeurs mobilières à revenu fixe émis par les administrations publiques et les sociétés d'Amérique Latine et des Caraïbes.

Le Conseiller en Placement ne cherchera pas systématiquement à couvrir les risques de devises encourus par le Compartiment. Toutefois, le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations contenues dans le corps central du Prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissements».

Les investissements en actions d'Amérique latine ou des Caraïbes, notamment celles libellées en devises locales, peuvent être spéculatifs et impliquer des risques. En souscrivant des actions dans ce Compartiment, les investisseurs doivent être pleinement conscients de ces risques et à même de les assumer. Les investisseurs doivent donc lire attentivement les informations contenues dans la partie centrale du Prospectus, à la rubrique «Règles d'Investissement – Remarque importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a désigné le bureau de New-York de J.P. Morgan Investment Management Inc. en qualité de conseiller supplémentaire en placement du Compartiment.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Latin America Select Equity A – USD	5,0%	2,10%	0,40%	0,5%
JPMF Latin America Select Equity B – USD	Aucun	1,75%	0,25%	Aucune
JPMF Latin America Select Equity C – USD	Aucun	1,00%	0,25% Max[1]	Aucune
JPMF Latin America Select Equity D – USD	5,0%	2,10%	0,40%	0,5%
JPMF Latin America Select Equity X – USD	Aucun	Aucune	0,25% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Europe Select Equity Fund

(Un compartiment investissant dans des actions européennes)

1. Devise de référence
Euro

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui du marché européen des actions à partir d'un portefeuille d'actions sélectionnées d'émetteurs conduisant leurs activités principales dans les pays européens ou constitués selon les lois de ces pays ou tirant une part importante de leurs revenus de ces pays. Le Compartiment est destiné aux investisseurs cherchant à investir à long terme (de 3 à 5 ans).

Le Compartiment investira principalement (c'est-à-dire au minimum 75% de ses actifs nets) dans des actions d'émetteurs telles que celles mentionnées plus haut, mais sous réserve de cette limitation, pourra également investir dans d'autres secteurs, notamment les marchés émergents européens tels que les pays d'Europe Orientale et la Turquie.

Les investissements du Compartiment sont principalement libellés en devises, mais il pourra également investir dans des valeurs mobilières libellées en d'autres devises ou unités monétaires internationales. Le Conseiller en Placement pourra chercher à couvrir une partie des positions prises par le Compartiment dans des devises autres que la devise de référence. Le Conseiller en placement gérera l'allocation devises du Compartiment dans le cadre des limitations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel qu'il est précisé plus haut.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Europe Select Equity A – EUR	5,0%	1,10%	0,40%	0,5%
JPMF Europe Select Equity B – EUR	Aucun	0,58%	0,25%	Aucune
JPMF Europe Select Equity C – EUR	Aucun	0,50%	Aucuns	Aucune
JPMF Europe Select Equity X – EUR	Aucun	Aucune	0,20% Max1	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Renta Variable Global

(Un compartiment investissant dans des actions mondiales)

1. Devise de référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui des marchés mondiaux des actions (à l'exclusion de l'Espagne) à partir d'un portefeuille d'actions géré activement.

Le Compartiment est destiné aux investisseurs cherchant à investir à long terme (de 3 à 5 ans) dans des actions cotées sur des bourses reconnues du monde entier et destiné à surpasser l'indice Morgan Stanley Capital International (MSCI) World Equity Index ex Spain. Le Compartiment pourra également investir un petit pourcentage de son portefeuille en actions d'émetteurs dans les pays émergents du monde entier.

Le Compartiment investira principalement (c'est-à-dire 75% de ses actifs nets) dans des actions cotées à des bourses de valeur mondialement reconnues. Le Compartiment pourra investir dans des valeurs mobilières libellées dans toutes devises ou unités monétaires internationales. Le Conseiller en Placement pourra couvrir les positions en devises du Compartiment. Le Conseiller en Placement gérera l'allocation devises du Compartiment dans le cadre des limitations exposées dans le Prospectus à la section «Restrictions d'Investissement».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a désigné J.P. Morgan Guaranty Trust Company Inc. agissant par le biais de sa succursale de Madrid en qualité de Conseiller en Placement du Compartiment.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Renta Variable Global A – EUR	5,0%	1,10%	0,40%	0,5%
JPMF Renta Variable Global B – EUR	Aucun	0,60%	0,25%	Aucune
JPMF Renta Variable Global C – EUR	Aucun	0,55%	Aucuns	Aucune
JPMF Renta Variable Global X – EUR	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

US Select Equity Fund

1. Devise de référence
Le Dollar américain (USD).

2. Classes d'actions
Le Compartiment comporte des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables peuvent différer.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un taux de rendement total supérieur à celui obtenu sur le marché de titres de capital américain en investissant principalement (c'est-à-dire au moins 75% de ses actifs nets) dans un portefeuille d'actions sélectionnées de sociétés à moyenne ou grande capitalisation conduisant leurs activités principales aux Etats-Unis, constituées selon les lois des Etats-Unis ou tirant une part importante de leurs bénéfices des Etats-Unis. Le Compartiment est destiné aux investisseurs cherchant à investir à un horizon de long terme (de 3 à 5 ans) dans un portefeuille diversifié d'actions sélectionnées américaines, géré activement et destiné à surpasser l'Indice 500 Standard & Poor, net de précompte.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF US Select Equity A – USD	5,0%	1,20%	0,40%	0,5%
JPMF US Select Equity B – USD	Aucun	0,95%	0,25%	Aucune
JPMF US Select Equity C – USD	Aucun	0,60%	0,10% Max[1]	Aucune
JPMF US Select Equity D – USD	5,0%	1,60%	0,40%	0,5%
JPMF US Select Equity X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

US Select Small Cap Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre des rendements supérieurs à ceux servis par les marchés des actions américains en investissant principalement (c'est-à-dire au minimum 75% de ses actifs nets) dans un portefeuille de petite capitalisation d'actions de petite capitalisation sélectionnées d'émetteurs conduisant leurs principales activités aux Etats-Unis, constituées selon les lois américaines ou tirant une part importante de leurs revenus des Etats-Unis. Les valeurs mobilières de petites capitalisations sont normalement des valeurs mobilières qui ne dépassent pas 10 milliard de USD au moment de l'achat. Le Compartiment s'adresse à des investisseurs cherchant à investir à un horizon de moyen et long terme (de 3 à 5 ans) dans un portefeuille diversifié d'actions américaines, désireux d'assumer le risque un peu plus grand que représente le fait d'investir dans des actions de sociétés à faible capitalisation (afin d'obtenir un rendement plus élevé dans le temps que celui qu'on pourrait espérer d'un portefeuille d'actions de sociétés à plus grande capitalisation).

Les investissements dans des actions de sociétés à faible capitalisation impliquent des risques et des rémunérations plus importants que ceux effectués dans les valeurs mobilières de sociétés à plus importante capitalisation jouissant d'une réputation plus solide. Les petites sociétés à faible capitalisation ont souvent des lignes de produits, des marchés ou des ressources financières limitées, et elle peuvent être tributaires d'un petit groupe de directeurs inexpérimentés. Les investissements dans les actions de ces sociétés peuvent s'avérer plus volatils et spéculatifs que ceux dans les actions de sociétés à plus grande capitalisation. Ces valeurs mobilières peuvent avoir une négociabilité limitée et sont exposées aux fluctuations des marchés plus brutales et erratiques que les valeurs mobilières de sociétés à plus importante capitalisation en général.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a désigné le bureau de New York de J.P. Morgan Investment Management Inc. en qualité de Conseiller en Placement du Compartiment.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF US Select Small Cap A – USD	5,0%	1,25%	0,40%	0,5%
JPMF US Select Small Cap B – USD	Aucun	1,05%	0,25%	Aucune
JPMF US Select Small Cap C – USD	Aucun	0,70%	0,10% Max[1]	Aucune
JPMF US Select Small Cap D – USD	5,0%	2,10%	0,40%	0,5%
JPMF US Select Small Cap X – USD	Aucun	Aucune	0,25% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Blue and Green Fund

1. Devise de référence
Euro.

2. Investissement Minimum
Les actions de ce Compartiment pourront être acquises par des investisseurs souscrivant un montant minimum de 3.000.000 euros.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre des rendements supérieurs à ceux offerts par les placements en instruments du marché monétaire.

En vue d'atteindre cet objectif, le Compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans un portefeuille équilibré de titres à revenu fixe, de titres à court terme et d'actions d'émetteurs situés dans tous pays. Le Compartiment peut investir un petit pourcentage de ses actifs dans des titres émis par des émetteurs situés dans des pays émergents situés dans le monde entier. Le conseiller en placements peut faire varier l'allocation des actifs et des pays pour refléter les conditions et les opportunités du marché, bien que l'objectif soit d'investir principalement dans des titres à revenu fixe.

Le Compartiment peut investir dans des titres libellés dans n'importe quelle devise. Le Conseiller en placements peut gérer l'allocation des devises du Compartiment conformément aux restrictions contenues dans la partie principale du prospectus sous les rubriques «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs se situant dans des pays émergents. Les investisseurs doivent être conscients du fait que les investissements dans des titres d'émetteurs des marchés émergeant sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs de pays développés. Les investisseurs devront lire attentivement les informations contenues dans le corps principal du prospectus à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du compartiment dans le corps principal du prospectus, à la rubrique «Règles d'Investissement» et «Limitation d'Investissement».

4. Commissions et frais
Les actions supportent des frais totaux annuels s'élevant à 0,85% de la valeur d'actif net moyenne des actions.

5. Souscriptions, Rachats et Conversions
Les souscriptions d'actions pourront être effectuées une fois par semaine le lundi (un **«Jour de Valorisation»**). Lorsque ce jour n'est pas un jour ouvrable bancaire au Luxembourg et en France, le Jour de Valorisation est reporté au jour ouvrable bancaire suivant dans ces deux juridictions.

Un actionnaire peut présenter tout ou partie de ses actions au rachat lors d'un Jour de Valorisation. Il ne sera pas possible de convertir des actions en actions de ce Compartiment.

6. Cotation
Les actions de ce Compartiment ne seront pas cotées sur la bourse de Luxembourg.

JPMorgan Fleming Investment Funds

Global Capital Appreciation Fund

1. Devise de référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est de réaliser une plus-value en capital grâce à un portefeuille investi dans des actions et valeurs mobilières à revenu fixe émises ou garanties par des organisations internationales, les administrations publiques, les organismes publics et/ou les sociétés établies ou situées dans les pays industrialisés. Le Compartiment pourra également investir jusqu'à 15% de ses actifs nets dans des valeurs mobilières d'émetteurs sur les marchés émergents du monde entier. Le Compartiment détiendra la majorité de ses actifs en actions. Le Conseiller en Placement pourra modifier l'allocation d'actifs et l'allocation pays afin de prendre en compte les conditions de marché et les opportunités d'investissement.

Le Compartiment pourra investir dans des actions libellées en toute devise. Le Conseiller en Placement gère activement l'allocation devises du Compartiment pour accroître les rendements et pourra recourir à des techniques de couverture pour les valeurs mobilières à revenu fixe libellées dans des devises autres que la devise de référence, dans le cadre des limitations contenues dans le corps principal du prospectus, à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

S'agissant des valeurs mobilières du Compartiment, le Conseiller en Placement cherchera à maintenir une notation d'au moins AA, telle qu'elle est mesurée par les agences de notation indépendantes comme Moody's Investors Service ou Standard & Poor's Corporation. Dans le cadre de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières qualifiées d'investissements à risques ou non notées qui, de l'avis du Conseiller en Placement, sont de qualité comparable. **Les valeurs mobilières de qualité inférieure telles que les titres de la dette publique à haut rendement par exemple sont considérées spéculatives et comprennent des titres non notés ou dont la notation fait défaut.**

Le Compartiment est destiné à des investisseurs dont l'horizon d'investissement à moyen et long terme se situe entre 3 et 5 ans.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

Dans la mesure où le Compartiment investit dans des actions et titres de la dette publique d'émetteurs sur les marchés émergents, les investisseurs devront être conscients que ces valeurs mobilières, notamment celles libellées en devises locales, peuvent être spéculatives et impliquent des risques. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement – Remarque Importante».

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global Capital Appreciation A – EUR	5,0%	1,55%	0,20%	0,5%
JPMF Global Capital Appreciation B – EUR	Aucun	1,10%	0,20%	Aucune
JPMF Global Capital Appreciation C – EUR	Aucun	0,75%	0,10% Max[1]	Aucune
JPMF Global Capital Appreciation D – EUR	5,0%	1,80%	0,20%	0,5%
JPMF Global Capital Appreciation X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global Capital Preservation Fund

1. Devise de référence
Euro.

2. Classes d'Actions
Le Compartiment comporte des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, varient.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre à moyen terme (2 à 3 ans) un rendement plus élevé que celui obtenu avec les instruments du marché monétaire libellés dans la devise de référence. Pour essayer d'atteindre cet objectif, le Compartiment peut investir dans des valeurs mobilières à revenu fixe, valeurs mobilières à court terme et des actions d'émetteurs situés dans n'importe quel pays. Le Compartiment pourra investir un petit pourcentage de ses actifs dans des valeurs mobilières émises par des émetteurs sur les marchés émergents du monde entier. Le Conseiller en Placement modifiera l'allocation par actifs et l'allocation pays afin de prendre en compte les conditions de marché et les opportunités d'investissement, mais en privilégiant les investissements dans des titres à revenu fixe.

Le Compartiment pourra investir dans des titres libellés dans une quelconque devise ou unité monétaire internationale. Les risques de change que font courir les valeurs mobilières à revenu fixe libellées dans une devise autre que la devise de référence peuvent être couverts par la conclusion des contrats de couvertures de tout risque de change par rapport à une devise de référence. Le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations figurant dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

Les investissements à revenu fixe du Compartiment seront généralement limités aux valeurs mobilières bénéficiant au moins d'une notation A telle qu'elle est mesurée par des agences de notation indépendantes comme Moody's Investors Services ou Standard & Poor's Corporation en ce qui concerne les valeurs mobilières à long terme, ou au moins d'une notation A1P1 pour ce qui concerne les valeurs mobilières à court terme. Le Compartiment pourra également investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement ou du Sous-Conseiller en Placement concerné, sont de qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus tel que précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global Capital Preservation A – EUR	5,0%	1,25%	0,20%	0,5%
JPMF Global Capital Preservation B – EUR	Aucun	0,85%	0,20%	Aucune
JPMF Global Capital Preservation C – EUR	Aucun	0,63%	0,10% Max[1]	Aucune
JPMF Global Capital Preservation D – EUR	5,0%	1,55%	0,20%	0,5%
JPMF Global Capital Preservation X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

EUR Global Balanced Fund

(Un Compartiment investissant dans un portefeuille équilibré de titres libellés en Euros et en devises autres que l'Euro)

1. Devise de référence
Euro.

2. Classes d'Actions
Le Compartiment comporte des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, peuvent varier.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre à moyen terme (au moins 3 ans) un taux de plus-value en capital suffisant pour contrebalancer les effets négatifs de l'inflation dans les Etats membres de l'Union Européenne qui adhèrent à l'Union Economique et Monétaire.

En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans un portefeuille équilibré d'actions et de valeurs mobilières à revenu fixe d'émetteurs dans les pays industrialisés. Néanmoins, le Compartiment pourra également investir un faible pourcentage de ses actifs en titres d'émetteurs sur les marchés émergents du monde entier. Le Conseiller en Placement modifiera l'allocation par actifs et l'allocation par pays afin de prendre en compte les conditions de marché et les opportunités d'investissement.

Le Compartiment pourra investir dans des titres libellés dans une quelconque devise ou unité monétaire internationale. Le Conseiller en Placement peut gérer l'allocation devises du Compartiment dans le cadre des limitations figurant dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

Le Conseiller en Placement cherchera à maintenir une qualité moyenne du crédit pour les titres du Compartiment d'au moins AA, telle qu'elle est mesurée par des agences de notation indépendantes comme Moody's Investors Services ou Standard & Poor's Corporation en ce qui concerne les valeurs mobilières à long terme, ou d'au moins A1P1 pour ce qui concerne les valeurs mobilières à court terme. Le Compartiment pourra également investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement ou du Sous-Conseiller en Placement concerné, sont de qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, comme cela est décrit ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF EUR Global Balanced A – EUR	5,0%	1,45%	0,20%	0,5%
JPMF EUR Global Balanced B – EUR	Aucun	0,90%	0,20%	Aucune
JPMF EUR Global Balanced C – EUR	Aucun	0,70%	0,10% Max[1]	Aucune
JPMF EUR Global Balanced D – EUR	5,0%	1,80%	0,20%	0,5%
JPMF EUR Global Balanced X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

USD Global Balanced Fund

(Un compartiment qui investit dans des valeurs mobilières libellées en dollars américains et autres devises)

1. Devise de référence
Le Dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X et X (inc) dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre, à un horizon de long terme d'au moins 3 ans, un rendement en USD supérieur au taux de l'inflation américaine. En vue d'atteindre cet objectif, le Compartiment investira dans un portefeuille équilibré d'actions et de valeurs mobilières à revenu fixe. Le Compartiment investira principalement (c'est-à-dire 75% de ses actifs nets) sur les grands marchés mondiaux, des Etats-Unis, du Japon et d'Europe. Toutefois, le Compartiment pourra également investir une petite partie de ses actifs en valeurs mobilières d'émetteurs sur les marchés émergents du monde entier. Le Conseiller en Placement pourra modifier l'allocation d'actifs et l'allocation pays afin de prendre en compte les conditions de marché et les opportunités d'investissement.

