

ACM Bernstein Value Investments – American Value Portfolio

Addendum to the Offering Circular

dated April 2, 2001

(Class I Shares)

Important Information

The fifth paragraph is amended as follows:

"All references herein to (i) "Dollars" and to "\$" are to U.S. Dollars and (ii) "Euros" and "€" are to Euros."

The seventh paragraph is amended as follows:

"ACM Fund Distributors, a division of AllianceBernstein Investment Research and Management, Inc., will act as distributor of the shares of the Fund in connection with the Offering made by this Offering Circular. Applications for Shares are subject to acceptance by the Fund."

Offering Circular Summary

The Offering

The minimum initial and subsequent investment, as indicated in the addendum dated May 2002, is hereby replaced by the following:

"The minimum initial investment is \$1,000,000 or €1,000,000. The minimum subsequent investment is \$750 or €750, or such lesser amount in respect of periodic savings plans as may be determined by the Management Company and notified to shareholders from time to time."

Investment Manager

The information relating to the Investment Manager is amended as follows:

"Alliance Capital Management L.P., a Delaware limited partnership, has been appointed as the investment manager for the Portfolio pursuant to the terms of an Investment Management Agreement between the Management Company on behalf of the Portfolio and the

Investment Manager. Alliance Capital Management Corporation, the Investment Manager's general partner, is an indirect wholly owned subsidiary of AXA Financial, Inc., which in turn is a wholly owned subsidiary of AXA, a French company."

Restrictions on Ownership

The following sentence must be added under the section "Restrictions on Ownership":

"However, the Management Company, in its discretion, may permit the ownership of Shares by U.S. Persons, under certain circumstances."

The Portfolio

Following the launch of a fourth portfolio within the Fund, the last sentence of the last paragraph is amended as follows:

"As of the date hereof, the Fund also offers shares in the following portfolios of ACM Bernstein Value Investments: European Value Portfolio, Global Value Portfolio and Emerging Markets Value Portfolio."

Management and Administration

The registered office of the Management Company has been transferred to 18, rue Eugène Ruppert, L-2453 Luxembourg.

The Board of Directors of the Management Company is composed as follows:

Kurt H. Schoknecht
Executive Vice President
Alliance Capital Management Corporation
1345 Avenue of the Americas
New York, New York 10105

Yves Prussen
Elvinger, Hoss & Prussen
2, Place Winston Churchill
B.P. 425
L-2014 Luxembourg

James J. Posch
Senior Vice President and Assistant
General Counsel - International
Alliance Capital Management Corporation
1345 Avenue of the Americas
New York, New York 10105

U.S.A.

The list of the funds which are managed by the Management Company is updated as follows:

"As of the date hereof, the Management Company also serves as management company for the following funds advised by Alliance Capital Management L.P.: ACM Global Investments, ACM Institutional Series, ACM European Diversified Bond Fund, ACM Strategic Investments, Andorfons Internacional, Andorfons Internacional Strategic Funds, ACM Global Growth Trends II Investments, ACM Investor Series and ACM Japan Growth Companies Fund."

Investment Manager

The last four paragraphs are deleted and the first paragraph must be read as follows:

"Alliance Capital Management L.P., a Delaware limited partnership with principal offices at 1345 Avenue of the Americas, New York, New York 10105, U.S.A., has been appointed as the investment manager for the Portfolio pursuant to the terms of an investment management agreement between the Management Company on behalf of the Portfolio and the Investment Manager (the "Investment Management Agreement"). The Investment Management Agreement may be terminated by the Management Company on behalf of the Portfolio or by the Investment Manager upon sixty days' written notice to the other. Alliance Capital Management Corporation, the Investment Manager's general partner is an indirect wholly owned subsidiary of AXA Financial, Inc., which in turn is a wholly owned subsidiary of AXA, a French company."

Administrative Agent and Custodian

The last sentence of the last paragraph of this section must be read as follows:

"As of December 31, 2003, its capital amounted to approximately €65 millions."

The registered office of the Custodian and Administrative Agent has been transferred to 49, avenue J-F. Kennedy, L-1855 Luxembourg.

Issue and Sales of Shares

The following sections of the description of the Issue and Sales of Shares are amended and/or completed by the following wording:

General

The change relating to the minimum initial investment, as indicated in the addendum dated May 2002, is hereby replaced by the following:

"The minimum initial investment is \$1,000,000 or €1,000,000. The minimum subsequent investment is \$750 or €750, or such lesser amount in respect of periodic savings plans as may be determined by the Management Company and notified to shareholders from time to time."

The Management Company has the discretion, from time to time, to waive any applicable minimum subscription amounts. In addition, the Management Company, in its sole discretion, may allow distributors or dealers to establish different minimums for initial and subsequent investments with respect to any Class of Shares.

The last sentence of the second paragraph is deleted:

"The Fund does not currently accept telegraphic transfers, checks, bank drafts or other payment forms in any currency other than Dollars or Euro."

The first sentence of the third paragraph is amended as follows:

"Pursuant to a Distribution Agreement between the Management Company and AllianceBernstein Investment Research and Management, Inc., ACM Fund Distributors, a division of AllianceBernstein Investment Research and Management, Inc., acts as Distributor of the Shares on a best efforts basis."

Purchases of Shares

Shares will be available for purchase in the Offered Currencies at their respective Net Asset Values (plus any applicable sales charge) on any Business Day. The Net Asset Value will be calculated in the Reference Currency and additionally a Net Asset Value in Euro shall be determined based upon the applicable conversion rate on such Business Day. The Net Asset Value is determined for each Trade Date as of its Valuation Point, which is 4:00 p.m. U.S. Eastern time on such Trade Date. Orders from individual investors will be accepted only upon receipt of cleared funds by the Custodian. Each order should specify the Offered Currency in which the payment will be made. If payments are made in a currency other than in an Offered Currency, the order will be accepted only upon conversion in the Reference Currency of the amount received and the reconciliation thereof with the relevant application. Orders received from the Distributor or an authorised selling dealer with whom the Distributor has existing arrangements will be accepted upon receipt. The minimum initial investment is \$1,000,000 (or the equivalent amount in Euro). The minimum subsequent investment is \$750 (or the equivalent amount in Euro), or such lesser amount in respect of periodic savings plans as may be determined by the Management Company and notified to shareholders from time to time. Purchase orders for a given Trade Date may be accepted up to the Valuation Point for such Trade Date. Valid and complete orders received and accepted by the Management Company or its agents within this time frame are processed as of such Trade Date, in the relevant Offered Currency, at the Net Asset Value per share of the appropriate class determined as of the Valuation Point for such Trade Date. Orders received and accepted after 4:00 p.m. U.S. Eastern time are processed on the next Business Day at the appropriate Net Asset Value determined as of the Valuation Point on such

Business Day, in which case the Trade Date in respect of such purchase, redemption or exchange request will be such Business Day. At the discretion of the Management Company, Trade Dates, Valuation Points or the foregoing cutoff times may be changed, and additional Trade Dates, Valuation Points and cutoff times may be designated. The Management Company will notify Shareholders of any such changes. In the event the Management Company has suspended or postponed the determination of Net Asset Values as set out in "Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value", the Net Asset Value determined at the next Valuation Point will be utilized.

Orders generally will be forwarded to the Management Company by the Distributor or selling dealer on the date received, provided the order is received by the Distributor or dealer prior to such deadline as may from time to time be established by the office in which the order is placed. Neither the Distributor nor any dealer is permitted to withhold placing orders to benefit themselves by a price change.

Investor Information

"In order to comply with the anti-money laundering laws applicable in Luxembourg, a subscriber must deliver identification documents (a certified copy of such subscriber's passport or identification card, or, if a legal entity, a certified extract of the commercial registry or companies registry together with appropriate information about beneficial owners) to the Registrar and Transfer Agent. Such identification is not required, however, if the subscription is collected by a sales agent who is established in a state which has ratified the conclusions of the report of the Financial Action Task Force on Money Laundering ("GAFI") or another jurisdiction which is subject to customer identification requirements equivalent to those prescribed in Luxembourg law or if the payment is made from a personal account of a subscriber with a bank established in a state which has ratified the conclusions of the GAFI report (including by check drawn on such personal account)."

Initial Offering Period

This section as well as any information in respect of the Initial Offering Period of the Classes I Shares is deleted.

Issuance and Settlement

"Payments for Shares purchased by individual investors must be made at the time of lodging the application for purchase since the application will be accepted only upon identification of the payment made in respect of the Shares to be purchased. Payments by the Distributor or selling dealers are required to be made within three business days after acceptance of a purchase order by the Fund and must be made in accordance with procedures adopted by various dealers and approved by the Distributor and the Management Company. Different settlement periods may apply in certain jurisdictions where the Shares are sold. Payment for Shares purchased by investors directly from the Fund are payable to the Fund at its Euro or Dollar account with the Custodian, as applicable."