Le Compartiment pourra investir dans des valeurs mobilières libellées en USD, toute devise ou unité monétaire internationale. Le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations énoncées dans le corps principal du prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement» en recourant à des techniques de couverture lorsque les investissements sont effectués dans des titres libellés en des devises autres que la devise de référence du Compartiment.

S'agissant des titres détenus par le Compartiment, le Conseiller en Placement cherchera à maintenir une notation d'au moins AA, telle qu'elle est mesurée par les agences de notation indépendantes telles que Moody's Investors Service ou Standard & Poor's Corporation. Dans le cadre de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement, sont de qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, comme précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF USD Global Balanced A – USD	5,0%	1,25%	0,20%	0,5%
JF USD Global Balanced A – USD	5,0%	1,50%	0,20%	0,5%
JPMF USD Global Balanced B – USD	Aucun	0,90%	0,20%	Aucune
JPMF USD Global Balanced C – USD	Aucun	0,75%	0,10% Max[1]	Aucune
JPMF USD Global Balanced D – USD	5,0%	1,80%	0,20%	0,5%
JPMF USD Global Balanced X – USD	Aucun	Aucune	0,05% Max[1]	Aucune
JPMF USD Global Balanced X (inc) – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

5. Politique de Dividende
Le Conseil d'Administration entend déclarer des dividendes aux actionnaires de la Classe X (inc) chaque jour, avec une distribution des dividendes mensuelles. Les dividendes seront payées uniquement au prorata des actions de la Classe X (inc) à partir du revenu net d'investissement du Compartiment moins les frais imputables aux actions de la Classe X (inc).

JPMorgan Fleming Investment Funds

Investment Strategy 98p Fund

1. Devise de référence
Euro.

2. Classes d'actions
Les actions de ce Compartiment pourront être acquises par des investisseurs souscrivant un montant minimum de EUR 10.000.000.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est de réaliser une plus-value en capital. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire normalement au minimum 75% de ses actifs nets) dans des titres à revenu fixe, et d'autres valeurs mobilières libellées en toute devise, et/ou, dans le cadre des limitations figurant dans le corps principal du Prospectus, à la rubrique «Restrictions d'Investissement», dans des valeurs mobilières émises par d'autres organismes de placement collectif poursuivant un objectif d'investissement très sensiblement identique. Le Compartiment pourra également investir dans des actions libellées en toute devise.

Dans le cadre des limitations figurant dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement», le Conseiller en Placement pourra chercher à couvrir dans la devise de référence les risques que font courir les positions en devises et les taux d'intérêt au Compartiment.

Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement à moyen et long terme se situe entre 3 et 5 ans.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Commissions et frais
Les actions de ce Compartiment supportent une Commission des frais totaux annuels de 0,28% de la valeur d'actif net moyenne du Compartiment.

5. Souscriptions, Rachats et Conversions
Les souscription et le rachat d'actions de ce Compartiment peuvent être effectués chaque mardi qui est un jour ouvrable au Luxembourg (chacun de ces jours dénommé un «Jour de Valorisation»). Si l'un des mardis n'est pas un jour ouvrable au Luxembourg, le jour ouvrable immédiatement suivant au Luxembourg sera un Jour de Valorisation. Les demandes de conversion en actions de ce Compartiment ne sont pas autorisées.

6. Cotation
Les actions de ce Compartiment ne seront pas cotées à la bourse du Luxembourg.

JPMorgan Fleming Investment Funds

Emerging Markets Bond Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre des rendements totaux supérieurs à ceux servis par les titres de la dette publique sur les marchés émergents à partir d'un portefeuille d'obligations et d'autres titres de créance d'émetteurs basés dans les pays émergents du monde entier. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire au moins 90% de ses actifs nets) dans des d'obligations et d'autres titres de créance d'émetteurs de ces pays. Ces investissements peuvent comprendre les obligations émises par les nations souveraines du Plan Brady pour le rééchelonnement de la dette étrangère, les émissions de sociétés et d'Etats sous la forme d'Euro-obligations, d'obligations étrangères placées aux Etats-Unis, d'obligations émises par les sociétés, les banques et les administrations publiques, qui sont négociées sur les marchés intérieurs.

Le Compartiment est destiné aux investisseurs à long terme cherchant à investir à un horizon d'au moins 5 ans dans un portefeuille d'obligations et d'autres titres de créance des marchés émergents géré activement et destiné à surpasser le J.P. Morgan Emerging Markets Bond Index Plus, un indice mondial représentatif des titres de créance des marchés émergents.

Les investissements du Compartiment seront généralement limités aux titres bénéficiant d'une notation d'au moins BB-, telle qu'elle est mesurée par les agences de notation indépendantes comme Moody's Investors Service ou Standard & Poor's Corporation. Le Compartiment pourra également investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement sont d'une qualité comparable.

Les actifs du Compartiment pourront être investis dans des valeurs mobilières libellées en USD ou en devises autres que le USD, notamment les devises des pays émergents dans lesquels le Compartiment investira, ou en unités monétaires internationales. Le pourcentage de valeurs mobilières libellées en une devise autre que le USD pourra augmenter au fil du temps pour refléter les opportunités des marchés ainsi que la composition de l'indice mondial susmentionné. Le Conseiller en Placement ne cherchera pas systématiquement à couvrir les risques de devises encourus par le Compartiment. Toutefois, le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

Les investissements dans les titres de la dette publique des marchés émergents, notamment ceux libellés en devises locales peuvent être spéculatifs et impliquer des risques. Seuls les investisseurs pleinement conscients de ces risques et à même de les assumer pourront envisager de souscrire des actions dans ce Compartiment. Les investisseurs devront lire attentivement les informations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, détaillé ci-dessus.

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a désigné le bureau de New York de J.P. Morgan Investment Management Inc. en qualité de Sous-Conseiller en Placement.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Emerging Markets Bond A – USD	3,0%	1,35%	0,40%	0,5%
JPMF Emerging Markets Bond B – USD	Aucun	0,95%	0,40%	Aucune
JPMF Emerging Markets Bond C – USD	Aucun	0,60%	0,25% Max[1]	Aucune
JPMF Emerging Markets Bond D – USD	3,0%	1,60%	0,40%	0,5%
JPMF Emerging Markets Bond X – USD	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Europe Bond Fund

1. Devise de référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui offert par les marchés obligataires d'Europe. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire 90% de ses actifs nets) dans des obligations ou autres titres de créance des administrations publiques, des organismes publics et des sociétés européennes libellées en devises européennes.

Le Compartiment s'adresse aux investisseurs cherchant à investir à un horizon de long terme d'au moins 3 à 5 ans dans un portefeuille d'obligations ou d'autres titres de créance géré activement et destiné à surpasser l'Indice J.P. Morgan EMU Bond.

Le Conseiller en placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations contenues dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

Le Conseiller en Placement cherchera à maintenir une qualité moyenne du crédit d'au moins AA pour les valeurs mobilières du Compartiment, telle qu'elle est mesurée par les agences de notation indépendantes comme Moody's Investors Service ou Standard & Poor's Corporation. En tenant compte de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières qualifiées d'investissements à risques ou non notées qui, de l'avis du Conseiller en Placement, sont de qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Europe Bond A – EUR	3,0%	0,80%	0,20%	0,5%
JPMF Europe Bond B – EUR	Aucun	0,55%	0,20%	Aucune
JPMF Europe Bond C – EUR	Aucun	0,40%	0,10% Max[1]	Aucune
JPMF Europe Bond D – EUR	3,0%	1,05%	0,20%	0,5%
JPMF Europe Bond X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

EUR Global Bond Fund

(Un compartiment qui investit dans des titres de créance libellés en Euros et en devises autres que l'Euro)

1. Devise de référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est de réaliser une plus-value en capital à partir d'un portefeuille diversifié d'obligations ou d'autres titres de créance mondiaux. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire 90% de ses actifs nets) dans des obligations ou autres titres de créance émis ou garantis par des organisations supranationales, des administrations publiques, des organismes publics et/ou des sociétés établies ou situées dans les pays industrialisés. Parmi les valeurs détenues dans le portefeuille du Compartiment figureront des obligations et autres titres de créance à court, moyen et long terme. Le Compartiment s'adresse aux investisseurs cherchant à investir à un horizon de moyen à long terme (3 à 5 ans) dans un portefeuille d'obligations ou d'autres titres de créance géré activement.

Le Compartiment peut investir dans des valeurs mobilières libellées dans une quelconque devise, notamment les unités monétaires internationales. Sous réserve des limitations énoncées dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement», le Conseiller en Placement pourra avoir recours à des opérations de change à terme et au comptant pour gérer les risques de change supportés par les valeurs mobilières détenues dans le portefeuille du Compartiment, qui ne sont pas libellées dans la devises de référence, et pour minimiser l'effet des fluctuations des taux de change.

S'agissant des valeurs mobilières détenues par le Compartiment, le Conseiller en Placement cherchera à maintenir une notation d'au moins AA, telle qu'elle est mesurée par les agences de notation indépendantes comme Moody's Investors Service ou Standard & Poor's Corporation et une notation minimum BBB. Dans le cadre de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement, sont de qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF EUR Global Bond A – EUR	3,0%	0,80%	0,20%	0,5%
JPMF EUR Global Bond B – EUR	Aucun	0,55%	0,20%	Aucune
JPMF EUR Global Bond C – EUR	Aucun	0,40%	0,10% Max[1]	Aucune
JPMF EUR Global Bond D – EUR	3,0%	1,05%	0,20%	0,5%
JPMF EUR Global Bond X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

USD Global Bond Fund

(Un Compartiment qui investit dans des valeurs mobilières libellées en dollars américains et autres devises).

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui des marchés obligataires mondiaux. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire 90% de ses actifs nets) dans des obligations ou autres titres de créance d'émetteurs des pays industrialisés, notamment, mais ne se limitant pas aux valeurs mobilières émises par les administrations publiques et leurs agences, les entités publiques et provinciales, les organisations internationales, les sociétés et les banques. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (3 à 5 ans), recherchant un portefeuille d'obligations et autres titres de créance mondiaux, géré activement et destiné à surpasser l'Indice Salomon Brothers World Government Bond Index couvert en USD.

Le Compartiment pourra investir dans des valeurs mobilières libellées dans toute devise ou unité monétaire internationale. Le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

Le Conseiller en Placement cherchera à maintenir une notation d'au moins AA au portefeuille de valeurs mobilières, telle qu'elle est mesurée par les agences de notation indépendantes comme Moody's Investors Services, Inc. ou Standard & Poor's Rating Group. Dans le cadre de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières non cotées qui, de l'avis du Conseiller en Placement sont d'une qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF USD Global Bond A – USD	3,0%	0,80%	0,20%	0,05%
JF USD Global Bond A – USD	3,0%	1,00%	0,20%	0,05%
JPMF USD Global Bond B – USD	Aucun	0,55%	0,20%	Aucune
JPMF USD Global Bond C – USD	Aucun	0,40%	0,10% Max[1]	Aucune
JPMF USD Global Bond D – USD	3,0%	1,05%	0,20%	0,5%
JPMF USD Global Bond X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global High Yield Bond Fund

1. Devise de Référence
L'euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total élevé en investissant dans un portefeuille diversifié d'obligations et d'autres titres de créance. Afin de réaliser son objectif, le Compartiment investit principalement (c'est-à-dire au moins 75% de ses actifs nets) dans des obligations et autres titres de créance, (y compris dans des titres de qualité de crédit inférieure qui peuvent être non notées), d'émetteurs situés dans des pays développés y compris mais non limité à des emprunts d'Etats et d'organismes gouvernementaux, de provinces et d'entités publiques, d'organisations internationales, de sociétés et de banques. Le Compartiment peut, dans une moindre mesure, investir dans des obligations et autres titres de créance d'émetteurs situés dans des pays émergents. Le compartiment est principalement destiné à des investisseurs dont l'horizon d'investissement à moyen ou long terme se situe entre 3 et 5 ans.

Le Compartiment pourra investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation devises du Compartiment sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Conseiller en Placement cherchera à maintenir une qualité moyenne de crédit pour les titres du portefeuille de B+ telle que mesurée par les agences de notation indépendantes telle que Moody's Investors Service ou Standard & Poor's Corporation. Dans le cadre de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières non notées qui sont, de l'avis du Conseiller en Placement de qualité comparable.

Le Compartiment peut investir dans des obligations ou autres titres de créance d'émetteurs de pays émergents ou en voie de développement. Les investisseurs doivent être conscients du fait que les investissements dans des titres d'émetteurs des marchés émergents sont plus spéculatifs et comportent plus de risques que ceux effectués dans des obligations ou titres de créance d'émetteurs des pays développés. Les investisseurs devront lire attentivement les informations contenues dans le corps principal du Prospectus à la rubrique «Règles d'Investissement – Remarque Importante».

Les titres de qualité de crédit inférieure, comme par exemple les obligations à haut rendement, sont considérés comme spéculatifs et incluent des titres non notés ou qui sont en défaut de paiement.

On trouvera plus de précisions sur les règles d'investissement du Compartiment dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique). Ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global High Yield Bond A – EUR	3,0%	0,85%	0,40%	0,5%
JPMF Global High Yield Bond B – EUR	Aucun	0,50%	0,40%	Aucune
JPMF Global High Yield Bond C – EUR	Aucun	0,45%	0,15% Max[1]	Aucune
JPMF Global High Yield Bond D – EUR	3,0%	1,10%	0,40%	0,5%
JPMF Global High Yield Bond X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global ex-US Bond Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre des rendements supérieurs à ceux servis sur les marchés obligataires mondiaux hormis les Etats-Unis. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire au minimum 90% de ses actifs nets) dans des obligations ou autres titres de créance d'émetteurs situés dans les pays industrialisés, notamment, mais de manière non limitative les titres de la dette publique émis par les administrations publiques et leurs agences, les entités publiques et provinciales, les organisations internationales, les sociétés et les banques.

Le Compartiment s'adresse à des investisseurs cherchant à investir à un horizon de moyen à long terme (de 3 à 5 ans) dans un portefeuille d'obligations et d'autres titres de créance autres qu'américaines géré activement et destiné à surpasser l'Indice Salomon Brothers Non-US World Government Bond couvert en USD.

Le Compartiment pourra investir en valeurs mobilières libellées en toutes devises ou en unités monétaires internationales. Le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations figurant dans le corps principal du Prospectus à la rubrique «Règles d'Investissement» et »Restrictions d'Investissement«.

S'agissant des titres détenus en portefeuille, le Conseiller en placement cherchera à maintenir une notation d'au moins AA, telle qu'elle est calculée par les agences de notation indépendantes comme Moody's Investors Service ou Standard & Poor's Corporation. En tenant compte de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement, sont de qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global ex-US Bond A – USD	3,0%	0,80%	0,20%	0,5%
JPMF Global ex-US Bond B – USD	Aucun	0,55%	0,20%	Aucune
JPMF Global ex-US Bond C – USD	Aucun	0,40%	0,10% Max[1]	Aucune
JPMF Global ex-US Bond D – USD	3,0%	1,05%	0,20%	0,5%
JPMF Global ex-US Bond X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

US Short Duration Bond Fund

1. Monnaie de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont les caractéristiques peuvent différer en matière d'exigences relatives au montant de souscription minimum et/ou des conditions d'éligibilité ainsi qu'aux commissions et frais.

3. Règle d'investissement
L'objectif de ce Compartiment est d'offrir un rendement total supérieur à celui du Libor à 3 mois en USD. Pour atteindre cet objectif, le Compartiment investira principalement (c'est à dire normalement au moins 90% de ses actifs nets) dans des obligations ou autres titres de créance émis ou garantis par le gouvernement des Etats-Unis et ses agences ou par des sociétés américaines. Le portefeuille de ce Compartiment pourra également comprendre des titres négociés sur le marché hors-cote américain des obligations ou autres titres de créance. Ce Compartiment pourra également investir dans des obligations ou autres titres de créance émis par d'autres états et par des sociétés étrangères dans le monde entier, à l'exception des pays dont les économies sont considérées comme émergentes par la Banque Mondiale ou les Nations Unies.