The following paragraph must be added to the section "Issue and Sale of Shares" before the section "Other Information":

"ACM Fund Accounts and Account Numbers

Upon acceptance of an investor's Application Form in connection with the investor's first investment in an ACM Fund, the Transfer Agent will establish an account in the shareholder processing system in which the investor's ACM Fund shares will be recorded. This account reflects an investor's share position in the relevant ACM Fund. An ACM Fund Account will be denominated in the offered currency in which the investor's first ACM Fund subscription is made. An ACM Fund Account can only be denominated in one currency and thus will only record holdings of shares denominated in the same currency. Investors desiring to hold shares in multiple offered currencies will therefore have more than one ACM Fund Account and will receive separate statements with respect to each such account. Investors will be given an ACM Funds Account Number with respect to each ACM Fund Account they establish, and this number, together with the investor's personal details, constitutes proof of identity. This ACM Funds Account Number should be used for all future dealings by the investor in respect of any ACM Fund shares of such accounts. Any change to an investor's personal details, loss of ACM Fund Account Number(s) or loss of share certificates must be notified immediately to the Transfer Agent in writing. The Fund reserves the right to require an indemnity or verification of identity countersigned by a bank, stockholder or other party acceptable to it before accepting such instructions."

Redemption and Transfer of Shares

Redemptions

"Shareholders may redeem their Shares on any Valuation Date (any such day, a "Redemption Date") through the Distributor or any dealer or by transmitting an irrevocable redemption order via facsimile, telex or mail to the Management Company or the Registrar and Transfer Agent at 18, rue Eugène Ruppert, L-2453 Luxembourg. The redemption order must include the number of Shares to be redeemed, the currency (Dollar or Euro) in which payment is to be made and the Shareholder's name and account number as registered with the Fund. Shareholders, who have purchased Shares in a particular currency (either Dollar or Euro) will receive payment of the redemption price in the same currency.

The redemption price will be equal to the Net Asset Value per share (less any applicable contingent deferred sales charge) in the relevant Offered Currency of the relevant share class determined for the appropriate Trade Date as of the Valuation Point, which is 4:00 p.m. U.S. Eastern time on such Trade Date. Redemption requests for a given Trade Date may be accepted up to the Valuation Point for such Trade Date. Valid and complete redemption requests received within this time frame are normally processed as of such Trade Date at the redemption price as stated above. Redemption requests received after 4:00 p.m. U.S. Eastern time will be processed on the next Business Day at the appropriate Net Asset Value determined as of the Valuation Point on such Business Day, in which case the Trade Date in

respect of such redemption request will be such Business Day. Depending on the Net Asset Value calculated with respect to a given Trade Date, the redemption price of shares may be higher or lower than the price paid for such shares at the time of subscription.

If, as a result of any redemption request, a Shareholder's ACM Funds Account falls below €1,000 or US\$ 1,000 (depending on the currency in which the Shareholder's ACM Funds Account is denominated), such redemption request shall be deemed to apply the Shareholder's entire ACM Funds Accounts."

Determination of the Net Asset Value of Shares

The Net Asset Value per Share of each class of Shares, expressed in the Reference Currency and Euros, will be determined by the Management Company as of 4:00 p.m. U.S. Eastern time on each Valuation Date. To the extent feasible, investment income, interest payable, fees and other liabilities (including management fees) will be accrued daily.

In all cases, the Net Asset Value per Share of each class of Shares is determined by dividing the value of the total assets of each portfolio properly allocable to such class of Shares less the liabilities of such portfolio properly allocable to such class of Shares by the total number of Shares of such class outstanding on the Valuation Date. The Net Asset Value per share of each class of shares of a portfolio may differ as a result of the different fees assessed on each class of shares of such portfolio.

The assets of the Fund will be valued as follows:

- (a) Securities listed on a stock exchange or traded on any other regulated market will be valued at the last available price on such exchange or market or, if no such price is available, at the mean of the bid and asked price quoted on such day. If a security is listed on several stock exchanges or markets, the last available price on the stock exchange or market which constitutes the main market for such security will be used.

Securities are valued at their current market value determined on the basis of market quotations or, if market quotations are not readily available or are deemed unreliable, at "fair value" as determined in accordance with procedures established by, and under the general supervision of, the Management Company's Board of Directors. Fair valuation procedures are designed to adjust closing market prices of portfolio securities to reflect what is believed to be the fair value of those securities at the Portfolio's Valuation Point.

When fair valuation procedures are employed with respect to a particular portfolio security, various objective and subjective factors may be considered, including, among other things, developments affecting the security or involving an entire market since the security's latest reported price, current valuations of relevant stock indices or pronouncements of certain governmental authorities. Fair value prices based on third party vendor modeling tools may be utilized to the extent available. Therefore, when fair valuation procedures are employed, the prices of individual portfolio securities utilized to calculate the Portfolio's NAV may differ from quoted or

published prices for the same securities.

Accordingly, as may also be the case with a previously reported stock exchange price, the price of any portfolio security determined utilizing fair value pricing procedures may be materially different from the price to be realized upon the sale of such security.

For portfolio securities primarily traded on U.S. exchanges, it is expected that fair value pricing procedures will be employed only under very limited circumstances such as, for example, the early closing of an exchange on which a particular security is traded or the suspension of trading in a particular security. However, it is anticipated that fair value pricing procedures will be utilized frequently for securities traded on non-U.S. exchanges or other markets, particularly European and Asian markets, because, among other reasons, these markets close well before the Portfolio's Valuation Point. Between the close of these markets and the relevant Portfolio's Valuation Point, significant events including broad market moves may occur. In particular, events in the U.S. market on a trading day after the close of these other markets may affect the value of the Portfolio's securities.;

- (b) Securities not listed on any stock exchange, including fixed income securities, or traded on any regulated market and securities, trading of which on a stock exchange or a regulated market is thin, are valued at the most recent bid price provided by the principal market makers. If there is no such market price, or if such market price is not representative of a security's fair market value, then the security is valued in a manner determined to reflect its fair value;
- (c) Cash and other liquid assets will be valued at their face value with interest accrued to the end of the day; and
- (d) Values expressed in a currency other than the currency of the portfolio determined by the Management Regulations shall be translated to such currency at the average of the last available buying and selling price for such currency.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorized to follow other rules prudently and in good faith in order to achieve a fair valuation of the assets of the Fund.

State Street Bank (Luxembourg) S.A. has been appointed by the Management Company to make the daily determination of the Net Asset Value per Share of each class of Shares of each portfolio. The Net Asset Value in respect of a particular Valuation Point will be available at or around 6:00 p.m., U.S. Eastern time, on such Business Day. For purposes of issues and redemptions the Net Asset Value may be converted in other currencies as specified in the Offering Circular.

Restrictions on Ownership

The following sentence must be added under this section:

"However, the Management Company, in its discretion, may permit the ownership of Shares

by U.S. Persons, under certain circumstances."

Taxation

Luxembourg taxation

As from the 1st January 2002, the rate of the tax payable by the Fund in Luxembourg has been reduced from 0.06% p.a. to 0.05% p.a..

United States taxation

"In the opinion of Clifford Chance US LLP, counsel to the Fund as to matters of United States tax law, based on certain representations made by the Investment Manager and the Fund as to their intended method of operations, including representations that the Fund and its agents will not act as a "dealer" within the meaning of existing and proposed Treasury Regulations under Section 864 of the Code and will not purchase debt securities unless the Investment Manager did not participate in the negotiation of such security and the debt security is purchased in the secondary market in an arm's length transaction and provided that the Fund does not invest in certain U.S. securities described below, the Fund will not be engaged in a United States trade or business under current United States federal income tax law and, therefore, will not be subject to United States federal income tax on its net income from United States sources. An opinion of counsel is not binding on the United States Internal Revenue Service ("IRS") and it is possible that the IRS could disagree with counsel's conclusion. The Fund will be subject, however, to nonrecoverable foreign withholding taxes, including United States withholding tax on certain of its U.S. source income, with respect to certain of its portfolio investments. The acquisition of certain U.S. securities may result in the Fund being treated as engaged in a United States trade or business, including the investment by the Fund in U.S. real property interests or in certificates, units, interests or shares of a trust, partnership, or limited liability company treated as a partnership for United States tax purposes, that conducts a United States trade or business. The Fund does not currently intend to invest in these securities.

In general, shareholders who are not United States Persons and who are not engaged in a United States trade or business to which income attributable to their shareholding is effectively connected will not be subject to United States tax on distributions made by the Fund with respect to their Shares. As a general rule, such shareholders also will not be subject to United States tax with respect to gain realized from the sale or other disposition of their Shares unless, in the case of a shareholder who is an individual, such gain is earned by a shareholder who is physically present in the United States for 183 days or more during a year and certain other conditions are met."

General Information

Management regulations

"The Fund is managed by the Management Company in accordance with the Management Regulations. The Management Regulations of the Fund, dated March 8, 2001 were published in the *Mémorial* on March 20, 2001. The Management Regulations may be amended from time to time in order to create additional portfolios for the Fund or for other purposes deemed necessary by the Management Company. All amendments to the Management Regulations will be published in the *Mémorial*. The Management Regulations have been amended on April 10, 2002 and the amendment to the Management Regulations was published in the *Mémorial* on May 7, 2002. The Management Regulations in their consolidated form and such addendum or addenda thereto are on file with the Registre de Commerce et des Sociétés of Luxembourg where they may be inspected and where copies thereof may be obtained."

Auditor

The address of the auditor is amended as follows: 7, Parc d'Activités Syrdall, L-5365 Münsbach.

Documents Available for Inspection

As the Fund is registered in Switzerland, the following sentence must be added:

The Fund's prospectus, Management Regulations as well as the annual and semi-annual report may be obtained free of charge at Pictet Funds SA, bd Georges-Favon 29, 1205 Geneva, the Swiss representative of the Fund. Pictet&Cie, bd Georges-Favon 29, 1205 Geneva, is the Paying Agent in Switzerland.

Appendix A: Investment Restrictions

In case the Portfolio is registered in Taiwan, the following investment restriction should be added to Appendix A:" *Taiwan Investment Limits*. For a portfolio registered with the Taiwan Securities and Futures Commission, the following shall apply in addition to the investment restrictions set out in this Offering Circular. The total amount invested in derivatives for the purpose of risk hedging or efficient portfolio management will not exceed 15% of the net assets of such portfolio (determined in accordance with any applicable interpretations from the Taiwan Securities and Futures Commission). In calculating the percentage of derivatives for purposes of the 15% limit, where a fund invests in currency forwards and/or currency swaps for risk hedging, if: (a) the relevant hedging transactions are directly related to the investments being hedged; and (b) the amount and tenor of the hedge transactions do not exceed the amount and tenor of the investments being hedged, the amount of such currency forwards and/or currency swaps may be excluded from the calculation of the amount invested in derivatives."

Appendix B: Glossary of Defined Terms

The following definitions must be added in the Glossary of Defined Terms :

"ACM Fund"	means any collective investment undertaking distributed under the service mark "ACM" and sponsored by Alliance Capital Management L.P.
"ACM Funds Account"	means a notional account established by ACM Global Investor Services S.A. for each shareholder and reflecting all his or her shareholdings in ACM Funds.
"Offered Currency"	means the Reference Currency of the Portfolio or any other currency in which the Shares of the Portfolio are offered.
"Reference Currency"	means the USD, the currency in which the Shares of the Portfolio are denominated.
"Trade Date"	the Business Day as of which any transaction in shares (purchase, redemption, or exchange) is recorded in the shareholder register of the relevant ACM Fund as having been accepted.
"Valuation Point"	the point in time at which the Net Asset Value per share is calculated with respect to a Trade Date, being 4:00 p.m. U.S. Eastern Time on each Business Day.

Furthermore, due to a change of name of Alliance Fund Distributors, Inc. to "AllianceBernstein Investment Research and Management, Inc.", the following definitions must read as follows :

"Distribution Agreement"	means the relevant agreement between the Management Company and AllianceBernstein Investment Research and Management, Inc. relating to each of the portfolios.
"Distributor"	means ACM Fund Distributors, a division of AllianceBernstein Investment Research and Management, Inc.

The following definition is amended as follows and all the references thereto must be read accordingly:

" <i>Mémorial</i> "	means <i>Mémorial C, Recueil des Sociétés et Associations</i>
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Registrar and Transfer Agent

The registered office of the Registrar and Transfer Agent has been transferred to 18, rue Eugène Ruppert, L-2453 Luxembourg.

Market Timing

The following provisions shall apply in relation to Market Timing:

Right to restrict, reject or cancel purchase and exchange orders.

ACM Funds reserve the right to restrict, reject or cancel, without any prior notice, any purchase or exchange order for any reason, including any purchase or exchange order accepted by any shareholder's financial intermediary.

Policy regarding excessive or short duration trading.

Purchases and exchanges of shares of ACM Funds should be made for investment purposes only. ACM Funds, as a matter of policy, seek to prevent patterns of excessive purchases and redemptions or exchanges of fund shares. Such practices are commonly referred to as "market timing" or "short duration trading." ACM Funds will seek to prevent such practices to the extent they are detected by the procedures described below, subject to ACM Funds' ability to monitor purchase, redemption and exchange activity, as described under "Limitations on Ability to Detect and Curtail Excessive Trading Practices." ACM Funds, the Investment Manager, the Distributor and the Transfer Agent each reserve the right to modify this policy, including any surveillance or account blocking procedures established from time to time to effectuate this policy, at any time without notice.

- *Transaction Surveillance Procedures.* ACM Funds, through their agents, the Distributor and Transfer Agent, maintain surveillance procedures with respect to purchase, redemption and exchange activity in fund shares. This surveillance process involves scrutinizing transactions in fund shares that exceed certain monetary thresholds or numerical limits within a specified period of time. Trading activity identified by either, or a combination, of these factors, or as a result of any other information actually available at the time, will be evaluated to determine whether such activity might constitute excessive or short duration trading activity. Generally speaking, when a fund shareholder makes more than two exchange transactions in amounts of \$25,000 or more involving an ACM Fund during any 90-day period, these transactions will be identified by these surveillance procedures. Additionally, each purchase of fund shares in excess of \$25,000 followed by a redemption within certain periods of time will be similarly identified. For purposes of these transaction surveillance procedures, ACM Funds, the Distributor and Transfer Agent, may consider trading activity in multiple accounts under common ownership, control or influence. These monetary thresholds, numerical surveillance limits or surveillance procedures generally may be modified from time to time, in the discretion of ACM Funds, the Distributor or Transfer Agent.
- *Account Blocking Procedures.* When a particular transaction or pattern of transactions identified by the transaction surveillance procedures described above is determined by ACM Funds, the Distributor or Transfer Agent, in their sole discretion, to be excessive

or short duration trading in nature, the relevant fund account(s) will be immediately “blocked” with respect to any future purchase or exchange activity. However, redemptions of fund shares will continue to be permitted in accordance with the terms of the relevant ACM Fund’s current Offering Circular. In the event an account is blocked, certain account-related privileges, such as the ability to effect Automatic Investment Plan subscriptions for shares of ACM Funds, may be suspended for such account. ACM Funds accounts that are so blocked will generally remain blocked unless and until the account holder or the associated broker, dealer or other financial intermediary provides evidence or assurance acceptable to ACM Funds, the Distributor or Transfer Agent, that the account holder did not or will not in the future engage in excessive or short duration trading practices.

Limitations on ability to detect and curtail excessive trading practices.

Shareholders seeking to engage in excessive or short duration trading practices may deploy a variety of strategies to avoid detection and, despite the efforts of ACM Funds, the Distributor and Transfer Agent to detect excessive or short duration trading in fund shares, there is no guarantee that ACM Funds, the Distributor or Transfer Agent will be able to identify these shareholders or curtail their trading practices. For example, omnibus account arrangements are common forms of holding shares of a fund, particularly among certain brokers, dealers and other financial intermediaries. Entities utilizing such omnibus account arrangements may not identify customers’ trading activity in shares of a fund on an individual basis. Consequently, ACM Funds, the Distributor and Transfer Agent, may not be able to detect excessive or short duration trading in fund shares attributable to a particular investor who effects purchase and/or exchange activity in fund shares through a broker, dealer or other financial intermediary acting in an omnibus capacity. Also, there may exist multiple tiers of these entities, each utilizing an omnibus account arrangement, which may further compound the difficulty to ACM Funds, the Distributor and Transfer Agent of detecting excessive or short duration trading activity in fund shares. It is common for a substantial portion of ACM Fund shares to be held through such omnibus account arrangements. In seeking to prevent excessive or short duration trading in shares of ACM Funds, including the maintenance of any transaction surveillance or account blocking procedures, ACM Funds, the Distributor and Transfer Agent, consider the information actually available to them at the time.

Risks associated with excessive or short duration trading generally.