Ce Compartiment s'adresse aux investisseurs ayant un horizon d'investissement à court ou moyen terme (de 1 à 3 ans), intéressés par un portefeuille bénéficiant d'une gestion active, composé d'obligations ou d'autres titres de créance de courte durée.

Le Conseiller en investissements veillera à ce que le niveau moyen du risque crédit que présentent les titres du Compartiment soit toujours d'une qualité au moins égale à Aa1/AA+, conformément aux critères d'agences de rating indépendantes telles que Moody's Investors Service ou Standard & Poor's Corporation. Dans ce cadre bien précis, le Compartiment ne pourra investir que dans des titres affichant un rating qui ne pourra être inférieur à A3/A- conformément aux critères d'agences de rating indépendantes telles que Moody's Investors Service ou Standard & Poor's Corporation.

D'autres informations ayant trait à la politique d'investissement de ce Compartiment se trouvent dans le corps du Prospectus dans les chapitres intitulés «Politique d'investissement» (et spécialement dans le paragraphe intitulé «Note importante» de ce chapitre) et «Limitations en matière d'investissement».

4. Conseiller en placement
Le bureau de New York de J.P.Morgan Investment Management Inc. exercera la fonction de Conseiller en investissements pour ce Compartiment.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF US Short Duration Bond A – USD	3,0%	0,60%	0,15%	0,5%
JPMF US Short Duration Bond B – USD	Aucun	0,35%	0,15%	Aucune
JPMF US Short Duration Bond C – USD	Aucun	0,25%	0,10% Max[1]	Aucune
JPMF US Short Duration Bond D – USD	3,0%	0,80%	0,15%	0,5%
JPMF US Short Duration Bond X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

US Bond Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D, X et X (inc.) dont le montant minimum de souscription et/ou les conditions d'éligibilité, la politique de distribution des dividendes et les commissions et frais qui leurs sont applicables, pourront varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui servi par le marché obligataire américain. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire au moins 90% de ses actifs nets) dans des obligations ou autres titres de créance émis ou garantis par l'administration publique américaine, ses agences ou des sociétés américaines. Parmi les valeurs mobilières détenues dans le portefeuille du Compartiment figureront des valeurs mobilières négociées sur le marché hors-cote des titres de créance. Toutefois, le Compartiment pourra également investir en titres émis par l'administration publique ou les sociétés d'autres pays du monde entier, notamment les pays dont les économies sont considérées émergentes par la Banque Mondiale ou les Nations-Unies.

Le Compartiment est destiné aux investisseurs cherchant à investir à un horizon de moyen à long terme d'au moins 3 à 5 ans dans un portefeuille d'obligations ou d'autres titres de créance géré activement et destiné à surpasser l'Indice Salomon Brothers Broad Investment Grade Bond.

Le Conseiller en Placement cherchera à maintenir une qualité moyenne du crédit d'au moins AA pour les valeurs mobilières du Compartiment, telle qu'elle est mesurée par les agences de notation indépendantes comme Moody's Investors Service ou Standard & Poor's Corporation. En tenant compte de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières qualifiées d'investissements à risques ou non notées qui, de l'avis du Conseiller en Placement, sont de qualité comparable. **Les valeurs mobilières qualifiées d'investissements à risques, comme les titres de la dette publique à haut rendement sont considérées spéculatives et comprennent les titres non notés ou en défaut de paiement.**

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

Dans la mesure où le Compartiment investit dans des valeurs mobilières d'émetteurs sur les marché émergents, les investisseurs doivent être conscients que ces titres, notamment ceux libellés en devises locales, peuvent être spéculatifs et impliquer des risques. Les investisseurs doivent donc lire attentivement les informations contenues dans le corps principal du Prospectus à la rubrique «Règles d'Investissement – Remarque Importante».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé J.P. Morgan Investment Management Inc., bureau de New York, en qualité de Conseiller en Placement du Compartiment.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF US Bond A – USD	3,0%	0,65%	0,25%	0,5%
JPMF US Bond A – USD	3,0%	1,00%	0,25%	0,5%
JPMF US Bond B – USD	Aucun	0,40%	0,25%	Aucune
JPMF US Bond C – USD	Aucun	0,25%	0,15% Max[1]	Aucune
JPMF US Bond D – USD	3,0%	1,00%	0,25%	0,5%
JPMF US Bond X – USD	Aucun	Aucune	0,05% Max[1]	Aucune
JPMF US Bond X (inc) – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

6. Politique de Dividende
Le Conseil d'Administration entend déclarer distribuer annuellement des dividendes aux actionnaires de la Classe X (inc) annuellement, avec une distribution des dividendes intervenant en avril de chaque année. Les dividendes seront payées uniquement au prorata des actions de la Classe X (inc) à partir du revenu net d'investissement du Compartiment moins les frais imputables aux actions de la Classe X (inc).

JPMorgan Fleming Investment Funds

EURO Fondo de Dinero

(Un Compartiment investissant dans des valeurs mobilières libellées en Euros et en devises autres que l'Euro)

1. Devise de référence
Euro.

2. Les Classes d'Actions
Le Compartiment comporte des actions des Classes A, C et X dont les montants minimums de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables peuvent différer.

3. Les montants minima investis
Ils peuvent différer de ceux indiqués dans le corps principal du Prospectus à la Rubrique «Les Actions – 2. Souscription Minimale, Montant des Participations et Eligibilité pour la Souscription d'Actions». Les investisseurs peuvent acquérir les actions de la Classe A en souscrivant pour un montant minimum de 1.000.000 Euros (et tous multiples supplémentaires de 5.000 Euros).

Les actions de la Classe C pourront être acquises par des investisseurs souscrivant un montant minimum de 10.000.000 Euros (et tous multiples additionnels de 100.000 Euros).

4. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un niveau compétitif de rendement total dans la devise de référence, qui soit compatible avec la préservation du capital et un niveau élevé de liquidité.

Il est prévu que les actifs du Compartiment soient investis dans une gamme diversifiée de valeurs mobilières de première qualité, libellées dans la devise de référence, ou dans de grandes devises mondiales ou dans des unités monétaires internationales. Lorsque le Compartiment investit dans des valeurs mobilières libellées dans des devises autres que la devise de référence, les risques de change sont couverts par des techniques de couverture qui seront choisies en temps voulu par le Conseiller en Placement. Le recours aux techniques de couverture se fera conformément aux principes directeurs énoncés dans le corps principal du Prospectus à la Rubrique «Règles d'Investissement» et «Restrictions d'Investissements».

Le Compartiment ne détiendra que des titres qui, au moment de leur acquisition par le Compartiment, ont une échéance de 12 mois au plus, prenant en compte leurs propres termes et conditions et/ou l'effet de tous instruments financiers rattachés, ou des titres ou instruments dont le taux d'intérêt de référence, en vertu de leurs termes et conditions ou du fait des instruments financiers rattachés, est ajusté au moins une fois par an sur la base des conditions de marché.

En ce qui concerne les valeurs mobilières à long terme, les investissements du Compartiment seront généralement limités aux titres bénéficiant au moins d'une notation A2 décernée par les services de notation de Moody's Investors Services («Moody's») ou d'une notation A décernée par Standard & Poor's Corporation («S&P»).

En ce qui concerne les valeurs mobilières à court terme, leur qualité sera de premier ordre, notée *Prime 1* par Moody's ou A1 par S&P.

Le Compartiment pourra également investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement concerné sont de qualité comparable.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, tel que précisé ci-dessus.

5. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé Morgan Guaranty Trust Co. of New York, agissant par sa succursale de Madrid, en qualité de Sous-Conseiller en Placement.

6. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Euro Fondo de Dinero A – EUR	3,0%	0,40%	0,25%	0,5%
JPMF Euro Fondo de Dinero C – EUR	Aucun	0,15%	0,10%	Aucune
JPMF Euro Fondo de Dinero X – EUR	Aucun	Aucune	0,05%[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global Financials Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment comporte des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables peuvent différer.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un taux de rendement total élevé à partir d'un portefeuille d'actions diversifié d'institutions fournissant des services financiers, des banques, des émetteurs du secteur des assurances et de l'immobilier établis dans tous pays, en ce compris, dans une moindre mesure, les pays émergents. Le Compartiment est destiné aux investisseurs cherchant à investir à un horizon de moyen ou long terme (de 3 à 5 ans).

Le compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions.

Le Compartiment peut investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que les investissements dans des titres d'émetteurs des marchés émergents sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global Financials A – USD	5,0%	1,50%	0,40%	0,5%
JF Global Financials A – USD	5,0%	1,50%	0,40%	0,5%
JPMF Global Financials B – USD	Aucun	1,25%	0,25%	Aucune
JPMF Global Financials C – USD	Aucun	0,80%	0,25% Max[1]	Aucune
JPMF Global Financials D – USD	5,0%	2,10%	0,40%	0,5%
JPMF Global Financials X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global Healthtech Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment comporte des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables peuvent différer.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un taux de rendement total élevé à partir d'un portefeuille d'actions diversifié d'émetteurs des secteurs de la pharmacie, de la biotechnologie, des services des soins de santé et de la technologie médicale établis dans tous pays, en ce compris, dans une moindre mesure, les pays émergents. Le Compartiment est destiné aux investisseurs cherchant à investir à un horizon de moyen ou long terme (de 3 à 5 ans).

Le compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions.

Le Compartiment peut investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que les investissements dans des titres d'émetteurs des marchés émergents sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global Healthtech A – USD	5,0%	1,50%	0,40%	0,5%
JPMF Global Healthtech B – USD	Aucun	1,25%	0,25%	Aucune
JPMF Global Healthtech C – USD	Aucun	0,80%	0,25% Max[1]	Aucune
JPMF Global Healthtech D – USD	5,0%	2,10%	0,40%	0,5%
JPMF Global Healthtech X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Global Enhanced Bond Fund

1. Devise de référence
Euro.

2. Classes d'actions
Le Compartiment comporte des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables peuvent différer.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un taux de rendement total supérieur à celui des marchés obligataires mondiaux à l'exclusion de ceux des emprunts d'Etat. En vue d'atteindre cet objectif, le Compartiment investira principalement (c'est-à-dire normalement au moins 90% de ses actifs nets) dans des obligations ou autres titres de créance (y compris dans des titres de qualité de crédit inférieure qui peuvent être non notés) d'émetteurs des pays industrialisés. Le Compartiment peut, dans une moindre mesure, investir dans des obligations ou autres titres de créance d'émetteurs des pays émergents. Le Compartiment est destiné aux investisseurs cherchant à investir à un horizon de moyen ou long terme (de 3 à 5 ans).

Le Compartiment pourra investir dans des valeurs mobilières libellées dans toute devise. Le Conseiller en Placement pourra gérer l'allocation devises du Compartiment dans le cadre des limitations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» et «Restrictions d'Investissement».

Le Conseiller en Placement cherchera à maintenir une notation d'au moins A au portefeuille de valeurs mobilières, telle qu'elle est mesurée par les agences de notation indépendantes comme Moody's Investors Service ou Standard & Poor's Corporation. Dans le cadre de cette contrainte, le Compartiment pourra investir dans des valeurs mobilières non notées qui, de l'avis du Conseiller en Placement sont d'une qualité comparable.

Le Compartiment peut investir dans des obligations ou autres titres de créance d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des obligations ou autres titres de créance d'émetteurs des pays développés. Les investisseurs devront lire attentivement les informations contenues dans le corps principal du Prospectus à la rubrique «Règles d'Investissement – Remarque Importante».

Les titres de qualité de crédit inférieure, comme par exemple les obligations à haut rendement, sont considérés comme spéculatifs et incluent des titres non notés ou qui sont en défaut de paiement.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Global Enhanced Bond A – EUR	3,0%	0,90%	0,20%	0,5%
JPMF Global Enhanced Bond B – EUR	Aucun	0,60%	0,20%	Aucune
JPMF Global Enhanced Bond C – EUR	Aucun	0,45%	0,10% Max[1]	Aucune
JPMF Global Enhanced Bond D – EUR	3,0%	1,05%	0,20%	0,5%
JPMF Global Enhanced Bond X –	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Asia 50 Equity Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui du marché des actions asiatique (à l'exclusion du Japon), à partir d'un portefeuille se concentrant sur environ cinquante types d'actions de sociétés à moyenne ou à forte capitalisation. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investira principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions d'émetteurs situés dans tout pays asiatique, y compris les pays dont l'économie peut être considérée par la Banque Mondiale ou les Nations Unies comme émergente ou en voie de développement. Le Compartiment pourra investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Du fait que le portefeuille se concentre sur environ 50 titres, il peut faire l'objet d'une volatilité plus grande qu'un portefeuille plus diversifié. Le Compartiment pourra investir dans des actions d'émetteurs sur les marchés émergents et les investisseurs doivent être conscients que ces investissements sont plus spéculatifs et impliquent plus de risques que les actions d'émetteurs des pays industrialisés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Asia 50 Equity A – USD	5,0%	1,50%	0,40%	0,5%
JPMF Asia 50 Equity B – USD	Aucun	1,40%	0,60%	Aucune
JPMF Asia 50 Equity C – USD	Aucun	1,15%	0,20% Max[1]	Aucune
JPMF Asia 50 Equity D – USD	5,0%	2,10%	0,40%	0,5%
JPMF Asia 50 Equity X – USD	Aucun	Aucune	0,25% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Europe 50 Equity Fund

1. Devise de référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui du marché des actions européen, à partir d'un portefeuille se concentrant sur environ cinquante types d'actions de sociétés à moyenne ou à forte capitalisation. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investira principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions d'émetteurs situés dans tout pays européen, y compris les pays dont l'économie peut être considérée par la Banque Mondiale ou les Nations Unies comme émergente ou en voie de développement. Le Compartiment pourra investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Du fait que le portefeuille se concentre sur environ 50 titres, il peut faire l'objet d'une volatilité plus grande qu'un portefeuille plus diversifié. Le Compartiment pourra investir dans des actions d'émetteurs sur les marchés émergents et les investisseurs doivent être conscients que ces investissements sont plus spéculatifs et impliquent plus de risques que les actions d'émetteurs des pays industrialisés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Europe 50 Equity A – EUR	5,0%	1,50%	0,40%	0,5%
JPMF Europe 50 Equity B – EUR	Aucun	1,25%	0,25%	Aucune
JPMF Europe 50 Equity C – EUR	Aucun	1,15%	0,10% Max[1]	Aucune
JPMF Europe 50 Equity D – EUR	5,0%	2,10%	0,40%	0,5%
JPMF Europe 50 Equity X – EUR	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Japan 50 Equity Fund

1. Devise de référence
Le Yen japonais (JPY).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui du marché des actions japonais, à partir d'un portefeuille se concentrant sur environ cinquante types d'actions de sociétés à moyenne ou à forte capitalisation. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investira dans des actions d'émetteurs ayant leurs activités principales au Japon, qui sont constitués selon les lois japonaises ou tirent une part importante de leurs revenus du Japon.

Du fait que le portefeuille se concentre sur environ 50 titres d'émetteurs d'un seul pays, il peut faire l'objet d'une volatilité plus grande qu'un portefeuille réparti sur un plus grand nombre d'émetteurs de différents pays. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Japan 50 Equity A – JPY	5,0%	1,50%	0,40%	0,5%
JPMF Japan 50 Equity B – JPY	Aucun	1,25%	0,25%	Aucune
JPMF Japan 50 Equity C – JPY	Aucun	1,10%	0,15% Max[1]	Aucune
JPMF Japan 50 Equity D – JPY	5,0%	2,10%	0,40%	0,5%
JPMF Japan 50 Equity X – JPY	Aucun	Aucune	0,10% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

US 50 Equity Fund

1. Devise de référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leurs sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement total supérieur à celui du marché des actions américain, à partir d'un portefeuille se concentrant sur environ cinquante types d'actions de sociétés à moyenne ou à forte capitalisation. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investira principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions d'émetteurs ayant leurs activités principales aux Etats-Unis, qui sont constitués selon les lois américaines ou tirent une part importante de leurs revenus des Etats-Unis.

Le Compartiment pourra investir dans des titres quelle que soit la devise dans laquelle ces titres sont libellés. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Du fait que le portefeuille se concentre sur environ 50 titres, il peut faire l'objet d'une volatilité plus grande qu'un portefeuille plus diversifié.