While ACM Funds, the Distributor and Transfer Agent will try to prevent market timing by utilizing the procedures described above, these procedures may not be successful in identifying, preventing or stopping excessive or short duration trading in all circumstances. Excessive purchases and redemptions or exchanges of shares of ACM Funds may adversely affect fund performance and the interests of long-term investors. Volatility resulting from excessive purchases and redemptions or exchanges of fund shares, especially involving large dollar amounts, may disrupt efficient portfolio management. In particular, a fund may have difficulty implementing long-term investment strategies if it is unable to anticipate what portion of assets it should retain in cash to provide liquidity to shareholders. Also, excessive purchases and redemptions or exchanges of fund shares may force a fund to maintain a disadvantageously large cash position to accommodate short duration trading activity. Further, excessive purchases and redemptions or exchanges of a fund’s shares may

force a fund to sell portfolio securities at inopportune times to raise cash to accommodate short duration trading activity.

In addition, ACM Funds may incur increased expenses if one or more shareholders engage in excessive purchase and redemption or exchange activity. For example, a fund that is forced to liquidate investments due to short duration trading activity may incur increased brokerage and tax costs without attaining any investment advantage. Similarly, a fund may bear increased administrative costs as a result of the asset level and investment volatility that accompanies patterns of short duration trading activity.

As a general matter, funds that invest in international securities may be particularly susceptible to short duration trading strategies. In addition, a shareholder engaging in a short duration strategy may target a fund that does not invest primarily in international securities. For example, a fund that invests in certain fixed-income securities such as high yield bonds or certain asset backed securities may also constitute an effective vehicle for a shareholder's short duration trading strategy

Risks resulting from imposition of account blocks in response to excessive or short duration trading activity.

A shareholder identified as having engaged in excessive or short duration trading activity and prevented from purchasing or exchanging ACM Fund shares and who does not wish to redeem his or her shares effectively may be "locked" into an investment in an ACM Fund that the shareholder did not intend to hold on a long-term basis or that may not be appropriate for the shareholder's risk profile. To rectify this situation, a shareholder with an account "blocked" due to patterns of excessive purchases and redemptions or exchanges may be forced to redeem fund shares, which could be costly if, for example, these shares decline in value before redemption, are subject to a CDSC, the shareholder recently paid a front-end sales charge or the redemption results in adverse tax consequences to the shareholder. To avoid this risk, shareholders should carefully monitor the nature and frequency of their purchases, redemptions and exchanges of fund shares.

Payment

Prospective investors are advised to follow the payment instructions set forth below as opposed to the payment information included in the Subscription Application.

Payment may be made in Dollars or Euros and can be made by telephonic transfer (or by bank wire). If an investor makes payment by telegraphic transfer, such investor should enclose a copy of the remittance instruction with his application. No responsibility will be accepted by the Management Company for reconciling investors' remittances where problems occur in transmission or as a result of inadequate details of the transfer. For remittance made by a third party, please ensure that the name of the investor is quoted.

Dollars:

Bank: Bank of America NA, New York

ABA: 026009593

For the account of : Brown Brothers Harriman & Co.

Account Number: A/C 6550802274
For the account of : F.F.C. ACM Global Subscription A/C
Account Number: A/C 6133219
*(client acct. #, name, confirm #, Portfolio, etc.)

Euros:

Bank: Bank of America NA, London
Swift Code: BOFAGB22
For the account of: Brown Brothers Harriman & Co.
Account Number: IBAN GB24 BOFA 1650 5061 8960 18
For the account of: F.F.C. ACM Global Subscription A/C
Account Number: A/C 6133219
*(client acct. #, name, confirm #, Portfolio, etc.)

*Payment information for an initial purchase should reference the confirmation number, client name and Portfolio. When making a subsequent investment, the client must reference his account number and Portfolio. For ease of identification, the wire should include as much information as possible.

Payments may also be made by cheque or banker's draft and must be sent to ACM Global Investor Services S.A. Cheques should be made payable to "ACM Bernstein Value Investments - "followed by the name of the Portfolio in which you are investing (for example, "ACM Bernstein Value Investments – American Value Portfolio"). Cheques written by a third party will not be accepted.

Legal advisers in the United States

The name of Clifford Chance Rogers & Wells LLP has been changed into Clifford Chance US LLP and its address has changed to 31 W 52nd Street, New York, New York 10019 U.S.A.

Dated September 2004

ACM Bernstein
Value Investments—

Offering Circular

April 2, 2001

American Value Portfolio

*A portfolio of ACM Bernstein Value Investments,
which is a mutual investment fund (fonds commun de
placement) organized under the laws of the Grand
Duchy of Luxembourg.*

Class I Shares

Prospective investors should inform themselves as to the legal requirements, exchange control regulations and tax consequences within the countries of their residence and domicile for the acquisition, holding or disposal of shares and any foreign exchange restrictions that may be relevant to them. Shares that are acquired by persons not entitled under the management regulations to hold them may be redeemed by the management company at the current net asset value on behalf of the Fund.

Subscription can be made only on the basis of the current Offering Circular accompanied by the latest available annual report of the Fund with respect to the Portfolio containing its audited accounts, if available, and by the latest semiannual report, if later than such annual report.

The shares referred to in the Offering Circular are offered solely on the basis of the information contained herein and in the reports and documents referred to in this Offering Circular. In connection with the offer made hereby, no person is authorized to give any information or to make any representations other than those contained in this Offering Circular or in the documents referred to herein. If given or made, such information or representations must not be relied upon as having been authorized by the Fund or the Distributor and any purchase made by any person on the basis of statements or representations which are not contained in or which are inconsistent with the information contained in this Offering Circular shall be solely at the risk of the purchaser.

This offering circular is based on the current law and practice, to the extent relevant, in the Grand Duchy of Luxembourg, the United States, the United Kingdom and certain other jurisdictions. It is subject to changes in such law and practice.

All references herein to (I) “Dollars” and to “\$” are to U.S. dollars, (II) “Euros” and “€” are to Euros and (III) “LUF” are to Luxembourg Francs.

None of the shares has been or will be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and the shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America or any of its territories or possessions or any area subject to its jurisdiction, including the Commonwealth of Puerto Rico (“United States”), or to any United States person, as defined herein under “Restrictions on Ownership.” The Fund has not been registered under the United States Investment Company Act of 1940, as amended (the “Investment Company Act”).

ACM Fund Distributors, a Division of Alliance Fund Distributors, Inc., will act as distributor of the shares of the Fund in connection with the Offering made by this Offering Circular. Applications for shares are subject to acceptance by the Fund.

This Offering Circular does not constitute an offer 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 or to anyone to whom it is unlawful to make such offer or solicitation.

This Offering Circular may not be distributed in the United Kingdom except as supplemented by the United Kingdom Supplemental Prospectus. Shares will be marketed in the United Kingdom only to certain categories of investors in accordance with the Financial Services (Promotion of Unregulated Schemes) Regulations 1991.

Any person receiving a copy of this Offering Circular should note that this Offering Circular does not constitute the full Prospectus of the Fund and accordingly does not comprise a description of all the classes of shares of the Fund currently in issue.

Table of Contents

ACM BERNSTEIN VALUE INVESTMENTS — AMERICAN VALUE PORTFOLIO

Offering Circular Summary	<i>page 4</i>
The Portfolio	<i>page 7</i>
Investment Objective and Policies	<i>page 7</i>
Special Considerations and Risks	<i>page 15</i>
Management and Administration	<i>page 16</i>
Issue and Sale of Shares	<i>page 18</i>
Additional Classes of Shares	<i>page 21</i>
Redemption and Transfer of Shares	<i>page 21</i>
Distributions	<i>page 22</i>
Exchange of Shares	<i>page 22</i>
Determination of the Net Asset Value of Shares	<i>page 23</i>
Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value	<i>page 23</i>
Fees and Expenses	<i>page 24</i>
Restrictions on Ownership	<i>page 25</i>
Taxation	<i>page 25</i>
General Information	<i>page 26</i>
Appendix A: Investment Restrictions	<i>page A-1</i>
Appendix B: Glossary of Defined Terms	<i>page B-1</i>

OFFERING CIRCULAR SUMMARY

The following summary should be read in conjunction with the more detailed information included elsewhere in this Offering Circular.

The Portfolio

ACM BERNSTEIN VALUE INVESTMENTS — AMERICAN VALUE PORTFOLIO (the “Portfolio”) is a separate portfolio of ACM Bernstein Value Investments (the “Fund”), which is a mutual investment fund (*fonds commun de placement*) organized under Part I of the law dated March 30, 1988 on collective investment undertakings. The Fund qualifies as an undertaking for collective investment in transferable securities (a “UCITS”) within the meaning of Article 1(2) of the EC Directive 85/611 of December 20, 1985. The Fund is managed in the interest of its co-owners (the “Shareholders”) by Alliance Capital (Luxembourg) S.A. (the “Management Company”), a company organized under the laws of the Grand Duchy of Luxembourg and having its registered office in Luxembourg. The assets of the Fund, including the assets of the Portfolio, are separate from those of the Management Company. All actions referred to herein as being performed by the Fund or the Portfolio will be performed by the Management Company or its agents on behalf of the Fund or the Portfolio.