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la rubrique «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette rubrique) ainsi qu'à la rubrique «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF US 50 Equity A – USD	5,0%	1,50%	0,40%	0,5%
JPMF US 50 Equity B – USD	Aucun	1,25%	0,25%	Aucune
JPMF US 50 Equity C – USD	Aucun	1,10%	0,15% Max[1]	Aucune
JPMF US 50 Equity D – USD	5,0%	2,10%	0,40%	0,5%
JPMF US 50 Equity X – USD	Aucun	Aucune	0,05% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Europe Smart Index Fund

1. Devise de Référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui d'un portefeuille diversifié d'actions d'émetteurs conduisant leurs activités principales dans les pays d'Europe, ou qui sont constitués selon les lois de ces pays ou qui tirent une part importante de leurs revenus de ces pays. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investira principalement (c'est-à-dire 75% de ses actifs nets) dans des actions d'émetteurs tels que décrits ci-dessus, mais, sous réserve de cette limitation, il pourra également investir dans d'autres secteurs, notamment sur les marchés émergents d'Europe tels que les pays d'Europe Orientale et la Turquie.

Le terme «Smart Index» ne constitue pas une référence à un index particulier. Le Compartiment cherche à réaliser d'excellentes performances d'investissements par une méthode de sélection des titres d'une qualité supérieure, qui se fonde sur une recherche fondamentale propre et une structuration de portefeuille rigoureuse, tout en visant à maintenir un risque contrôlé et comparable à celui du marché. La stratégie vise à éviter les titres les plus surévalués du marché en se concentrant sur ceux les plus sous-évalués. A l'intérieur d'un secteur d'activités, les titres sont classés individuellement en fonction de l'attrait que représente leur Valorisation.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Conseiller en Placement pourra gérer l'allocation des devises du Compartiment et recourir à des contrats à terme sur instruments financiers sous réserve des limitations spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents. Les investisseurs doivent être conscients du fait que ce type d'investissements est plus spéculatif et comporte plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera plus de précisions sur les règles d'investissement du Compartiment dans le corps principal du Prospectus à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section), ainsi qu'à la section «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Europe Smart Index A – EUR	5,0%	0,75%	0,40%	0,5%
JPMF Europe Smart Index B – EUR	Aucun	0,65%	0,25%	Aucune
JPMF Europe Smart Index C – EUR	Aucun	0,50%	0,25% Max[1]	Aucune
JPMF Europe Smart Index D – EUR	5,0%	1,25%	0,40%	0,5%
JPMF Europe Smart Index X – EUR	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

EUR Sharp 25 Fund

(Un Compartiment investissant dans un portefeuille diversifié d'actions, obligations et autres titres de valeurs mobilières libellées en Euros et en devises autres que l'Euro, obligations et autres titres de créance)

1. Devise de Référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui d'un portefeuille diversifié d'actions, d'obligations ou autres titres de créance d'émetteurs situés dans le monde entier ce qui comprend les marchés émergents. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions, obligations et autres titres de créance d'émetteurs tels que décrits ci-dessus. Le Compartiment suit une stratégie d'allocation sectorielle structurée qui vise à surpasser les performances du marché par une sélection appropriée des risques sectoriels. Le Conseiller en Placement variera l'allocation par actifs et par pays pour refléter les conditions et opportunités du marché, bien que l'accent soit mis sur les investissements en obligations et autres titres de créance. La référence au nombre 25 contenue dans le nom du Compartiment se rapporte, en moyenne, sur un cycle du marché, à la proportion d'actions ou de titres participatifs d'un point de vue du risque.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Conseiller en Placement peut gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des restrictions contenues dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment et notamment sur le terme «sharp» dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé Barclays Global Investors Limited, en qualité de Sous-Conseiller en Placement pour aider le Conseiller en Placement à mettre en application les décisions d'investissement et diriger l'achat et la vente de son portefeuille de titres.

Barclays Global Investors Limited fournit des services de gestion de placements et autres services aux sociétés de placement et aux comptes institutionnels.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF EUR Sharp 25 A – EUR	5,0%	1,45%	0,20%	0,5%
JPMF EUR Sharp 25 B – EUR	Aucun	0,95%	0,20%	Aucune
JPMF EUR Sharp 25 C – EUR	Aucun	0,65%	0,20% Max[1]	Aucune
JPMF EUR Sharp 25 D – EUR	5,0%	1,80%	0,20%	0,5%
JPMF EUR Sharp 25 X – EUR	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

•

JPMorgan Fleming Investment Funds

EUR Sharp 50 Fund

(Un Compartiment investissant dans un portefeuille diversifié d'actions, obligations et autres titres de créance libellés en Euros et en devises autres que l'Euro).

1. Devise de Référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui d'un portefeuille diversifié d'actions, d'obligations ou autres titres de créance d'émetteurs situés dans le monde entier ce qui comprend les marchés émergents. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions, obligations et autres titres de créance d'émetteurs tels que décrits ci-dessus. Le Compartiment suit une stratégie d'allocation sectorielle structurée qui vise à surpasser les performances du marché par une sélection appropriée des risques sectoriels. Le Conseiller en Placement variera l'allocation par actifs et par pays pour refléter les conditions et opportunités du marché et le portefeuille comprendra des actions, obligations et autres titres de créance. La référence au nombre 50 contenu dans le nom du Compartiment se rapporte, en moyenne, sur un cycle du marché, à la proportion d'actions ou de titres participatifs d'un point de vue du risque.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Conseiller en Placement peut gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des restrictions contenues dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment et notamment sur le terme «sharp» dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé Barclays Global Investors Limited, en qualité de Sous-Conseiller en Placement pour aider le Conseiller en Placement à mettre en application les décisions d'investissement et diriger l'achat et la vente de son portefeuille de titres.

Barclays Global Investors Limited fournit des services de gestion de placements et autres services aux sociétés de placement et aux comptes institutionnels.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF EUR Sharp 50 A – EUR	5,0%	1,55%	0,20%	0,5%
JPMF EUR Sharp 50 B – EUR	Aucun	1,05%	0,20%	Aucune
JPMF EUR Sharp 50 C – EUR	Aucun	0,70%	0,20% Max[1]	Aucune
JPMF EUR Sharp 50 D – EUR	5,0%	1,90%	0,20%	0,5%
JPMF EUR Sharp 50 X – EUR	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

EUR Sharp 75 Fund

(Un Compartiment investissant dans un portefeuille diversifié d'actions, obligations et autres titres de créance libellées en Euros et en devises autres que l'Euro).

1. Devise de Référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui d'un portefeuille diversifié d'actions, d'obligations ou autres titres de créance d'émetteurs situés dans le monde entier ce qui comprend les marchés émergents. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions, obligations et autres titres de créance d'émetteurs tels que décrits ci-dessus. Le Compartiment suit une stratégie d'allocation sectorielle structurée qui vise à surpasser les performances du marché par une sélection appropriée des risques sectoriels. Le Conseiller en Placement variera l'allocation par actifs et par pays pour refléter les conditions et opportunités du marché, bien que l'accent soit mis sur les investissements en actions. La référence au nombre 75 contenue dans le nom du Compartiment se rapporte, en moyenne, sur un cycle du marché, à la proportion d'actions ou de titres participatifs d'un point de vue du risque.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Conseiller en Placement peut gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des restrictions contenues dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment et notamment sur le terme «sharp» dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé Barclays Global Investors Limited, en qualité de Sous-Conseiller en Placement pour aider le Conseiller en Placement à mettre en application les décisions d'investissement et diriger l'achat et la vente de son portefeuille de titres.

Barclays Global Investors Limited fournit des services de gestion de placement et autres services aux sociétés de placement et aux comptes institutionnels.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF EUR Sharp 75 A – EUR	5,0%	1,65%	0,20%	0,5%
JPMF EUR Sharp 75 B – EUR	Aucun	1,15%	0,20%	Aucune
JPMF EUR Sharp 75 C – EUR	Aucun	0,75%	0,20% Max[1]	Aucune
JPMF EUR Sharp 75 D – EUR	5,0%	2,00%	0,20%	0,5%
JPMF EUR Sharp 75 X – EUR	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

USD Sharp 25 Fund

(Un Compartiment investissant dans un portefeuille diversifié d'actions, obligations et autres titres de créance libellés en dollars américains et en autres devises).

1. Devise de Référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui d'un portefeuille diversifié d'actions, d'obligations ou autres titres de créance d'émetteurs situés dans le monde entier ce qui comprend les marchés émergents. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions, obligations et autres titres de créance d'émetteurs tels que décrits ci-dessus. Le Compartiment suit une stratégie d'allocation sectorielle structurée qui vise à surpasser les performances du marché par une sélection appropriée des risques sectoriels. Le Conseiller en Placement variera l'allocation par actifs et par pays pour refléter les conditions et opportunités du marché, bien que l'accent soit mis sur les investissements en obligations et autres titres de créance. La référence au nombre 25 contenue dans le nom du Compartiment se rapporte, en moyenne, sur un cycle du marché, à la proportion d'actions ou de titres participatifs d'un point de vue du risque.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Conseiller en Placement peut gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des restrictions contenues dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment et notamment sur le terme «sharp» dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé Barclays Global Investors Limited, en qualité de Sous-Conseiller en Placement pour aider le Conseiller en Placement à mettre en application les décisions d'investissement et diriger l'achat et la vente de son portefeuille de titres.

Barclays Global Investors Limited fournit des services de gestion en placements et autres services aux sociétés de placement et aux comptes institutionnels.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF USD Sharp 25 A – USD	5,0%	1,45%	0,20%	0,5%
JPMF USD Sharp 25 B – USD	Aucun	0,95%	0,20%	Aucune
JPMF USD Sharp 25 C – USD	Aucun	0,65%	0,20% Max[1]	Aucune
JPMF USD Sharp 25 D – USD	5,0%	1,80%	0,20%	0,5%
JPMF USD Sharp 25 X – USD	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

USD Sharp 50 Fund

(Un Compartiment investissant dans un portefeuille diversifié d'actions, obligations et autres titres de créance libellés en dollars américains et en autres devises).

1. Devise de Référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui d'un portefeuille diversifié d'actions, d'obligations ou autres titres de créance d'émetteurs situés dans le monde entier ce qui comprend les marchés émergents. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions, obligations et autres titres de créance d'émetteurs tels que décrits ci-dessus. Le Compartiment suit une stratégie d'allocation sectorielle structurée qui vise à surpasser les performances du marché par une sélection appropriée des riques sectoriels. Le Conseiller en Placement variera l'allocation par actifs et par pays pour refléter les conditions et opportunités du marché et le portefeuille comprendra des actions, obligations et autres titres de créance. La référence au nombre 50 contenue dans le nom du Compartiment se rapporte, en moyenne, sur un cycle du marché, à la proportion d'actions ou de titres participatifs d'un point de vue du risque.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Conseiller en Placement peut gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des restrictions spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment et notamment sur le terme «sharp» dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé Barclays Global Investors Limited, en qualité de Sous-Conseiller en Placement pour aider le Conseiller en Placement à mettre en application les décisions d'investissement et diriger l'achat et la vente de son portefeuille de titres.

Barclays Global Investors Limited fournit des services de gestion de placements et autres services aux sociétés de placement et aux comptes institutionnels.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF USD Sharp 50 A – USD	5,0%	1,55%	0,20%	0,5%
JPMF USD Sharp 50 B – USD	Aucun	1,05%	0,20%	Aucune
JPMF USD Sharp 50 C – USD	Aucun	0,70%	0,20% Max[1]	Aucune
JPMF USD Sharp 50 D – USD	5,0%	1,90%	0,20%	0,5%
JPMF USD Sharp 50 X – USD	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

USD Sharp 75 Fund

(Un Compartiment investissant dans un portefeuille diversifié d'actions, obligations et autres titres libellées en dollars américains et en autres devises).

1. Devise de Référence
Le dollar américain (USD).

2. Classes d'actions
Le Compartiment contient des actions des Classes A, B, C, D et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui d'un portefeuille diversifié d'actions, d'obligations ou autres titres de créance d'émetteurs situés dans le monde entier ce qui comprend les marchés émergents. Le Compartiment est destiné aux investisseurs dont l'horizon d'investissement se situe de moyen à long terme (de 3 à 5 ans).

Le Compartiment investit principalement (c'est-à-dire normalement au moins 75% de ses actifs nets) dans des actions, obligations et autres titres de créance d'émetteurs tels que décrits ci-dessus. Le Compartiment suit une stratégie d'allocation sectorielle structurée qui vise à surpasser les performances du marché par une sélection appropriée des risques sectoriels. Le Conseiller en Placement variera l'allocation par actifs et par pays pour refléter les conditions et opportunités du marché, bien que l'accent soit mis sur les investissements en actions. La référence au nombre 75 contenue dans le nom du Compartiment se rapporte, en moyenne, sur un cycle du marché, à la proportion d'actions ou de titres participatifs d'un point de vue du risque.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Conseiller en Placement peut gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des restrictions spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment et notamment sur le terme «sharp» dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Le Sous-Conseiller en Placement
Le Conseiller en Placement a nommé Barclays Global Investors Limited, en qualité de Sous-Conseiller en Placement pour aider le Conseiller en Placement à mettre en application les décisions d'investissement et diriger l'achat et la vente de son portefeuille de titres.

Barclays Global Investors Limited fournit des services de gestion de placement et autres services aux sociétés de placement et aux comptes institutionnels.

5. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF USD Sharp 75 A – USD	5,0%	1,65%	0,20%	0,5%
JPMF USD Sharp 75 B – USD	Aucun	1,15%	0,20%	Aucune
JPMF USD Sharp 75 C – USD	Aucun	0,75%	0,20% Max[1]	Aucune
JPMF USD Sharp 75 D – USD	5,0%	2,00%	0,20%	0,5%
JPMF USD Sharp 75 X – USD	Aucun	Aucune	0,20% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

JPMorgan Fleming Investment Funds

Europe High Yield Bond Fund

1. Devise de Référence
Euro.

2. Classes d'actions
Le Compartiment contient des actions des Classes A, A (inc), D, D (inc) et X dont le montant minimum de souscription et/ou les conditions d'éligibilité et les commissions et frais qui leur sont applicables, peuvent varier d'une classe à l'autre.

3. Règles d'investissement
L'objectif d'investissement du Compartiment est d'atteindre un rendement supérieur à celui des titres de créance des secteurs publics UME en investissant dans des titres de créance européens et libellés en euro de sociétés. Le Compartiment peut investir, de façon limitée, dans des titres de créance d'Etats considérés par le Conseiller en Placement, comme étant candidats pour rejoindre la zone Euro et jusqu'à 50% dans des titres de créance d'Etats des pays participant à l'UME.

Le Compartiment investira principalement (c'est-à-dire normalement au moins 90% de ses actifs nets) dans des obligations et autres titres de créance tels que décrits ci-dessus.

Le Compartiment peut investir dans des titres libellés dans toutes devises. Le Sous-Conseiller en Placement pourra gérer l'allocation des devises du Compartiment et utiliser des contrats financiers à terme (*«financial futures»*) sous réserve des restrictions spécifiées dans le corps principal du Prospectus à la section «Règles d'Investissement» et «Restrictions d'Investissement».

Le Compartiment peut investir dans des titres d'émetteurs de pays émergents et les investisseurs doivent être conscients du fait que de tels investissements sont plus spéculatifs et comportent plus de risques que ceux effectués dans des titres d'émetteurs des pays développés. Les investisseurs devront donc lire attentivement les informations contenues dans le corps principal du Prospectus à la section «Règles d'Investissement – Remarque Importante».

On trouvera d'autres informations sur les règles d'investissement du Compartiment dans le corps principal du Prospectus, à la section «Règles d'Investissement» (et notamment au paragraphe «Remarque Importante» de cette section) ainsi qu'à la section «Restrictions d'Investissement».

4. Commissions et frais

Classe d'Actions	Droit d'entrée	Commission Annuelle de Gestion et Conseil	Frais Administratifs et d'Exploitation	Commission de Rachat
JPMF Europe High Yield Bond A – EUR	3,0%	0,75%	0,35%	0,5%
JPMF Europe High Yield Bond A (inc) – EUR	3,0%	0,75%	0,35%	0,5%
JPMF Europe High Yield Bond D – EUR	3,0%	1,30%	0,35%	0,5%
JPMF Europe High Yield Bond D (inc) – EUR	3,0%	0,75%	0,35%	0,5%
JPMF Europe High Yield Bond X – EUR	Aucun	Aucune	0,35% Max[1]	Aucune

[1] Il s'agit d'un taux maximum. Si les Frais Administratifs et d'Exploitation annuels sont inférieurs au pourcentage indiqué, les commissions seront diminuées du montant de l'écart. Veuillez vous reporter à la section «Frais de Gestion et autres Frais de la SICAV» du Prospectus.

5. Politique de Dividende
Le Conseil d'Administration entend déclarer des dividendes aux actionnaires de la classe A (inc) et D (inc) annuellement, avec une distribution des dividendes intervenant en avril de chaque année. Les dividendes seront payés uniquement au prorata du revenu net d'investissement moins les frais imputables aux actions de Classe A (inc) et D (inc).

JPMorgan Fleming Investment Funds (anciennement dénommé J.P. Morgan Investment Fund)

Addendum

AU PROSPECTUS DE NOVEMBRE 2001 DESTINE AUX INVESTISSEURS EN FRANCE

Le présent addendum fait corps avec le prospectus de JPMORGAN FLEMING INVESTMENT FUNDS (la «**SICAV**»).