Investment Objective and Policies

The investment objective of the Portfolio is to achieve long-term capital growth by investing primarily in securities of large, well-established, high quality “blue chip” U.S. companies that are determined by Alliance Capital Management L.P. (the “Investment Manager”) to be undervalued.

The Investment Manager believes that, over time, a company’s stock price will come to reflect its intrinsic economic value. The Investment Manager’s fundamental value approach to equity investing generally defines value by reference to the relationship between a security’s current price and its intrinsic economic value as measured by long-term earnings prospects. Within the U.S. market, this approach seeks to identify, in the first instance, a universe of securities that are considered to be undervalued because they are attractively priced relative to their future earnings power.

Within the value investment framework, the Portfolio intends to invest substantially all of its assets in equity securities of U.S. companies, and under normal market conditions the Portfolio typically expects to invest at least 80% of its total assets in such securities. The Portfolio will invest primarily in a diversified portfolio of approximately 70 – 90 equity securities of established U.S. companies under normal market conditions.

The Portfolio may also invest up to 15% of its total assets in securities of non-U.S. companies.

The Portfolio will invest primarily in common and preferred stocks, but may also invest in warrants and convertible securities of U.S. and non-U.S. issuers, including sponsored or unsponsored American Depository Receipts (“ADRs”) and Global Depository Receipts (“GDRs”) or their equivalent.

A “U.S. company” is a company that (i) is organized and conducting business in the United States, or (ii) derives a majority of its revenue from business in the United States, or (iii) is primarily listed on a U.S. stock exchange.

The Portfolio may seek to hedge against securities market and currency fluctuations through the use of listed futures and options and over-the-counter (“OTC”) derivatives, including swaps, options and currency transactions.

There can be no assurance that the Portfolio's investment objective will be achieved. The Portfolio should be considered as a vehicle for diversification and not as a balanced investment program. See "Special Considerations and Risks."

The Offering

The Fund is offering through this Offering Circular Class I shares of the Portfolio (the "Shares"). During the Initial Offering Period (as defined herein), the Shares will be offered at an offering price of \$10 per Share or the Euro equivalent thereof as determined on the third Business Day (as defined herein) preceding the last day of the Initial Offering Period, plus a sales charge, and thereafter, the Shares will be offered at their Net Asset Value in Dollars and Euros, as the case may be, on each bank business day in Luxembourg (a "Valuation Date") plus a sales charge. The Shares are offered with no contingent deferred sales charge or distribution or shareholder servicing fees, but are subject to a dealer mark-up, not to exceed 3.00% of the amount invested. The minimum initial investment is \$1,000,000 or €1,000,000. The Shares will be offered on a continuous basis by ACM Fund Distributors (the "Distributor"), and through dealers authorized by the Distributor. See "Issue and Sale of Shares."

The initial offering period will end on April 24, 2001, unless terminated earlier by the Management Company, or unless extended for any and all subscribers (the "Initial Offering Period"). Payment for Shares subscribed for during the Initial Offering Period will be required to be made as described herein under "Issue and Sale of Shares." Following the Initial Offering Period, the Shares will be offered on a continuous basis by the Distributor, and through dealers authorized by the Distributor. See "Issue and Sale of Shares."

Distributions

The Management Company may, at its sole discretion, pay distributions to Shareholders. The Management Company currently does not intend to pay dividends with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the respective net asset value of the Shares.

Investment Manager

Alliance Capital Management L.P., a Delaware limited partnership, has been appointed as the investment manager for the Portfolio pursuant to the terms of an Investment Management Agreement between the Management Company on behalf of the Portfolio and the Investment Manager. The Investment Manager is a leading global investment adviser supervising client accounts with assets as of December 31, 2000, totaling approximately \$454 billion. The Investment Manager has thirteen offices in the United States. Subsidiaries of the Investment Manager operate out of offices in Australia, Bahrain, Canada, Egypt, France, Germany, India, Japan, Luxembourg, Russia, Singapore, South Africa, Spain, Turkey and the United Kingdom, and affiliate offices are located in Austria, Brazil, Korea, Hong Kong, Taiwan, and other locations around the globe. The Investment Manager and its subsidiaries employ approximately 4,000 persons worldwide. The Investment Manager is an indirect subsidiary of AXA Financial, Inc. ("AXA Financial"), which in turn is an indirect subsidiary of AXA, a French company. See "Management and Administration."

On October 2, 2000, the Investment Manager completed the acquisition of the business of Sanford C. Bernstein Inc. ("Bernstein"). Through its Bernstein Investment Research and Management unit, the Investment Manager provides value style asset management services to individuals and institutions. Formed in 1967 to manage private accounts, Bernstein later expanded into institutional investment management, with over \$85 billion under management for individuals and institutions as of the date of the acquisition.

Redemption and Transfer of Shares Shares may be presented to the Fund for redemption on any Valuation Date at their then current Net Asset Value. See “Redemption and Transfer of Shares.”

Except as set forth below under the heading “Restrictions on Ownership,” the Shares are freely transferable.

Fees and Expenses

	<u>Class I</u>
Initial Sales Charge*	Up to 3.00%
Management Fee**	0.10%
Investment Management Fee**	0.95%
Distribution Fee	None
Shareholder Servicing Fee	None
Contingent Deferred Sales Charge	None

* As a percentage of amount invested.

** As a percentage of average daily Net Asset Value.

State Street Bank Luxembourg S.A., as administrative agent and custodian, and ACM Global Investor Services S.A., as registrar and transfer agent, are entitled to receive out of the assets of the Portfolio a fee in accordance with the usual practice in Luxembourg. The Portfolio also bears all of its other expenses. See “Issue and Sale of Shares” and “Fees and Expenses.”

Restrictions on Ownership

Pursuant to its powers as set forth in the Management Regulations, the Management Company has resolved to restrict or prevent the ownership of Shares by any “United States Person.” The Management Company has defined “United States Person” as “a citizen or resident of the United States of America, its territories or possessions or any area subject to its jurisdiction, including any corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof, or any estate other than an estate the income of which from sources outside of the United States (which is not effectively connected with a trade or business within the United States) is not includible in gross income for United States federal income tax purposes or any trust if a court within the United States is able to exercise primary supervision over the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust.” See “Restrictions on Ownership.”

Special Considerations and Risks

An investment in the Portfolio involves certain special considerations and risks which potential investors should carefully consider prior to making any investment decision to buy Shares. An investment in Shares of the Portfolio may not be appropriate for all investors and should not be considered as a complete investment program. See “Special Considerations and Risks.”

THE PORTFOLIO

ACM BERNSTEIN VALUE INVESTMENTS — AMERICAN VALUE PORTFOLIO is a portfolio of ACM Bernstein Value Investments, which is a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg as an unincorporated co-proprietorship of its securities. The Fund qualifies as a UCITS within the meaning of Article 1(2) of the EC Directive 85/611 of December 20, 1985. The Portfolio is denominated in Dollars. The Fund, including the Portfolio, is managed in the interest of its Shareholders by the Management Company in accordance with the Fund's Management Regulations, as amended from time to time. See "General Informa-

tion — Management Regulations." The assets of the Fund, including the assets of the Portfolio, are separate from those of the Management Company. All actions referred to herein as being performed by the Fund or the Portfolio will be performed by the Management Company or its agents on behalf of the Fund or the Portfolio.

The Fund is structured as an "umbrella fund" comprising separate pools of assets (each, a "portfolio"). As of the date hereof, the Fund also offers shares in the following portfolios of ACM Bernstein Value Investments: European Value Portfolio and Global Value Portfolio.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Portfolio is to achieve long-term capital growth by investing primarily in securities of large, well-established, high quality "blue chip" U.S. companies that are determined by the Investment Manager to be undervalued.

The Investment Manager believes that, over time, a company's stock price will come to reflect its intrinsic economic value. The Investment Manager's fundamental value approach to equity investing generally defines value by reference to the relationship between a security's current price and its intrinsic economic value as measured by long-term earnings prospects. Within the U.S. market, this approach seeks to identify, in the first instance, a universe of securities that are considered to be undervalued because they are attractively priced relative to their future earnings power.