1. Préambule
La directive du Conseil des Communautés européennes nº 85/611/CEE relative aux organismes de placement collectif en valeurs mobilières («**OPCVM**») instaure des règles communes en vue de permettre la commercialisation dans l'Union Européenne des OPCVM qui s'y conforment. Ce socle commun n'exclut pas une mise en œuvre différenciée. Ainsi un OPCVM européen peut être commercialisé en France quand bien même son activité n'obéit pas à des règles identiques à celles qui conditionnent en France l'agrément de ce type de produit.

2. Autorisation de commercialisation en France
Compartiments dont la commercialisation en France a été autorisée le 15 avril 1997: JPM Peseta Liquidity Fund (renommé JPM Euro Fondo de Dinero, et à présent JPMF – Euro Fondo de Dinero), JPM Mixto Renta Fija (renommé JPM Euro Capital Preservation Fund, et à présent JPMF – Global Capital Preservation Fund), JPM Mixto Renta Variable (renommé JPM Euro Global Balanced Fund et à présent JPMF – EUR Global Balanced Fund), JPM Global Balanced Fund (renommé JPM USD Global Balanced Fund et à présent JPMF – USD Global Balanced Fund), JPM North America Fund (renommé JPM US Equity Fund, et à présent JPMF – US Select Equity Fund), JPM Japanese Equity Fund (renommé JPM Japan Equity Fund, et à present JPMF – Japan Select Equity Fund), JPM European Fixed Income Fund (renommé JPM Europe Fixed Income Fund, et à présent JPMF – Europe Bond Fund), JPM Global Fixed Income Fund (renommé tout d'abord JPM Interoblig Fund puis JPM Euro Global Fixed Income Fund, et à présent JPMF – EUR Global Bond Fund), JPM Asia Growth Fund (renommé JPM Asia Equity Fund, et à présent JPMF – Asia Select Equity Fund), JPM International Bond Fund (renommé JPM International Fixed Income Fund, et à présent JPMF – Global ex-US Bond Fund) et JPM US Small Company Fund (renommé JPM US Small Company Equity Fund, et à présent JPMF – US Select Small Cap Fund).

Compartiments dont la commercialisation en France a été autorisée le 19 février 1998: IBEX Equity Participation Fund-type 1 (renommé JPM Fondo Blanco – type 1 puis supprimé), IBEX Equity Participation Fund-type 2 (renommé JPM Fondo Blanco – type 2 puis supprimé), JPM Asean Equity Fund (supprimé), JPM Latin America Equity Fund (renommé JPMF – Latin America Select Equity Fund), JPM Renta Variable Europea (renommé JPMF – Europe Select Equity Fund), JPM Renta Variable Global (renommé JPMF – Renta Variable Global Fund) et JPM Global Fixed Income Fund (renommé JPMF – USD Global Bond Fund).

Compartiments dont la commercialisation a été autorisée le 2 juillet 1998: JPM Global 50 Equity Fund (USD) (renommé JPMF – US 50 Equity Fund), JPM Global 50 Equity Fund (euro) (renommé JPMF – Europe 50 Equity Fund), et JPM ECU Global Balanced Fund (renommé JPM Euro Capital Appreciation Fund, et à présent JPMF – Global Capital Appreciation Fund).

Compartiment dont la commercialisation a été autorisée le 26 juillet 1999: JPM International Small Company Equity Fund (renommé JPMF – Global ex-US Select Small Cap Fund).

Compartiments dont la commercialisation a été autorisée le 30 juin 2000: JPM Disciplined US Equity Fund (USD) (renommé JPMF – US Disciplined Equity Fund), JPM Short Duration US Fixed Income Fund (USD) (renommé JPMF – US Short Duration Bond Fund), JPM Global Teletech Equity Fund (renommé JPMF – Global Teletech Fund) et JPM Global High Yield Fixed Income Fund (renommé JPMF – Global High Yield Bond Fund).

Compartiments dont la commercialisation a été autorisée le 22 septembre 2000: JPM Global Financials Equity Fund (renommé JPMF – Global Financials Fund), JPM Global Healthtech Equity Fund (renommé JPMF – Global Healthtech Fund), JPM Global Natural Resources Equity Fund (supprimé), JPM Global Enhanced Fixed Income Fund (renommé JPMF – Global Enhanced Bond Fund), JPM Asia 50 Equity Fund (renommé JPMF – Asia 50 Equity Fund), JPM Europe 50 Equity Fund (renommé JPMF – Europe 50 Equity Fund), JPM Japan 50 Equity Fund (renommé JPMF – Japan 50 Equity Fund), et JPM US 50 Equity Fund (renommé JPMF – US 50 Equity Fund).

Compartiment dont la commercialisation a été autorisée le 24 août 2001: JPM Europe Smart Index Fund (renommé JPMF – Europe Smart Index Fund).

Compartiments à autoriser:

JPMF – EUR Sharp 25 Fund, JPMF – EUR Sharp 50 Fund, JPMF – EUR Sharp 75 Fund, JPMF – USD Sharp 25 Fund, JPMF – USD Sharp 50 Fund, JPMF – USD Sharp 75 Fund et JPMF – Europe High Yield Bond Fund.

3. Correspondant centralisateur et correspondant financier

3.1 Le correspondant centralisateur en France de la SICAV, au sens du règlement de la Commission des Opérations de Bourse (la «**COB**») n° 89-02 (le «**Correspondant Centralisateur**»), est:

J.P. Morgan & Cie S.A.
14, Place Vendôme
75001 Paris
Tél.: 01.40.15.45.00

A ce titre, J.P. Morgan & Cie S.A. assure la commercialisation des actions de la SICAV et représente la SICAV notamment dans ses relations vis-à-vis de la COB.

Les documents d'information relatifs à la SICAV sont à la disposition des actionnaires auprès de J.P. Morgan & Cie S.A.

3.1.1 Le correspondant financier et l'agent en charge de réceptionner les ordres de souscription et de rachat d'actions de la SICAV en France, est:

JPMorgan Chase Bank
14, Place Vendôme
75001 Paris

Les ordres de souscription ou de rachat doivent donc être adressés à JPMorgan Chase Bank.

JPMorgan Chase Bank percevra le prix des souscriptions et se chargera du paiement des rachats des actions ou des dividendes dus aux actionnaires.

4. Non-solidarité entre les compartiments

Conformément à la réglementation en vigueur au Luxembourg, les avoirs d'un des compartiments de la SICAV ne pourront pas être utilisés pour couvrir les engagements d'un des autres compartiments de la SICAV vis-à-vis des tiers.

5. Fiscalité

L'attention des investisseurs fiscalement domiciliés en France est attirée sur l'obligation de procéder à la déclaration des revenus qui, résultant des cessions intervenues entre les compartiments de la SICAV, sont soumis au régime des plus-values sur valeurs mobilières.

En outre, en cas de regroupements d'actifs, le correspondant centralisateur informera préalablement par écrit les investisseurs français, notamment sur les éventuelles conséquences fiscales d'une telle opération.

6. Sociétés à faible capitalisation boursière *(small cap)*

L'attention des investisseurs est appelée sur le fait que certains compartiments de la SICAV sont investis principalement en valeurs émises par des sociétés qui, en raison de leur faible capitalisation boursière, peuvent présenter des risques pour les investisseurs.

7. Informations sur les opérations portant sur des options en valeurs mobilières

L'attention des investisseurs est également appelée sur le fait que certains des marchés dérivés dits «de gré à gré», dans lesquels la SICAV se propose d'intervenir, ne pourront être considérés par les autorités nationales comme étant des marchés réglementés, en fonctionnement régulier, reconnus et ouverts au public et offrant des qualités de sécurité conformes à ce qui est requis pour les OPCVM de droit français.

8. Pays émergents

L'attention des investisseurs est également appelée sur le fait que certains compartiments de la SICAV se proposent d'investir sur des marchés émergents, dont les conditions de fonctionnement et de surveillance peuvent s'écarter des standards prévalant sur les grandes places internationales.

9. Titres à haut rendement *(high yields)*

L'attention des investisseurs est attirée sur l'orientation de gestion des compartiments JPMF US Bond Fund (anciennement dénommé JPM US Fixed Income Fund) et JPMF Global High Yield Bond Fund (anciennement dénommé JPM Global High Yield Fixed Income Fund) lesquels pourront être investis en titres spéculatifs dont la notation peut être inexistante ou basse et qui sont négociés sur des marchés dont les modalités de fonctionnement en termes de transparence et de liquidité peuvent s'écarter sensiblement des standards des places boursières européennes. En conséquence, ce produit est destiné à des investisseurs suffisamment avertis pour pouvoir en évaluer les mérites et les risques.

10. Nouveaux marchés
L'attention du souscripteur est attirée sur le fait que le compartiment JPMF Global Teletech Fund (anciennement dénommé JPM Global Teletech Equity Fund) peut intervenir sur les nouveaux marchés qui sont des marchés réglementés destinés à accueillir des entreprises qui, en raison de leurs caractéristiques spécifiques, peuvent présenter des risques pour l'investisseur.

11. Opérations de prêts de titres
L'attention des investisseurs est enfin appelée sur le fait que les opérations de prêts de titres que pourra réaliser la SICAV sont soumises à des conditions strictes relatives à la nature de l'emprunteur (un établissement de compensation de titres reconnu ou une institution financière disposant d'une notation élevée et spécialisée dans ce type d'opérations), ainsi qu'à la nature de la couverture qui sera bloquée en faveur de la SICAV jusqu'à l'échéance du contrat de prêt, et dont la valeur sera au moins égale à la valeur totale des titres prêtés.

L'étendue des opérations de prêts ne pourra porter sur plus de 50% de la valeur totale de marché des titres du portefeuille de chaque compartiment de la SICAV.

La durée des opérations de prêt ne pourra excéder 30 jours.

12. Gestion financière et conseil en placement
L'attention des investisseurs est enfin appelée sur le fait que la gestion financière des différents compartiments est déléguée (sauf mention spécifique dans le prospectus) à l'entité suivante nommée comme gestionnaire financier et conseiller en placement de la SICAV (le «**Conseiller en Placement**»):

J.P. Morgan Investment Management Limited
20, Finsbury Street
London EC2Z 9AQ
Grande-Bretagne

sans que cette délégation soit assurée dans les conditions en vigueur en France.

13. Sous-Délégation
L'attention des investisseurs est appelée sur le fait que le Conseiller en Placement peut nommer des conseillers en placement par compartiment (chacun étant désigné comme le «**Conseiller en Placement du Compartiment**») pour l'aider à mettre en place les décisions d'investissement et diriger l'achat et la vente des portefeuilles de titres des compartiments concernés, le nom de chaque Conseiller en Placement du Compartiment étant indiqué à l'annexe du prospectus de la SICAV donnant les spécificités de chaque compartiment.

14. Regroupements d'actifs
L'attention des investisseurs est appelée sur le paragraphe du prospectus relatif à la cogestion et notamment sur le fait que les actifs des différents compartiments pourront être gérés en commun sur décision du Conseil d'Administration dans le cadre d'un ou plusieurs portefeuilles internes qui pourront changer en cas de répartition supplémentaire ou de retrait des différents compartiments concernés.

La SICAV ou le Correspondant Centralisateur en France informera les actionnaires en France de la décision du Conseil d'Administration de la SICAV de recourir à la cogestion pour les compartiments commercialisés en France au moins 10 jours ouvrés avant la mise en œuvre de la cogestion.

Cette information précisera les compartiments concernés et sera faite par voie de presse ou par lettre aux investisseurs selon le cas et sera également affichée dans les locaux du Correspondant Centralisateur. Par ailleurs, les investisseurs pourront à tout moment demander à la SICAV ou au Correspondant Centralisateur le pourcentage des actifs cogérés et les compartiments avec lesquels des actifs sont cogérés au moment de la demande.

15. Classes d'actions
L'attention du souscripteur est attirée sur le fait que les compartiments de la SICAV possèdent des classes d'actions dont les droits de souscription et de rachat, les montants minimums de souscription et/ou les conditions d'éligibilité ainsi que les commissions et frais peuvent différer. Pour plus d'informations, le souscripteur pourra se reporter aux annexes du prospectus relatives à chaque compartiment.

16. Conditions de souscription / rachat
L'attention des investisseurs est attirée sur le fait que la demande de souscription d'actions de la SICAV peut être rejetée par le gestionnaire ou par son délégué pour quelque raison que ce soit, en tout ou partie, qu'il s'agisse d'une souscription initiale ou supplémentaire. Il est également précisé que la SICAV institue des montants minimums de souscription et de détention pour certaines de ses classes d'actions. Pour plus d'informations, se reporter au chapitre «les actions» du prospectus de la SICAV.

L'attention des investisseurs est attirée sur le fait que la SICAV comprend des clauses d'éviction automatiques avec rachat des actions dès lors que certaines conditions d'investissement définies au chapitre «les actions » du prospectus ne sont plus respectées. Ce rachat aura pour l'investisseur français des conséquences fiscales liées à la cession de valeurs mobilières.

Les opérations de souscription, rachat et arbitrage ne peuvent être effectuées que sur la base du dernier prospectus ou notice d'information en vigueur soumis à la COB. Il est rappelé aux investisseurs que la performance passée ne préjuge pas des résultats futurs et que la valeur d'un investissement en valeurs mobilières peut varier à la hausse comme à la baisse en fonction de l'évolution des marchés financiers et des cours de change. Ceci est d'autant plus vrai concernant les marchés dits «émergents» qui présentent un degré de volatilité et donc de risque plus élevé que celui des autres marchés. La documentation légale des OPCVM (prospectus et notices d'information) est disponible gratuitement et sur simple demande auprès de J.P. Morgan Fleming Asset Management France, 40 rue Washington, BP 252-08, 75364 Paris Cedex 08.

NE PEUT ÊTRE UTILISÉ PAR, OU ÊTRE DISTRIBUÉ À DES RESSORTISSANTS AMÉRICAINS

SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE
LUXEMBOURG

S O C G E N I N T E R N A T I O N A L S I C A V

P R O S P E C T U S

Le présent prospectus n'est valable que s'il est accompagné du dernier rapport annuel disponible et, s'il y a lieu, du rapport semestriel publié depuis parution du rapport annuel en question.
Ces rapports font partie intégrante du présent prospectus.

J A N V I E R 2 0 0 0

SOCGEN INTERNATIONAL SICAV

Toute personne ayant un doute quant aux dispositions du prospectus ou des rapports financiers devrait consulter son agent de change, banquier, conseiller juridique, comptable ou financier.

SOCGEN INTERNATIONAL SICAV (le "Fonds") est une Société d'Investissement à Capital Variable inscrite sur la liste officielle des organismes de placement collectif conformément à la Partie I de la loi luxembourgeoise du 30 mars 1988 relative aux organismes de placement collectif. Cette inscription n'exige toutefois pas d'une autorité luxembourgeoise quelconque d'approuver ou de désapprouver le caractère adéquat ou l'exactitude du présent Prospectus, ou le portefeuille de titres détenu par le Fonds ; toute déclaration contraire serait non autorisée et illégale.

Sous réserve de ce qui précède, aucune démarche n'a été entreprise afin de permettre l'offre d'actions du Fonds ou la distribution du présent Prospectus dans tout pays dont les dispositions législatives exigeraient une démarche à cet effet. En conséquence, ce Prospectus ne peut être distribué à des fins d'offre ou de sollicitation de vente dans tout pays ou dans toute circonstance où une telle offre ou sollicitation n'est pas autorisée.

Le Conseil d'Administration du Fonds a pris toutes les précautions raisonnablement possibles pour veiller à ce que les faits indiqués ici soient exacts et précis relativement à toutes les questions d'importance, et à ce qu'il n'y ait aucun fait important dont l'omission pourrait rendre erronée l'une quelconque des affirmations ici faites ; tous les administrateurs acceptent leur responsabilité à cet égard.

Les administrateurs du Fonds certifient que les informations du présent Prospectus sont exactes à la date indiquée au Prospectus.

Toute information ou affirmation non contenue dans ce Prospectus ou dans les rapports qui en sont partie intégrante, doit être considérée comme non autorisée. Ni la remise de ce Prospectus, ni l'offre, l'émission ou la vente d'actions du Fonds ne constituent une affirmation selon laquelle les informations données dans ce Prospectus seront en tout temps exactes postérieurement à la date du Prospectus. Afin de tenir compte de changements importants, ce Prospectus sera mis à jour le moment venu. De ce fait, il est recommandé aux souscripteurs potentiels de s'enquérir auprès du Fonds pour savoir si le Fonds a publié un Prospectus plus récent que celui-ci.