Within the value investment framework, the Portfolio intends to invest substantially all of its assets in equity securities of U.S. companies, and under normal market conditions the Portfolio typically expects to invest at least 80% of its total assets in such securities. The Portfolio will invest primarily in a diversified portfolio of approximately 70 – 90 equity securities of established U.S. companies under normal market conditions.

The Portfolio's investment policies emphasize investment in companies that are determined by the Investment Manager to be undervalued, using a disciplined value investment process grounded in the Investment Manager's research capabilities. From a primary

universe of over 500 U.S. stocks, the Investment Manager identifies equity securities whose current market prices do not reflect what the Investment Manager considers to be their intrinsic economic value.

The Investment Manager's substantial research team of company and industry analysts prepares its own earnings estimates and financial models for each company analyzed. The Investment Manager identifies and quantifies the critical variables that control a business's performance and analyzes the results in order to forecast each company's long-term prospects and expected returns including earnings growth, prospective cash flows, dividend growth and growth in book value. As one of the largest multi-national investment firms, the Investment Manager has access to considerable information concerning all of the companies followed, an in-depth understanding of the products, services, markets and competition of these companies, and a good knowledge of the management of most of the companies in its research universe.

The Investment Manager carefully reviews the research process to be sure that the analysts have appropriately considered key issues facing each company, that forecasts of a company's future are compatible with its history, and that all forecasts use consistent analytic frameworks and economic assumptions. The Investment Manager then ranks, at least weekly, each of the companies in its U.S. research universe in the relative order of disparity between their intrinsic economic value and their stock prices, with companies with the greatest disparities

receiving the highest rankings (*i.e.*, being considered the most undervalued), to arrive at a quantitatively screened list of 150 favored U.S. value stocks. From the list of 150, the Investment Manager constructs the portfolio of approximately 70-90 companies under normal market conditions, substantially all of which will rank in the top three deciles of the Investment Manager's valuation model.

Not every security deemed undervalued is subsequently purchased by the Portfolio; undervalued securities are further analyzed before being added to the Portfolio. The Investment Manager considers aggregate portfolio characteristics when deciding how much of each security to purchase for the Portfolio. The Investment Manager builds valuation and risk models to ensure that the Portfolio is constructed to obtain an effective balance of risk and return. By evaluating overall sector concentration, degree of undervaluation and other subtle similarities among investments, the Investment Manager seeks to minimize overall Portfolio volatility by favoring those top ranked securities that also tend to diversify the Portfolio's risk.

The Investment Manager recognizes that the perception of what is a "value" stock is relative and that factors considered in determining whether a stock is a "value" stock may, and often will, have differing relative significance in different phases of an economic market cycle. The Portfolio does not intend to concentrate in any particular business or industries. Rather the Portfolio will look to add value primarily through its stock selection process rather than through allocation by industry.

A disparity between a company's current stock price and the assessment of intrinsic value can arise, at least in part, as a result of adverse, short-term market reactions to recent events or trends. In order to reduce the risk that an undervalued security will be purchased before such an adverse market reaction has run its course, the Investment Manager also monitors analysts' earnings-estimate revisions so as to better time new purchases and sales of securities.

The Portfolio may also invest up to 15% of its total assets in securities of non-U.S. companies.

The Portfolio will invest primarily in common and preferred stocks, but may also invest in warrants and convertible securities of U.S. or non-U.S. issuers, including sponsored or unsponsored ADRs and GDRs or their equivalent.

A "U.S. company" is a company that (i) is organized and conducting business in the United States, or (ii) derives a majority of its revenue from business in

the United States, or (iii) is listed primarily on a U.S. stock exchange.

The Portfolio may invest up to 10% of its total assets in securities for which there is no ready market.

The Portfolio may seek to hedge against securities market and currency fluctuations through the use of listed futures and options, and OTC derivatives, including swaps, options and currency transactions.

There can be no assurance that the Portfolio's investment objective will be achieved. The Portfolio should be considered a vehicle for diversification and not as a balanced investment program. See "Special Considerations and Risks."

Types of Investments

The following specific types of investments in which the Portfolio may invest are merely illustrative and should not be construed as limiting the Portfolio's ability to invest in other types of securities discussed more generally above. The ability of the Portfolio to invest in any of the instruments or securities discussed herein is subject to the limitations contained in Appendix A.

Equity Securities. The equity securities in which the Portfolio will invest include common stock, preferred stock, securities convertible into common stock or preferred stock and equity interests in partnerships, trusts or other types of equity securities that qualify as transferable securities.

ADRs and GDRs. ADRs are depositary receipts typically issued by a U.S. bank or trust company that evidence ownership of underlying securities issued by a non-U.S. corporation. GDRs and other types of depositary receipts are typically issued by non-U.S. banks or trust companies and evidence ownership of underlying securities issued by a company which may or may not be a U.S. corporation.

Convertible Securities. Convertible securities include bonds, debentures, corporate notes and preferred stocks that are convertible into common stock. Prior to conversion, convertible securities have the same general characteristics as nonconvertible debt securities, which provide a stable stream of income with generally higher yields than those of equity securities of the same or similar issuers. The price of a convertible security will normally vary with changes in the price of the underlying stock, although the higher yield tends to make the convertible security less volatile than the underlying common stock. As with debt securities, the market value of convertible securities tends to decline as interest rates increase and increase as interest rates decline. While

convertible securities generally offer lower interest or dividend yields than nonconvertible debt securities of similar quality, they enable investors to benefit from increases in the market price of the underlying common stock.

Rights and Warrants. The Portfolio will invest in rights or warrants only if the underlying equity securities themselves are deemed appropriate by the Investment Manager for inclusion in the Portfolio. Rights and warrants entitle the holder to buy equity securities at a specific price for a specific period of time. Rights are generally issued to existing shareholders of an issuer and in some countries are referred to as “preferential subscription rights.” Rights are similar to warrants except that they have a substantially shorter duration. Rights and warrants may be considered more speculative than certain other types of investments in that they do not entitle a holder to dividends or voting rights with respect to the underlying securities nor do they represent any rights in the assets of the issuing company. The value of a right or warrant does not necessarily change with the value of the underlying security, although the value of a right or warrant may decline because of a decrease in the value of the underlying security, the passage of time or a change in perception as to the potential of the underlying security, or any combination thereof. If the market price of the underlying security is below the exercise price set forth in the warrant on the expiration date, the warrant will expire worthless. Moreover, a right or warrant ceases to have value if it is not exercised prior to the expiration date.

Equity-Linked Debt Securities. Equity-linked debt securities are securities with respect to which the amount of interest and/or principal that the issuer thereof is obligated to pay is linked to the performance of a specified index of equity securities. Such amount may be significantly greater or less than payment obligations in respect of other types of debt securities. Adverse changes in equity securities indices and other adverse changes in the securities markets may reduce payments made under, and/or the principal of, equity-linked debt securities held by the Portfolio. Furthermore, as with any debt securities, the values of equity-linked debt securities will generally vary inversely with changes in interest rates. The Portfolio’s ability to dispose of equity-linked debt securities will depend on the availability of liquid markets for such securities. Investment in equity-linked debt securities may be considered to be speculative. As with other securities, the Portfolio could lose its entire investment in equity linked debt securities.

Illiquid Securities. The Portfolio will not maintain more than 10% of its net assets (taken at market value) in illiquid securities. For this purpose, illiquid securities include, among others (a) direct placements or other securities which are subject to legal or contractual restrictions on resale or for which there is no readily available market (e.g., trading in the security is suspended or, in the case of unlisted securities, market makers do not exist or will not entertain bids or offers), (b) over-the-counter options purchased or written by the Portfolio and all assets used to cover written OTC options, and (c) repurchase agreements not terminable within seven days.

Temporary Investments. For temporary defensive purposes, the Portfolio may vary from its investment policy during periods in which conditions in securities markets or other economic or political conditions warrant. The Portfolio may reduce its position in equity securities and increase its position in debt securities, which may include short-term U.S. government securities and Dollar or non-Dollar-denominated or other short-term fixed income securities issued or guaranteed by governmental entities of any member state of the OECD, or by European, U.S. or multinational companies or supranational organizations rated AA or better by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“S&P”) or Aa or better by Moody’s Investors Service, Inc., (“Moody’s”), or the equivalent thereof by at least one internationally recognized rating organization, or if not so rated, determined by the Investment Manager to be of equivalent investment quality. The Portfolio may also hold ancillary liquid assets comprised of cash and money market instruments issued or guaranteed by such highly rated institutions provided their maturity is less than 120 days.

The Portfolio may also at any time temporarily invest funds awaiting reinvestment or held as reserves for dividends and other distributions to shareholders in money market instruments referred to above.

Additional Investment Policies

The Portfolio may, for the purpose of efficient portfolio management and to hedge against market risks, engage in various portfolio strategies subject to the restrictions set forth in the Fund’s Management Regulations (see Appendix A), including those described below. Such transactions in which the Portfolio may engage include transactions in financial futures contracts and options thereon. The Portfolio may also engage in transactions in options on portfolio securities. The Portfolio may seek to hedge its investments against currency fluctuations which

are adverse to the Dollar, the currency in which the Portfolio is denominated, by utilizing currency options, futures contracts and forward foreign exchange contracts (commonly referred to as “derivatives”). The Portfolio may not enter into such transactions for the purposes of speculation. Use of these transactions involves certain risks and there can be no assurance that the objective sought to be obtained from the use of such instruments will be achieved. See “Special Considerations and Risks.”

Options. An option gives the purchaser of the option, upon payment of a premium, the right to deliver to (in the case of a put) or receive from (in the case of a call) the writer of such option a specified amount of a security on or before a fixed date at a predetermined price. A call option written by the Portfolio is “covered” if the Portfolio owns the underlying security, has an absolute and immediate right to acquire that security it holds, or holds a call option on the underlying security with an exercise price equal to or less than that of the call option it has written. A put option written by the Portfolio is covered if the Portfolio holds a put option on the underlying securities with an exercise price equal to or greater than that of the put option it has written.

In purchasing an option, the Portfolio would be in a position to realize a gain if, during the option period, the price of the underlying security increased (in the case of a call) or decreased (in the case of a put) by an amount in excess of the premium paid; otherwise the Portfolio would experience a loss equal to the premium paid for the option.

If an option written by the Portfolio were exercised, the Portfolio would be obligated to purchase (in the case of a put) or sell (in the case of a call) the underlying security at the exercise price. The risk involved in writing an option is that, if the option were exercised, the underlying security would then be purchased or sold by the Portfolio at a disadvantageous price. These risks could be reduced by entering into a closing transaction (*i.e.*, by disposing of the option prior to its exercise). The Portfolio retains the premium received from writing a put or call option whether or not the option is exercised. The writing of covered call options could result in increases in the Portfolio turnover rate, especially during periods when market prices of the underlying securities appreciate.

The Portfolio will not write uncovered call options. The Portfolio will not write a call option if more than 10% of the Portfolio’s net assets would be committed to call options that at the time of sale have a remaining term of more than 100 days. No option will

be purchased or sold unless it is quoted on a stock exchange or dealt in on a regulated market and provided, immediately after its acquisition, the aggregate of the acquisition prices of all options held by the Portfolio (in terms of premiums paid) does not exceed 15% of the net assets of the Portfolio.

Options on Securities Indices. An option on a securities index is similar to an option on a security except that, rather than the right to take or make delivery of a security at a specified price, an option on a securities index gives the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the chosen index is greater than (in the case of a call) or less than (in the case of a put) the exercise price of the option.

Futures Contracts and Options on Futures Contracts. A “sale” of a futures contract means the acquisition of a contractual obligation to deliver the securities or foreign currencies or other commodity called for by the contract at a specified price on a specified date. A “purchase” of a futures contract means the incurring of an obligation to acquire the securities, foreign currencies or other commodity called for by the contract at a specified price on a specified date. The purchaser of a futures contract on an index agrees to take or make delivery of an amount of cash equal to the differences between a specified multiple of the value of the index on the expiration date of the contract (“current contract value”) and the price at which the contract was originally struck. No physical delivery of the securities underlying the index is made.

Options on futures contracts written or purchased by the Portfolio will be traded on U.S. or foreign exchanges or over-the-counter. These investment techniques will be used only to hedge against anticipated future changes in market conditions and interest or exchange rates which otherwise might either adversely affect the value of the securities held by the Portfolio or adversely affect the prices of securities which the Portfolio intends to purchase at a later date.

Options on Foreign Currencies. As in the case of other kinds of options, the writing of an option on a foreign currency constitutes only a partial hedge, up to the amount of the premium received, and the Portfolio could be required to purchase or sell foreign currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on a foreign currency may constitute an effective hedge against fluctuations in exchange rates although, in the event of rate movements adverse to the Portfolio’s position, it may forfeit the

entire amount of the premium plus related transaction costs.

Forward Foreign Currency Exchange Contracts. The Portfolio may purchase or sell forward contracts to minimize the risk to it from adverse changes in the relationship between the Dollar and other currencies. A forward contract is an obligation to purchase or sell a specific currency for an agreed price at a future date, and is individually negotiated and privately traded.

The Portfolio may enter into a forward contract, for example, when it enters into a contract for the purchase or sale of a security denominated in a foreign currency in order to “lock in” the Dollar price of the security (“transaction hedge”). The Portfolio will not engage in transaction hedges with respect to the currency of a particular country to an extent greater than the aggregate amount of the Portfolio’s transactions in that currency. When the Portfolio believes that a foreign currency may suffer a substantial decline against the Dollar, it may enter into a forward sale contract to sell an amount of that foreign currency approximating the value of some or all of the Portfolio’s investments denominated in such foreign currency, or when the Portfolio believes that the Dollar may suffer a substantial decline against a foreign currency, it may enter into a forward purchase contract to buy that foreign currency for a fixed dollar amount (“position hedge”). The Portfolio will not position hedge with respect to the currency of a particular country to an extent greater than the aggregate market value (at the time of making such sale) of the securities held in its portfolio denominated or quoted in that particular foreign currency. Instead of entering into a position hedge, the Portfolio may, in the alternative, enter into a forward contract to sell a different foreign currency for a fixed Dollar amount where the Portfolio believes that the Dollar value of the currency to be sold pursuant to the forward contract will fall whenever there is a decline in the Dollar value of the currency in which portfolio securities of the Portfolio are denominated (“cross-hedge”). Unanticipated changes in currency prices may result in poorer overall performance for the Portfolio than if it had not entered into such forward contracts.

Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. Such transactions also preclude the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for the Portfolio to hedge against a devaluation that is so generally anticipated that the Portfolio is not able to

contract to sell the currency at a price above the devaluation level it anticipates.

Forward Commitments. Forward commitments for the purchase or sale of securities may include purchases on a “when-issued” basis or purchases or sales on a “delayed delivery” basis. In some cases, a forward commitment may be conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, corporate reorganization or debt restructuring (*i.e.*, a “when, as and if issued” trade).

When forward commitment transactions are negotiated, the price is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. Normally, the settlement date occurs within two months after the transaction, but settlements beyond two months may be negotiated. Securities purchased or sold under a forward commitment are subject to market fluctuation, and no interest or dividends accrue to the purchaser prior to the settlement date. At the time the Portfolio intends to enter into a forward commitment, it records the transaction and thereafter reflects the value of the security purchased or, if a sale, the proceeds to be received, in determining its net asset value. Any unrealized appreciation or depreciation reflected in such valuation of a “when, as and if issued” security would be canceled in the event that the required conditions did not occur and the trade was canceled.

The use of forward commitments enables the Portfolio to protect against anticipated changes in interest rates and prices. For instance, in periods of rising interest rates and falling bond prices, the Portfolio might sell securities in its portfolio on a forward commitment basis to limit its exposure to falling prices. In periods of falling interest rates and rising bond prices, the Portfolio might sell a security in its portfolio and purchase the same or a similar security on a when-issued or forward commitment basis, thereby obtaining the benefit of currently higher cash yields. However, if the Investment Manager were to forecast incorrectly the direction of interest rate movements, the Portfolio might be required to complete such when-issued or forward transactions at price inferior to the then current market values. When-issued securities and forward commitments may be sold prior to the settlement date, but the Portfolio enters into when-issued and forward commitments only with the intention of actually receiving securities or delivering them, as the case may be. If the Portfolio chooses to dispose of the right to acquire a when-issued security prior to its acquisition or dispose of its right to deliver or receive against a forward commitment, it may incur a gain or loss. Any significant commitment of the Portfolio’s assets to the purchase of

securities on a “when, as and if issued” basis may increase the volatility of the Portfolio’s net asset value. In the event the other party to a forward commitment transaction were to default, the Portfolio might lose the opportunity to invest money at favorable rates or to dispose of securities at favorable prices.

Standby Commitment Agreements. Standby commitment agreements commit the Portfolio, for a stated period of time, to purchase a stated amount of a security that may be issued and sold to the Portfolio at the option of the issuer. The price and coupon of the security are fixed at the time of the commitment. At the time of entering into the agreement the Portfolio is paid a commitment fee, regardless of whether the security ultimately is issued, typically equal to approximately 0.5% of the aggregate purchase price of the security the Portfolio has committed to purchase. The Portfolio will enter into such agreements only for the purpose of investing in the security underlying the commitment at a yield and price considered advantageous to the Portfolio and unavailable on a firm commitment basis. The Portfolio will not enter into a standby commitment with a remaining term in excess of 45 days.