Les références au terme repris ci-après désignent la devise suivante :

USD	le dollar des Etats-Unis d'Amérique

SOCGEN INTERNATIONAL SICAV

Société d'Investissement à Capital Variable

CONSEIL D'ADMINISTRATION
Président du Conseil d'Administration

- M. Christian D'ALLEST, Directeur, Société Générale Asset Management, Courbevoie

Administrateurs

- M. Philippe BROSSE, Directeur Général, Société Générale Asset Management, Courbevoie
- M. Vincent DECALF, Directeur, Société Générale Bank & Trust, Luxembourg

DIRECTION

- M. Michel BECKER, Sous-directeur Société Générale Bank & Trust, Luxembourg.
- M. Jean-Marie EVEILLARD, Senior Executive, Arnhold & S. Bleichroeder, New York

SIEGE SOCIAL

11-13, Avenue Emile Reuter, L – 2420 Luxembourg

GESTIONNAIRE

SOCIETE GENERALE ASSET MANAGEMENT, 2, Place de la Coupole, F – 92400 Courbevoie

CONSEILLER EN INVESTISSEMENTS

ARNHOLD & S. BLEICHROEDER, INC., 1345 Avenue of the Americas, New York, N.Y. 10105

BANQUE DEPOSITAIRE, AGENT DOMICILIATAIRE, AGENT ADMINISTRATIF, AGENT DE TRANSFERT, AGENT PAYEUR ET MANDATAIRE PERMANENT

SOCIETE GENERALE BANK & TRUST, S.A., 11 - 13, Avenue Emile Reuter, L - 2420 Luxembourg

REVISEUR

PRICEWATERHOUSECOOPERS, S.A.R.L., Réviseur d'entreprises, 400, Route d'Esch, L-1014 Luxembourg

TABLE DES MATIERES

	Page
INTRODUCTION	5
OBJECTIFS ET POLITIQUE D'INVESTISSEMENT	6
CARACTERISTIQUES DES ACTIONS	7
EMISSION DES ACTIONS	7
RACHAT DES ACTIONS	8
AFFECTATION DES RESULTATS	8
CHARGES ET FRAIS	9
IMPOSITION	9
– Imposition du Fonds	9
– Imposition des Actionnaires	9
INFORMATIONS GENERALES	10
– Le Fonds	10
– Restrictions de placement	10
– Recours aux techniques et instruments financiers	11
– Valeur Nette	14
– Suspension temporaire du Calcul de la Valeur Nette	14
– Gestionnaire et Conseil en Investissement	15
– Banque Dépositaire et Agent Domiciliataire	15
– Distributeurs	16
– Assemblées Générales	16
– Liquidation	16
– Communications et rapports aux Actionnaires	17
– Documents disponibles	17

INTRODUCTION

SOCGEN INTERNATIONAL SICAV (le "Fonds") a été constitué à l'initiative de SOCIETE GENERALE, Paris, comme une société d'investissement à capital variable conformément à la loi du 10 août 1915 concernant les sociétés commerciales et à la loi du 30 mars 1988 relative aux organismes de placement collectif.

Le Fonds est soumis en particulier aux dispositions de la partie I de la loi du 30 mars 1988, spécifique aux Organismes de Placement Collectif en valeurs mobilières tels que définis dans la Directive du Conseil de la Communauté Européenne du 20 décembre 1985 (85/611/CEE).

Le capital social du Fonds est à tout moment égal à la valeur de l'actif net tel que défini au chapitre "Valeur Nette"ci-après. Les actions du Fonds sont émises et rachetées à un prix déterminé chaque jour bancaire entièrement ouvrable à Luxembourg (ce jour étant désigné ci-après par "Jour d'Evaluation").

Le portefeuille du Fonds est géré par SOCIETE GENERALE ASSET MANAGEMENT (SGAM)/Courbevoie, société anonyme de droit français (le "Gestionnaire"). Dans le choix de ses investissements, le Gestionnaire est conseillé par ARNHOLD & S. BLEICHROEDER, INC. (A & S. B)/New York, société anonyme de droit de l'Etat de New York enregistrée comme négociateur de titres et gestionnaire de fonds d'investissement.

SOCIETE GENERALE BANK & TRUST/Luxembourg agit en qualité de Banque Dépositaire.

Les actions du Fonds sont inscrites à la cote officielle de la Bourse de Luxembourg.

Le Fonds est actuellement autorisé à faire appel public à l'épargne au Grand-Duché de Luxembourg, en Espagne et en France.

OBJECTIF ET POLITIQUE D'INVESTISSEMENT

L'objet du Fonds est d'offrir aux investisseurs la possibilité de bénéficier de la gestion professionnelle d'un portefeuille de valeurs mobilières diversifiées, essentiellement des actions ou des valeurs convertibles en actions, en vue d'obtenir une valorisation aussi élevée que possible, à moyen et à long terme, de l'épargne investie.

La politique du Fonds consiste à investir ses avoirs essentiellement en actions et autres valeurs mobilières de même nature ou convertibles en actions, mais également en obligations et autres valeurs mobilières de même nature, étant toutes cotées sur une bourse ou un marché réglementé, en fonctionnement régulier, reconnu et ouvert au public et pouvant être libellées en toutes devises. La stratégie du Fonds est de profiter des opportunités offertes par les marchés internationaux et de rechercher une valorisation soutenue des actifs en procédant, grâce à une répartition des risques, à une protection contre les aléas géographiques et boursiers. Le Fonds investira notamment une partie de ses avoirs en valeurs mobilières cotées sur le Nasdaq.

Le Fonds pourra, marginalement, investir en warrants sur valeurs mobilières. Il pourra également procéder à des opérations de réméré conformément aux restrictions de placement mentionnées ci-après.

Dans un souci de sécurité et de liquidité, le Fonds s'attachera à opérer une sélection de valeurs mobilières en fonction de critères d'analyse fondamentale basés sur l'étude de la situation financière des émetteurs, des perspectives d'évolution des marchés et tous autres éléments d'analyse objectifs.

Par ailleurs, le Fonds pourra investir également en obligations à taux d'intérêt et à risque élevé (Junk Bonds) ou ayant un faible rating, ou en obligations émises par des Etats Emergents dont la dette a été restructurée. Le but de ces investissements est d'obtenir sur ces titres des rendements élevés proche de la performance des marchés des actions en longue période.
L'attention des investisseurs est cependant appelée sur le risque particulier représenté d'une part par les Junk Bonds, qui sont des emprunts émis par des émetteurs privés et ayant un faible rating, et d'autre part par les obligations émises par des Etats Emergents dont les difficultés budgétaires ou de balance des paiements ont entraîné des restructurations de dette extérieure.
En effet, le risque sur le paiement des intérêts et sur le remboursement du capital inhérent à ces deux types d'obligations est supérieur à la moyenne en raison d'une situation financière difficile.
Ces deux types d'obligations sont généralement cotés sur une bourse ou un marche réglementé, en fonctionnement régulier, reconnu et ouvert au public; toutefois, si certaines obligations de ce type n'étaient pas cotées sur un marché considéré comme tel, le Fonds ne pourrait pas, conformément aux restrictions d'investissement énumérées ci-après, investir plus de 10 % de ses avoirs nets en de tels titres.

Le Fonds pourra également, à titre accessoire, détenir des réserves de liquidité.

Le Fonds pourra, dans l'optique d'une bonne gestion de portefeuille, utiliser des techniques et instruments qui ont pour objet des valeurs mobilières (opérations sur options, opérations de prêts de titres, opérations à réméré), ainsi que des techniques et instruments sur les Marchés de change (achats et ventes d'options sur devises, opérations à terme ou échange de devises dans des opérations de gré à gré). L'utilisation de ces instruments et techniques, qui présente un degré de risque supérieur aux investissements en valeurs mobilières, sera cependant limitée.

La politique du Fonds est de capitaliser tous les revenus d'actions, d'obligations et d'autres investissements qu'il percevra, ainsi que les plus-values qu'il réalisera (voir "Affectation des résultats").

Le Fonds est autorisé à investir jusqu'à 100% de ses actifs en titres d'emprunts émis ou garantis par la France, les Etats-Unis, l'Allemagne, le Danemark, l'Espagne, la Grèce, l'Irlande, l'Italie, le Portugal, la Suède, le Royaume-Uni, les Pays-Bas, la Belgique, le Luxembourg, le Japon, le Canada et la Suisse.

Le portefeuille du Fonds étant soumis aux fluctuations du marché et aux risques inhérents à tout investissement, le prix des actions du Fonds peut varier en conséquence et le Fonds ne saurait garantir que ses objectifs pourront être atteints.

Le Fonds doit observer les restrictions de placement énumérées ci-après ainsi que les restrictions relatives aux instruments financiers exposées aux pages ci-après.

CARACTERISTIQUES DES ACTIONS

Les actions du Fonds sont librement négociables et participent, dès leur émission, de manière égale, aux bénéfices et aux distributions. Les actions ne bénéficient d'aucun droit de préférence ou de préemption et ont chacune une voix lors des assemblées des actionnaires. Les actions du Fonds n'ont pas de valeur nominale et doivent être entièrement libérées dès leur émission.

Les actions sont émises sous forme nominative et l'actionnaire reçoit une confirmation du nombre des actions détenues; s'il en fait la demande, il lui est remis des certificats nominatifs définitifs.
Des fractions d'actions, jusqu'à trois décimales, pourront être émises; mais des certificats ne pourront être émis que pour un nombre entier d'actions.

EMISSION DES ACTIONS

Le prix d'émission par action est exprimé et doit être réglé au Fonds en USD.
Lors de la constitution du Fonds, le 12 août 1996, le capital initial du Fonds a été souscrit sur base d'un prix de USD 1.000 par action.

Du 13 au 16 août 1996 inclus, les actions ont également été offertes à la souscription au prix de USD 1.000 par action, augmenté toutefois du droit d'entrée prévu au prospectus; le paiement des actions souscrites au courant de cette période a été effectué valeur 19 août 1996. Depuis lors, le prix d'émission des actions est calculé chaque jour bancaire entièrement ouvrable à Luxembourg ("Jour d'Evaluation"). Actuellement, le prix d'émission des actions est égal à la valeur liquidative de l'action calculée le même jour, arrondie vers le haut ou vers le bas au plus proche cent. Pour sa part, la valeur liquidative de l'action est déterminée par référence à la valeur des avoirs détenus par le Fonds sur base des cours de clôture publiés la veille du Jour d'Evaluation concerné.

Les actions sont émises au prix déterminé le premier Jour d'Evaluation suivant la réception et l'acceptation par le Fonds de la souscription; notamment, pour être exécutable ledit Jour d'Evaluation, tout ordre de souscription devra être parvenu au siège du Fonds, à Luxembourg, la veille dudit Jour d'Evaluation, à 16 heures (heure de Luxembourg) au plus tard.

En sus du prix d'émission, l'agent placeur intervenant dans le processus de souscription pourra, à son profit, décompter au souscripteur une commission de souscription qui ne pourra excéder 5% du prix d'émission des actions.

Le prix d'émission des actions doit être reçu par le Fonds dans les cinq jours bancaires entièrement ouvrables à Luxembourg suivant la détermination du prix de souscription. Les actions émises ne sont délivrées à leurs ayants droit qu'après réception par le Fonds du prix desdites actions.

Le Fonds ne procédera à aucune émission d'actions pendant les périodes où le calcul de la valeur nette des actions est suspendu (voir "Suspension temporaire du calcul de la valeur nette").

Dans le cadre de la lutte contre le blanchiment d'argent, le bulletin de souscription devra être accompagné d'une copie certifiée conforme (par une des autorités suivantes: ambassade, consulat, notaire, commissaire de police) de la carte d'identité du souscripteur, s'il s'agit d'une personne physique, ou des statuts et d'un extrait du registre du commerce, ou documents identiques, s'il s'agit d'une personne morale, dans les cas suivants:

1. en cas de souscription directe auprès du Fonds;
2. en cas de souscription par l'intermédiaire d'un professionnel du secteur financier résidant d'un pays qui ne serait pas soumis à une obligation d'identification équivalente aux normes luxembourgeoises en matière de prévention de l'utilisation du système financier à des fins de blanchiment;
3. en cas de souscription par l'intermédiaire d'une filiale ou d'une succursale dont la maison-mère serait soumise à une obligation d'identification équivalente à celle exigée par la loi luxembourgeoise,

si la loi applicable à la maison-mère ne lui fait pas obligation de veiller au respect de ces dispositions pour ses filiales ou succursales.

De plus, le Fonds est tenu d'identifier la provenance des fonds en cas de provenance d'établissements financiers non soumis à une obligation d'identification équivalente à celle exigée par la loi luxembourgeoise; de ce fait, une souscription déterminée pourra être temporairement bloquée jusqu'à l'identification de la provenance des fonds.

Il est généralement admis que les professionnels du secteur financier résidents de pays ayant adhéré aux conclusions du rapport GAFI (Groupe d'Action Financière sur le blanchiment de capitaux) sont considérés comme ayant une obligation d'identification équivalente à celle requise par la loi luxembourgeoise.

RACHAT DES ACTIONS

Sur demande d'un actionnaire, le Fonds rachète, chaque Jour d'Evaluation, tout ou partie des actions détenues par cet actionnaire. A cette fin, les actionnaires doivent adresser au Fonds une demande écrite qui doit préciser le nombre d'actions, le nom auquel les actions sont inscrites et divers renseignements concernant la personne à qui le paiement doit être effectué.

Le prix de rachat des actions sera payé en USD. Les actions seront rachetées à la valeur liquidative de l'action, arrondie vers le haut ou vers le bas au plus proche cent, calculée le Jour d'Evaluation suivant réception et acceptation par le Fonds de la demande de rachat, sans frais. Toutefois, pour être exécutable ledit Jour d'Evaluation, toute demande de rachat devra être parvenue au siège du Fonds, à Luxembourg, la veille dudit Jour d'Evaluation, à 16 heures (heure de Luxembourg) au plus tard.

Le paiement du prix de rachat sera normalement effectué au plus tard cinq jours ouvrables bancaires à Luxembourg après le Jour d'Evaluation. Le paiement se fera par virement sur un compte indiqué par l'actionnaire ou, sur demande et aux frais de l'actionnaire, par chèque adressé par courrier à l'actionnaire.

Des opérations simultanées de rachat/souscription d'un nombre identique d'actions, par un même actionnaire, pourront être effectuées sans frais, sur la base de la valeur liquidative calculée le jour d'Evaluation suivant la réception et l'acceptation par le Fonds de la demande en question.

Le rachat des actions sera suspendu en cas de suspension du calcul de la valeur liquidative des actions (Voir "Suspension temporaire du calcul de la valeur nette").

Au cas ou les demandes de rachat à effectuer lors d'un Jour d'Evaluation donné, dépassent 10 % des actions du Fonds émises à ce Jour d'Evaluation, le Fonds se réserve la possibilité de réduire le nombre d'actions rachetées à 10 % du nombre total d'actions émises à ce Jour d'Evaluation étant entendu que cette réduction s'appliquera à tous les actionnaires ayant demandé le rachat de leurs actions à ce Jour d'Evaluation, au prorata des actions que chacun d'eux a présenté au rachat; si des demandes de rachat sont ainsi reportées, les actionnaires concernés seront informés individuellement.

AFFECTATION DES RESULTATS

Les plus-values en capital et les autres revenus du Fonds seront réinvestis et aucun dividende ne sera, en principe, versé aux actionnaires.

Le Conseil d'Administration du Fonds ne s'interdira cependant pas de proposer à l'Assemblée Générale des actionnaires le paiement d'un dividende, si celui-ci est jugé plus avantageux pour les actionnaires; dans ce cas, un dividende en espèces pourra être distribué à partir des revenus nets d'investissement et des plus values nettes réalisées.

Sur proposition du Conseil d'Administration, l'Assemblée Générale pourra également décider la distribution aux actionnaires d'un dividende sous forme d'actions, au prorata, chaque fois des actions existantes. Il ne pourra être délivré de fractions d'actions.

CHARGES ET FRAIS

Le Fonds prend à sa charge tous ses frais d'exploitation (à l'inclusion, notamment, des émoluments et de certaines dépenses des Administrateurs, du Gestionnaire, de la Banque Dépositaire, des réviseurs et des conseillers juridiques) et de commercialisation, ainsi que le coût de l'impression et de la distribution des prospectus et des rapports annuels et semestriels, toutes les commissions de courtage, tous les impôts, taxes ou charges payables par le Fonds ainsi que les frais d'enregistrement du Fonds et du maintien de cet enregistrement auprès de toute autorité gouvernementale et bourse.

Commission du Gestionnaire; rémunération du Conseiller en Investisements
Trimestriellement, à terme échu, le Fonds paie au Gestionnaire une commission, au taux de 1,50 % l'an, assise sur l'actif net moyen du Fonds. Pour sa part, le Conseiller en Investissements reçoit du Gestionnaire, trimestriellement, à terme échu, une commission de conseil calculée sur l'actif net moyen du Fonds; le taux de cette commission est de 0,75 % l'an.

Commissions de la Banque Dépositaire
Les commissions de la Banque Dépositaire sont fixées d'un commun accord avec le Fonds et sont constituées, pour partie, par une commission proportionnelle aux actifs du Fonds et, pour partie, par des frais sur transactions effectuées.

Les frais et dépenses de constitution du Fonds (y inclus la préparation et l'impression du prospectus et les frais d'admission des actions du Fonds à la Bourse de Luxembourg), évalués à USD 50.000, supportés par le Fonds, sont amortis sur les cinq premiers exercices sociaux.

Les frais courants sont imputés, en premier lieu, sur les revenus d'investissements, en second lieu, sur les plus values réalisées, enfin, si nécessaire, sur le capital.

IMPOSITION

Imposition du Fonds

Conformément à la législation en vigueur et selon la pratique courante, le Fonds n'est assujetti à aucun impôt luxembourgeois sur le revenu. De même, les dividendes qui seraient éventuellement versés par le Fonds ne sont frappés d'aucun impôt luxembourgeois à la source. Le Fonds, en revanche, est soumis à une taxe annuelle au Luxembourg représentant 0,06% de la valeur liquidative du Fonds. Cette taxe est payable trimestriellement sur la base des actifs nets du Fonds calculés à la fin du trimestre auquel cette taxe se rapporte. Aucun droit ni impôt n'est payable à Luxembourg suite à l'émission d'actions du Fonds, sauf un droit d'apport unique de 50.000 Francs Luxembourgeois payé lors de sa constitution.

Selon la loi et la pratique actuelles, aucun impôt n'est payable à Luxembourg sur les plus-values réalisées sur l'actif du Fonds.
Certains revenus du Fonds (sous forme de dividendes, intérêts ou plus ou moins values en provenance de sources extérieures au Luxembourg) peuvent être assujettis à des impôts retenus à la source, d'un taux variable, qui ne sont probablement pas récupérables.

Imposition des Actionnaires

Selon la loi et la pratique actuellement en vigueur à Luxembourg, les actionnaires ne sont pas soumis, au Luxembourg, à un impôt quelconque sur les plus-values, les revenus, donations, successions ou retenues à la source (à l'exception des actionnaires domiciliés, résidant ou possédant un établissement stable au Luxembourg, d'actionnaires résidents dans des pays avec lesquels le Luxembourg n'a pas conclu de convention contre les doubles impositions, qui détiendraient 25 % ou plus du capital du Fonds et qui disposeraient en tout ou partie de cette participation dans les six mois de l'acquisition, ou de certains ex-résidents du Luxembourg propriétaires de plus de 25 % du capital-actions du Fonds).

Il est recommandé aux actionnaires potentiels de se renseigner et, si besoin est, de se faire conseiller au sujet des lois et réglementations (telles que celles concernant la fiscalité et le

contrôle des changes) applicables à la souscription, l'achat, la détention et la disposition d'actions dans leur lieu d'origine, de résidence et de domicile.

INFORMATIONS GENERALES

Le Fonds

Le Fonds a été constitué comme société d'investissement à capital variable (SICAV) le 12 août 1996. La durée du Fonds est illimitée. Le capital initial du Fonds a été de 500.000 USD représenté par 500 actions nominatives. Les statuts, déposés au greffe du tribunal d'arrondissement de Luxembourg, ont été publiés au Mémorial C, Recueil Spécial des Sociétés et Associations ("le Mémorial") en date du 6 septembre 1996. En plus une notice légale ayant trait à l'émission des actions du Fonds et à leur cotation en bourse a été déposée au greffe du tribunal d'arrondissement de Luxembourg, où, ensemble avec les statuts, elle est disponible pour examen.

Le Fonds est inscrit au Registre de Commerce de Luxembourg sous le numéro B 55.838

Le capital du Fonds est toujours égal à la valeur de l'actif net. Le capital minimum du Fonds est de cinquante millions de francs luxembourgeois.

Restrictions de Placement

Conformément à la loi sur les organismes de placement collectif et aux décisions du Conseil d'Administration le Fonds doit, dans ses placements, observer les restrictions définies ci-après. Ainsi, le Fonds ne peut pas :

1. placer plus de 5 % de ses avoirs nets en valeurs mobilières d'un même émetteur. Cette restriction ne s'applique pas, cependant, à des titres émis ou garantis par un Etat membre de l'Union Européenne, une collectivité publique territoriale ou à des titres émis par un organisme international à caractère public dont un ou plusieurs Etats membres de l'Union Européenne sont membre. **Toutefois, en de tels cas, les investissements dans une émission particulière ne sauraient excéder 35 % des avoirs nets du Fonds sauf en cas d'investissement dans des titres émis par les Etats-Unis d'Amérique, le Canada, la Confédération Helvétique, la Belgique, le Danemark, l'Espagne, la France, la Grèce, l'Irlande, l'Italie, le Luxembourg, les Pays-Bas, le Portugal, l'Allemagne, le Royaume-Uni, la Suède ou le Japon. Dans ce dernier cas, le Fonds est autorisé à investir à concurrence de 100 % de ses avoirs dans de tels titres, à condition que le portefeuille comprenne six émissions au moins et que pas plus de 30 % de ses avoirs nets ne soient investis dans une seule et même émission**. En outre, la limite de 5 % pourra être portée à 10 % des avoirs nets, à condition que le total des investissements qui, pris individuellement, auront excédé la limite de 5 % (à l'exclusion des titres des émetteurs étatiques ou assimilés mentionnés ci-avant), n'excède pas 40 % des avoirs nets du Fonds;

2. placer plus de 10 % de ses avoirs nets en valeurs mobilières non cotées. Le terme "valeur mobilière cotée" comprendra :

   (a) des valeurs mobilières admises à une cote officielle à une bourse de valeurs d'un Etat-membre de l'Union Européenne ou de l'OCDE, de Singapour, Hong-Kong, Malaisie, Thaïlande, Indonésie, Inde, Corée, Taïwan, des pays d'Afrique du Sud, du Mexique et des pays d'Amérique du Sud ou des valeurs mobilières négociées sur un autre marché réglementé dans un Etat-membre de l'Union Européenne ou de l'OCDE, de Singapour, Hong-Kong, Malaisie, Thaïlande, Indonésie, Inde, Corée, Taïwan, des pays d'Afrique du Sud, du Mexique, des pays d'Amérique du Sud et des pays d'Europe centrale et orientale étant entendu qu'un tel marché doit avoir un fonctionnement régulier et doit être reconnu et ouvert au public, et

   (b) des valeurs mobilières nouvellement émises sous réserve que les conditions d'émission comportent l'engagement de faire une demande d'admission à la cote officielle d'une bourse de valeurs ou autre marché réglementé visé plus haut et que cette cotation soit accordée dans l'année suivant l'émission de ces valeurs mobilières.

Etant entendu que le Fonds peut investir jusqu'à 10 % de ses avoirs nets en titres de créance qui sont équivalents à des valeurs mobilières en raison de leurs caractéristiques, à savoir étant transférables, liquides et ayant une valeur pouvant être déterminée avec précision lors de chaque Jour d'Evaluation sous condition d'autre part que le total de ces titres et des valeurs mobilières non cotées n'excède pas 10 % des avoirs nets du Fonds.
Cette restriction ne s'appliquera pas aux actions détenues par le Fonds et qui sont des actions de capital d'une société constituée dans un Etat non membre de l'UE, en investissant principalement ses avoirs en valeurs mobilières d'émetteurs ayant leur siège social dans cet Etat, si en vertu de la législation de cet Etat cette possession d'actions représente le seul moyen par lequel le Fonds peut investir en valeurs mobilières de ces émetteurs de cet Etat sous réserve cependant que la société se conforme en ce qui concerne sa politique d'investissement aux restrictions 1, 3 et 4 du présent paragraphe.

3. investir en des valeurs mobilières d'une même catégorie d'un même émetteur si, immédiatement après et en tant que résultat de cet investissement, le Fonds possédait plus de 10 % des valeurs mobilières en circulation de cette catégorie ou plus de 10 % de titres sans droit de vote représentatifs du capital de cet émetteur ou si, à la suite de ce placement, le Fonds pouvait exercer une influence notable sur la gestion de cet émetteur ;

4. placer plus de 5% des avoirs nets en actions ou parts d'un organisme de placement collectif de type ouvert, étant entendu qu'un tel placement est sujet aux conditions et restrictions supplémentaires suivantes :

   i) il doit s'agir d'un organisme de placement collectif en valeurs mobilières au sens de l'article 1er paragraphe 2 premier et deuxième tirets de la Directive du Conseil des Communautés Européennes du 20 décembre 1985,

   ii) l'acquisition d'actions d'une société d'investissement de type ouvert à laquelle le Fonds est lié dans le cadre d'une communauté de gestion ou de contrôle, ou l'acquisition de parts d'un fonds commun de placement géré par une société de gestion ou par toute autre société avec laquelle le Fonds est lié dans le cadre d'une communauté de gestion ou de contrôle ou par une participation importante directe ou indirecte n'est permise que (x) dans le cas d'une société d'investissement ou d'un fonds commun de placement lequel, conformément à ses propres réglements, s'est spécialisé en investissements dans un secteur géographique et économique spécifique et (y) à condition qu'aucun frais ni honoraire ne soit porté en compte du fait des transactions ayant trait à cette acquisition;

5. emprunter, sauf dans des circonstances exceptionnelles et temporairement, et à condition que les emprunts du Fonds ne dépassent pas 10% de ses avoirs nets; toutefois, le Fonds pourra acquérir des devises par le truchement d'un prêt de type "face à face";

6. acquérir des titres non entièrement libérés si le solde des prix de souscription à libérer sur l'ensemble des titres partiellement libérés qui seraient de ce fait détenus, additionné aux emprunts du Fonds, dépassait 10% des avoirs nets du Fonds. Si de tels titres sont acquis, alors une réserve suffisante sera constituée pour en assurer la libération intégrale ;
7. investir en propriétés immobilières, marchandises ou certificats de marchandises ;

8. effectuer des ventes de titres à découvert.

Si un dépassement des pourcentages limites applicables aux placements intervient indépendamment de la volonté du Fonds ou à la suite de l'exercice des droits de souscription, le Fonds doit, dans ses opérations de vente, avoir pour objectif prioritaire de régulariser cette situation tout en tenant compte de l'intérêt des actionnaires.
Le Fonds peut, dans l'intérêt des actionnaires imposer à tout moment les restrictions de placement supplémentaires nécessaires pour satisfaire aux lois et prescriptions des pays dans lesquels les actions du Fonds sont offertes ou vendues.

Recours aux techniques et instruments financiers

Le Fonds est autorisé, suivant les modalités exposées ci-dessous, à :

- recourir aux techniques et instruments qui ont pour objet des valeurs mobilières, à condition que le recours à ces techniques et instruments soit fait en vue d'une bonne gestion du portefeuille;
- recourir à des techniques et à des instruments destinés à couvrir les risques de change dans le cadre de la gestion de leur patrimoine.

A. Techniques et instruments qui ont pour objet des valeurs mobilières

En vue d'une bonne gestion du portefeuille, le Fonds peut intervenir dans :

- des opérations portant sur des options,
- des opérations de prêt de titres,
- des opérations à réméré.

1. Opérations portant sur des options sur valeurs mobilières

Le Fonds peut acheter et vendre tant des options d'achat que des options de vente à condition qu'il s'agisse d'options qui sont négociées sur un marché réglementé, en fonctionnement régulier, reconnu et ouvert au public; ou à condition qu'il s'agisse d'options de gré à gré traitées avec des institutions financières de premier ordre spécialisées dans ce type d'opérations et actives sur le marché de gré à gré sur option.

Dans le cadre des opérations précitées, le Fonds doit observer les règles suivantes :

1.1 Règles applicables aux acquisitions d'options

La somme des primes payées pour l'acquisition des options d'achat et des options de vente en cours qui sont visées ici ne peut pas, ensemble avec la somme des primes payées pour l'acquisition des options d'achat et des options de vente en cours dont il est question sous le point 2.3 ci-après, dépasser 15 % de la valeur de l'actif net du Fonds.

1.2 Règles destinées à assurer la couverture des engagements qui résultent des opérations sur options

Au moment de la conclusion de contrats portant sur la vente d'options d'achat, le Fonds doit détenir soit les titres sous-jacents, soit des options d'achat équivalentes ou d'autres instruments qui sont susceptibles d'assurer une couverture adéquate des engagements qui résultent des contrats en question, tels des warrants. Les titres sous-jacents aux options d'achat vendues ne peuvent pas être réalisés aussi longtemps que ces options existent à moins que celles-ci ne soient couvertes par des options contraires ou par d'autres instruments qui peuvent être utilisés dans ce but. Il en est de même des options d'achat équivalentes ou des autres instruments que le Fonds doit détenir lorsqu'il ne possède pas les titres sous-jacents au moment de la vente des options afférentes.

Par dérogation à cette règle, le Fonds peut vendre des options d'achat portant sur des titres qu'il ne possède pas au moment de la conclusion du contrat d'option si les conditions suivantes sont respectées:

- le prix d'exercice des options d'achat ainsi vendues ne peut pas dépasser 25 % de la valeur de l'actif net du Fonds;

- le Fonds doit à tout instant être en mesure d'assurer la couverture des positions prises dans le cadre de ces ventes.

Lorsqu'il vend des options de vente, le Fonds doit être couvert pendant toute la durée du contrat d'option par les liquidités dont il peut avoir besoin pour payer les titres qui lui sont livrés en cas d'exercice des options par la contrepartie.

1.3 Conditions et limites des ventes d'options d'achat et des ventes d'options de vente

La somme des engagements qui découlent des ventes d'options d'achat et des ventes d'options de vente (à l'exclusion des ventes d'options d'achat pour lesquelles le Fonds dispose d'une couverture adéquate) et la somme des engagements qui découlent des opérations visées au point 2.3 ci-après ne peuvent à aucun moment dépasser ensemble la valeur de l'actif net du Fonds.

Dans ce contexte, l'engagement sur les contrats d'options d'achat et de vente vendus est égal à la somme des prix d'exercice des options.

2. Opérations de prêt de titres

Le Fonds peut s'engager dans des opérations de prêt de titres à condition de respecter les règles suivantes :

2.1 Règles destinées à assurer la bonne fin des opérations de prêt

Le Fonds peut seulement prêter des titres dans le cadre d'un système standardisé de prêt organisé par un organisme reconnu de compensation de titres ou par une institution financière de premier ordre spécialisée dans ce type d'opérations.

Dans le cadre de ses opérations de prêt, le Fonds doit recevoir en principe une garantie dont la valeur au moment de la conclusion du contrat de prêt est au moins égale à la valeur d'évaluation globale des titres prêtés.

Cette garantie doit être donnée sous forme de liquidités et/ou de titres émis ou garantis par les Etats membres de l'OCDE ou par leurs collectivités publiques territoriales ou par les institutions et organismes supranationaux à caractère communautaire, régional ou mondial, bloqué au nom du Fonds jusqu'à l'expiration du contrat de prêt.

2.2 Conditions et limites des opérations de prêt

Les opérations de prêt ne peuvent pas porter sur plus de 50 % de la valeur d'évaluation globale des titres en portefeuille. Cette limitation n'est pas d'application lorsque le Fonds est en droit d'obtenir à tout instant la résiliation du contrat et la restitution des titres prêtés.

Les opérations de prêt ne peuvent s'étendre au-delà d'une période de 30 jours.

3. Opérations à réméré

Le Fonds peut s'engager dans des opérations à réméré qui consistent dans des achats et des ventes de titres dont les clauses réservent au vendeur le droit de racheter de l'acquéreur les titres vendus à un prix et à un terme stipulés entre les deux parties lors de la conclusion du contrat.

Le Fonds peut intervenir soit en qualité d'acheteur, soit en qualité de vendeur dans des opérations à réméré. Son intervention dans les opérations en cause est cependant soumise aux règles suivantes :

3.1 Règles destinées à assurer la bonne fin des opérations à réméré

Le Fonds ne peut acheter ou vendre des titres à réméré que si les contreparties dans ces opérations sont des institutions financières de premier ordre spécialisées dans ce type d'opérations.

3.2 Conditions et limites des opérations à réméré

Pendant la durée de vie d'un contrat d'achat à réméré, le Fonds ne peut pas vendre les titres qui font l'objet de ce contrat avant que le rachat des titres par la contrepartie ne soit exercé ou que le délai de rachat n'ait expiré.

Le Fonds doit veiller à maintenir l'importance des opérations à réméré à un niveau tel qu'il lui est à tout instant possible de faire face à son obligation de rachat de ses propres actions.

B. Techniques et instruments destinés à couvrir les risques de change auxquels le Fonds s'expose dans le cadre de la gestion de son patrimoine

Dans un but de protection de ses actifs contre des fluctuations de change, le Fonds peut vendre à terme ou échanger des devises dans le cadre d'opérations de gré à gré traitées avec des institutions financières de premier ordre spécialisées dans ce type d'opérations.
Le but de couverture des opérations précitées présuppose, l'existence d'un lien direct entre celles-ci et les actifs à couvrir, ce qui implique que les opérations traitées dans une devise déterminée ne

peuvent pas en principe dépasser en volume la valeur d'évaluation de l'ensemble des actifs libellés dans cette même devise, ni la durée de détention de ces actifs.

Valeur Nette

Chaque Jour d'Evaluation, la valeur nette par action, servant de base au calcul des prix d'émission et de rachat des actions, est déterminée en USD, sous la responsabilité du Conseil d'Administration du Fonds, sur la base des cours de clôture de la veille sur les marchés où les titres détenus par le Fonds sont négociés. Elle est calculée en divisant la valeur de l'actif net du Fonds par le nombre total d'actions et fractions d'actions en circulation à cette date, en arrondissant, pour chaque action, le montant ainsi obtenu au cent le plus proche.

La valeur des avoirs du Fonds est déterminée de la façon suivante :

1. La valeur des espèces en caisse ou en dépôt, des effets et billets payables à vue, des comptes à recevoir, des dépenses payées d'avance, des dividendes et intérêts annoncés ou venus à échéance mais non encore perçus, sera constituée par la valeur nominale de ces avoirs, sauf s'il s'avère improbable que cette valeur puisse être touchée (dans ce dernier cas, la valeur sera déterminée en retranchant un certain montant qui semblera adéquat aux administrateurs du Fonds en vue de refléter la valeur réelle de ces avoirs),

2. la valeur des titres cotés ou négociés à une bourse est déterminée suivant leur cours de clôture de la veille du Jour d'Evaluation en question,

3. la valeur des titres qui sont négociés sur un marché réglementé est déterminée sur la base du dernier prix publié la veille du Jour d'Evaluation en question,

4. si le Fonds dispose du droit de réaliser un avoir à un prix prédéterminé, la valorisation pourra être faite sur base d'un tel prix,

5. dans la mesure où des titres en portefeuille au Jour d'Evaluation ne sont pas cotés en bourse ou sur un autre marché réglementé ou dont aucun cours n'est disponible ou si le prix déterminé suivant les alinéas 2. ou 3. n'est pas, de l'avis des administrateurs du Fonds, représentatif de la valeur réelle de ces titres, ces avoirs seront évalués sur base de la valeur probable de réalisation, laquelle doit être estimée avec prudence et bonne foi.

La valeur nette des actions, ainsi que le prix de rachat et le prix d'émission des actions, peuvent être obtenus au siège social du Fonds et aux sièges sociaux respectifs de la Société Générale, à Paris, et de la Société Générale Bank & Trust, à Luxembourg, ainsi qu'aux guichets de la Société Générale en France et en Espagne.

Suspension temporaire du calcul de la valeur nette

Conformément à l'article 22 de ses statuts, le Fonds peut suspendre l'évaluation de la valeur nette des actions, ainsi que les émissions et les rachats :

1. pendant toute période pendant laquelle l'un des principaux marchés ou l'une des principales bourses auxquelles une partie substantielle du portefeuille du Fonds est cotée, est fermé pour une raison autre que pour congé normal ou pendant laquelle les opérations y sont restreintes ou suspendues; ou

2. lorsqu'il existe une situation d'urgence par suite de laquelle le Fonds ne peut pas disposer de ses avoirs ou en déterminer la Valeur Nette; ou

3. lorsque les moyens d'information et/ou de calcul qui sont employés normalement pour déterminer le prix des avoirs du Fonds ou les cours sur les marchés ou bourses sont hors de service; ou

4. lors de toute période où le Fonds est incapable de rapatrier des fonds dans le but d'opérer des paiements sur le rachat d'actions ou pendant laquelle les transferts des fonds concernés dans la

réalisation ou l'acquisition d'investissements ou de paiements dus pour le rachat d'actions ne peuvent, dans l'opinion du Conseil d'Administration, être effectués dans des conditions normales.

L'avis d'une telle suspension sera communiqué à tout actionnaire ou personne demandant la souscription ou le rachat des actions du Fonds. Toute demande de rachat présentée ou en suspens pendant une telle suspension pourra être révoquée par écrit à recevoir par le Fonds avant l'abrogation de cette suspension. A défaut de révocation, les actions en question seront rachetées le premier Jour d'Evaluation suivant la cessation de la suspension. L'avis d'une suspension qui, suivant l'avis du Conseil d'Administration du Fonds risque de dépasser le délai d'une semaine, et de sa cessation sera en outre publié dans le "Luxemburger Wort".

Gestionnaire et Conseil en Investissement

Le Fonds est géré par son Conseil d'Administration qui est responsable de la détermination de la politique d'investissement du Fonds ainsi que de son administration.

SOCIETE GENERALE ASSET MANAGEMENT (S.G.A.M.)/COURBEVOIE est chargée d'assister le Fonds dans le cadre de la gestion journalière de ses investissements.

Société Générale Asset Management S.A. (S.G.A.M.) est une société anonyme de droit français dont le capital, au 30 juin 1999, s'élève à FRF 1.600.000.000. Filiale à 100 % de la Société Générale/Paris, S.G.A.M. est une société agréée par la Commission des Opérations de Bourse en qualité de société de gestion de portefeuille. Elle a pour objet principal la gestion individuelle ou collective de portefeuilles d'instruments financiers pour le compte de tiers.

La convention de services entre le Fonds et SOCIETE GENERALE ASSET MANAGEMENT/COURBEVOIE est conclue pour une durée indéterminée et peut être dénoncée en tout temps par chacune des parties moyennant préavis de 90 jours. La rémunération payable à S.G.A.M. par le Fonds est décrite au paragraphe "Charges et Frais" ci-avant.

ARNHOLD & S. BLEICHROEDER, INC. (A & S. B, INC.) /NEW YORK est chargée de conseiller S.G.A.M. dans le cadre de la gestion journalière des investissements du Fonds.

A & S. B, INC est une société anonyme de droit de l'Etat de New York enregistrée par la S.E.C. comme négociateur de titres et gestionnaire de fonds d'investissements.

La convention de services entre le Fonds, S.G.A.M. et A & S. B, INC. est conclue pour une durée indéterminée et peut être dénoncée en tout temps par chacune des parties moyennant préavis de 90 jours. La rémunération payable par le Gestionnaire à A & S. B, INC. est décrite au chapitre "Charges et Frais" ci-avant.

Banque Dépositaire et Agent Domiciliataire

SOCIETE GENERALE BANK & TRUST a été désignée en tant que dépositaire des avoirs du Fonds. Ceux-ci sont détenus soit directement par la Banque Dépositaire, soit par le truchement de correspondants, d'agents ou de délégués de la Banque Dépositaire.

SOCIETE GENERALE BANK & TRUST, S.A., Luxembourg, filiale du Groupe Société Générale/ Paris, est un établissement habilité à faire toutes opérations bancaires selon la loi bancaire luxembourgeoise; elle est implantée à Luxembourg, Zurich et Monaco. Au 30 juin 1999, son capital s'élevait à 7.200.090.459 francs luxembourgeois (l'équivalent de 178.485.580 EUR).

La Banque Dépositaire et le Fonds ont conclu une convention prenant effet le 12 août 1996, dont la durée est indéterminée et qui peut être dénoncée par chaque partie moyennant préavis de 90 jours.
En vertu de la même convention la Banque Dépositaire agit comme agent domiciliataire, agent administratif, agent de transfert et agent payeur du Fonds. En ces qualités elle est responsable du calcul de la valeur nette d'inventaire par action, de la tenue des livres et des autres devoirs administratifs.

Distributeurs

Le Conseil d'Administration peut décider de nommer des Distributeurs pour la commercialisation des actions du Fonds.

Les Distributeurs sont autorisés, avec le consentement des actionnaires, à se porter contrepartie des transactions sur les actions du Fonds, à des conditions néanmoins aussi favorables que celles qu'auraient obtenues les actionnaires en s'adressant directement au Fonds. Lorsqu'ils feront des transactions sur les actions du Fonds, les Distributeurs seront tenus d'en informer régulièrement l'Agent Administratif afin qu'il puisse enregistrer ces opérations. Le registre des actionnaires sera mis à jour par l'Agent Administratif et des certificats nominatifs, des confirmations d'actions ou des relevés de comptes seront délivrés à l'intention des actionnaires concernés
Concernant les actions nominatives, les Distributeurs proposent un service de nominee pour les souscriptions et rachats d'actions du Fonds. Dans le cadre de ce service, les Distributeurs auront les devoirs suivants:

- à la réception et après acceptation des demandes de souscription, les Distributeurs globaliseront les demandes et souscriront pour le nombre d'actions adéquat correspondant à la globalisation des actions du Fonds;
- les Distributeurs globaliseront les demandes de rachat reçues de leurs clients et les transmettront à l'Agent Administratif pour traitement;
- à la réception du paiement des rachats, les Distributeurs les transmettront aux actionnaires concernés;
- à la demande des actionnaires, les Distributeurs établiront des procurations permettant aux actionnaires de voter ou de se faire représenter aux assemblées générales du Fonds.;
- dès réception des rapports annuels et semestriels du Fonds, les Distributeurs les mettront à la disposition des actionnaires.

Le contrat de nominee entre les Distributeurs et les actionnaires comprend une clause de résiliation permettant aux actionnaires de demander à tout moment la propriété directe des actions souscrites par l'intermédiaire d'un des nominees.
Les actionnaires peuvent souscrire directement auprès du Fonds sans devoir souscrire par l'intermédiaire d'un des Distributeurs.

Assemblées Générales

L'Assemblée Générale Annuelle des actionnaires du Fonds se tient, à Luxembourg, le troisième jeudi du mois de juin, à 11 heures; si ce jour n'est pas un jour ouvrable bancaire à Luxembourg, l'Assemblée se tient le premier jour ouvrable suivant.

Au moins huit jours avant l'Assemblée Générale, un avis de convocation est adressé à tous les actionnaires, aux adresses figurant dans le registre des actionnaires. L'avis de convocation est également publié au Mémorial, Recueil Spécial du Grand-Duché de Luxembourg, dans le Luxemburger Wort et dans tout autre journal que le Conseil d'Administration pourra déterminer. Cet avis indiquera l'heure et le lieu de l'Assemblée Générale, les conditions d'admission, l'ordre du jour et les exigences de la loi luxembourgeoise en matière de quorum et de majorité nécessaires.

Chaque action entière donne droit à une voix.

Liquidation

La durée du Fonds est indéterminée et la dissolution du Fonds est normalement décidée par une Assemblée Générale Extraordinaire des actionnaires. Une telle Assemblée doit être convoquée si les avoirs nets du Fonds deviennent inférieurs à deux tiers du capital minimum. En cas de dissolution, il sera procédé à la liquidation par un ou plusieurs liquidateurs nommés conformément à la loi luxembourgeoise du 30 mars 1988 sur les organismes de placement collectif et aux statuts du Fonds. Le produit net de la liquidation sera distribué aux détenteurs d'actions en proportion du nombre d'actions qu'ils détiennent. Les montants qui n'ont pas été réclamés par les actionnaires lors de la clôture de la liquidation seront consignés auprès de la Caisse des Consignations à Luxembourg. A défaut de réclamation endéans la période de prescription les montants consignés ne pourront plus être retirés.

Communications et rapports aux actionnaires

Les rapports annuels vérifiés par le Réviseur sont disponibles au siège du Fonds et sont expédiés aux actionnaires nominatifs, aux adresses indiquées dans le registre des actionnaires, huit jours au moins avant l'Assemblée Générale Annuelle. De surcroît, des rapports semestriels non révisés sont également disponibles au siège et expédiés aux actionnaires nominatifs. L'exercice du Fonds se termine le dernier jour de février de chaque année et pour la première fois en 1997.

Les communications aux actionnaires se font par avis dans le Luxemburger Wort, ainsi que, dans la mesure requise par la loi luxembourgeoise, dans le Mémorial.

Documents disponibles

Les documents suivants peuvent être examinés, au siège du Fonds (11-13, Avenue Emile Reuter, Luxembourg), aux heures ouvrables :

1. statuts du Fonds;

2. contrat de gestion du 1er janvier 1997;

3. contrat de conseil en investissement du 31 décembre 1999;

4. convention du 12 août 1996 avec la Banque Dépositaire.

Copies des statuts, du prospectus en vigueur et des derniers rapports financiers peut être obtenue sans frais aux guichets de la Société Générale Bank & Trust (11 - 13, Avenue Emile Reuter, L - 2420 Luxembourg).

Tocqueville Finance S.A.

Notice d'information du FCP Ulysse

FCP aux normes européennes – à deux catégories de parts

Forme juridique de l'OPCVM	**Fonds Commun de Placement**
Promoteur	***Tocqueville Finance S.A.***
Société de gestion	***Tocqueville Finance S.A.***
Dépositaire	***CIC Securities***
Commissaire aux comptes	***cabinet Bernard Courtade*** (8 rue Darius Milhaud - 94440 Villecresnes)

Caractéristiques Financières

Classification	actions Françaises
Objectifs de gestion	progression des actifs par la performance absolue alliée à une maîtrise de la volatilité
Orientation des placements	**Ulysse** a pour objet la gestion d'un portefeuille d'actions françaises avec un degré d'exposition au risque action de 75% minimum de l'actif. Son objectif : rechercher la performance en mettant l'accent sur la plus-value. Ce fonds ne pourra pas détenir plus de 5% de parts ou actions d'OPCVM français ou coordonnées. Il est susceptible de servir d'unité de compte à un contrat d'assurance-vie d'une durée égale ou supérieure à huit ans. Il peut détenir, à hauteur de 5% minimum de son actif, certains des titres suivants : actions du Nouveau Marché, actions du Marché Libre, actions non-cotées, actions cotées de capital-risque. Interventions possibles sur les marchés à terme et conditionnels des pays de la zone Euro conformément à l'arrêté du 06/09/98 modifié.
Souscripteurs concernés	Tous souscripteurs
OPCVM à titres C et D	Le FCP est composé de deux types de parts : des parts C de capitalisation, des parts D de distribution annuelle.
Dominante Fiscale	Eligible au Plan d'Epargne en Actions. Le passage d'une catégorie à l'autre est assimilé à une cession susceptible d'imposition au titre des plus-values pour les porteurs non titulaires d'un PEA Eligible aux contrats d'assurance-vie dits « DSK ».
Code Sicovam	40 505 (C) et 40 506 (D)
Durée minimale de placement recommandée	Supérieure à 2 ans

Modalités de Fonctionnement

Date de clôture de l'exercice	dernier jour de Bourse du mois de décembre.
Valeur Liquidative d'origine	3000 FF soit 457,34 T. Division du titre par 10, le 9 octobre 1998 et le 11 février 2002
Périodicité de calcul de la valeur liquidative	quotidienne
Conditions de souscription et de rachat	Les ordres de souscriptions et rachats sont centralisés à CIC Securities (contact : *Laurence Flis* – tél. : 01 45 96 78 45, fax: 01 45 96 77 23) tous les jours jusqu'à 11 h 00 et réalisés sur la base de la prochaine valeur liquidative.
Commission de souscription maximale	3,5% maximum (dont part acquise au fonds : néant), en sont exonérés les porteurs changeant de catégorie de parts.
Commission de rachat maximale	1% (dont part acquise au fonds : néant), en est exonéré, les porteurs changeant de catégorie de parts.
Frais de Gestion	2% HT de l'actif net (déduction faite des parts de fonds communs ou actions de SICAV en portefeuille).
Libellé de la devise de comptabilité	euro (T)

Adresse de la société de gestion	16 avenue de Friedland - 75008 Paris
Adresse du dépositaire	6 avenue de Provence - 75441 Paris cedex 09
Lieu ou mode de publication de la valeur liquidative	Affichage dans les locaux du dépositaire et journaux spécialisés

La présente notice doit obligatoirement être proposée aux souscripteurs préalablement à toute souscription, remise à la souscription et mise à la disposition du public sur simple demande.

La note d'information complète de l'OPCVM et le dernier document périodique sont disponibles auprès de :
Tocqueville Finance S.A. - CIC Securities

Date d'agrément de l'OPCVM par la C.O.B.	1er octobre 1993
Date d'édition de la présente notice d'information	11 février 2002

REGISTERED OFFICE OF THE ISSUER

SG OPTION EUROPE
17 cours Valmy
92800 Puteaux
France

GUARANTOR

Société Générale
29, Boulevard Haussmann
75009 Paris

AGENT AND LISTING AGENT

Société Générale Bank & Trust S.A
11, avenue Emile Reuter
L-2420 Luxembourg

PAYING AGENT

Société Générale Bank & Trust S.A
11, avenue Emile Reuter
L-2420 Luxembourg

CALCULATION AGENT

Société Générale
Tour Société Générale
17 cours Valmy
92987 Paris - La Défense Cedex
France