There is no guarantee that a security subject to a standby commitment will be issued and the value of the security, if issued, on the delivery date may be more or less than its purchase price. Since the issuance of the security underlying the commitment is at the option of the issuer, the Portfolio will bear the risk of capital loss in the event the value of the security declines and may not benefit from an appreciation in the value of the security during the commitment period if the issuer decides not to issue and sell the security to the Portfolio.

Currency Swaps. Currency swaps involve the individually negotiated exchange by the Portfolio with another party of a series of payments in specified currencies. A currency swap may involve the delivery at the end of the exchange period of a substantial amount of one designated currency in exchange for the other designated currency. Therefore the entire principal of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations. The net amount of the excess, if any, of the Portfolio’s obligations over its entitlements with respect to each currency swap will be accrued on a daily basis. The Portfolio will not enter into any currency swap unless the credit quality of the unsecured senior debt or the claims-paying ability of the other party thereto is rated in the highest rating category of at least one internationally recognized rating organization at the time of entering into the transaction. If there is a default by the other

party to such a transaction, the Portfolio will have contractual remedies pursuant to the agreements related to the transactions.

Repurchase Agreements. A repurchase agreement arises when a buyer purchases a security and simultaneously agrees to resell it to the vendor at an agreed-upon future date, normally a date or a few days later. The resale price is greater than the purchase price, reflecting an agreed-upon interest rate for the period the buyer’s money is invested in the security. If a vendor defaults on its repurchase obligation, the Portfolio would suffer a loss to the extent that the proceeds from the sale of the collateral were less than the repurchase price. If a vendor goes bankrupt, the Portfolio might be delayed in, or prevented from, selling the collateral for its benefit. The Investment Manager monitors the creditworthiness of the vendors with which the Portfolio enters into repurchase agreements.

Loans of Portfolio Securities. The Portfolio may make secured loans of portfolio securities to brokers, dealers and financial institutions, provided that cash, liquid high-grade debt securities issued by any member state of the OECD or bank letters of credit equal to at least 100% of the market value of the securities loaned is deposited and maintained by the borrower with the Portfolio. The risks in lending portfolio securities, as with other extensions of credit, consist of possible loss of rights in the collateral should the borrower fail financially. In determining whether to lend securities to a particular borrower, the Investment Manager will consider all relevant facts and circumstances, including the creditworthiness of the borrower. While securities are on loan, the borrower will pay the Portfolio any income earned thereon and the Portfolio may invest any cash collateral in portfolio securities, thereby earning additional income, or receive an agreed upon amount of income from a borrower who has delivered equivalent collateral. The Portfolio will have the right to regain record ownership of loaned securities or equivalent securities in order to exercise ownership rights such as voting rights, subscription rights and rights to dividends, interest or distributions. The Portfolio may pay reasonable finders’, administrative and other fees in connection with a loan.

General. The successful use of the foregoing investment practices draws upon the Investment Manager’s special skills and experience with respect to such instruments and usually depends on the Investment Manager’s ability to forecast price movements, interest rates or currency exchange rate movements correctly. Should prices, interest rates or exchange rates move

unexpectedly, the Portfolio may not achieve the anticipatory benefits of the transactions or may realize losses and thus be in a worse position than if such strategies had not been used. Unlike many exchange-traded futures contracts and options on future contracts, there are no daily price fluctuation limits with respect to certain options and forward contracts, and adverse market movements could therefore continue to an unlimited extent over a period of time. In addition, the correlation between movements in the prices of futures contracts, options and forward contracts and movements in the prices of the securities and currencies hedged or used for cover will not be perfect and could produce unanticipated losses.

The Portfolio's ability to dispose of its position in futures contracts, options and forward contracts depends on the availability of liquid markets in such instruments. Markets in options and futures with respect to a number of types of securities and currencies are relatively new and still developing, and there is no public market for forward contracts. It is impossible to predict the amount of trading interest that may exist in various types of futures contracts, options and forward contracts. If a secondary market does not exist with respect to an option purchased or written by the Portfolio, it might not be possible to effect a closing transaction in the option (*i.e.*, dispose of the option) with the result that (i) an option purchased by the Portfolio would have to be exercised in order for the Portfolio to realize any profit and (ii) the Portfolio may not be able to sell currencies or portfolio securities covering an option written by the Portfolio until the option expires or it delivers the underlying security, futures contract or currency upon exercise. Therefore, no assurance can be given that the Portfolio will be able to utilize these instruments effectively for the purposes set forth above. Furthermore, the Portfolio's ability to engage in options and futures transactions may be limited by tax considerations.

Future Developments. The Portfolio may take advantage of other investment practices that are not currently contemplated for use by the Portfolio or are not available but may yet be developed, to the extent such investment practices are consistent with the Portfolio's investment objective and legally permissible. Such investment practices, if they arise, may involve risks that exceed those involved in the practices described herein.

Management Regulations and Investment Restrictions

By acquiring Shares in the Portfolio, every Shareholder approves and fully accepts that the Management Regulations will govern the relationship among the Shareholders, the Management Company and State Street Bank Luxembourg S.A. (in such capacity, the "Custodian").

Subject to the approval of the Custodian, the Management Regulations may be amended at any time, in whole or in part. Amendments will become effective five days after their publication in the *Mémorial Recueil Spécial du Grand Duché de Luxembourg* (the "*Mémorial*"). The Management Regulations place certain restrictions and limitations on the Management Company in connection with its operation of the Fund and the Portfolio. Such restrictions and limitations are set out in Appendix A of this Offering Circular.

The Management Company may from time to time impose further investment restrictions other than those set forth in Appendix A as are compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where the Shares of the Fund are sold.

SPECIAL CONSIDERATIONS AND RISKS

The Portfolio engages in a business involving special considerations and risks, including those discussed below. There can be no assurance that the Portfolio's investment objective will be achieved or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly or annual basis. An investment in the Portfolio does not represent a complete investment program.

Special Considerations Associated with an Investment in the Portfolio

Currency. Investments that are denominated in a particular currency are subject to the risk that the value of such currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar

assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Investment Manager will take into account, and may hedge to reduce the risk of, such risks by investing in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof. The Investment Manager is not obligated to engage in such currency hedging transactions and may elect to do so in its sole discretion. Such transactions involve a significant degree of risk and the markets in which foreign exchange transactions are effected may be highly volatile. No assurance can be made that such strategies will be effective. The Portfolio is not limited in the percentage of its assets that may be denominated in currencies other than the Dollar, the currency in which the Portfolio, including the Shares, is denominated.

Although Dollars are the currency in which the Portfolio, including the Shares, will be denominated for accounting purposes, the Fund is offering through this Offering Circular the Shares for subscription and redemption in both Dollars and Euros. Therefore, both the Portfolio and holders of the Shares are subject to certain additional currency risks. For example, the Portfolio is subject to the risk of an unfavorable change in the Dollar/Euro, rate of exchange in respect of Euro subscriptions accepted by the Portfolio on a particular Valuation Date but for which actual Euro subscription amounts are not received by the Custodian until a subsequent Valuation Date. In addition, aggregate Euro subscription amounts invested by the Investment Manager on behalf of the Portfolio in Dollar-denominated securities will subject the Portfolio to additional currency risk in respect of redemptions effected in Euro if the value of the Dollar has declined relative to the Euro during the period between which any such Dollar-denominated security is purchased on behalf of the Portfolio and subsequently liquidated to effect Euro redemptions. Also, the Portfolio will be subject to the risk of a decline in the value of the Dollar relative to the Euro subsequent to a Euro redemption and prior to the payment of Euro redemption amounts to the redeeming shareholder.

Additionally, while the Shares' Net Asset Values are quoted in Euros, these values derive from each Share class' Dollar Net Asset Value, the currency in which the Portfolio is denominated, which is converted at the Dollar/Euro spot rate on each Valuation Date. Accordingly, the total return in respect of an investment in the Shares in Euros ultimately realized by a Shareholder upon redemption will be directly affected, either positively or negatively, by changes in Euro/Dollar

exchange rates from the date of subscription through the date of redemption. All expenses related to converting subscription and redemption amounts into and out of Dollars and Euros are borne by the Portfolio and attributed to the Shares.

The Distributor occasionally may arrange for foreign exchange facilities that allow investors to use certain currencies other than Dollars and Euros for subscription and redemption of Shares. Such transactions are conducted outside of the Fund and at the investor's own risk and expense. Investors utilizing such facilities may be subject to foreign exchange risks related to timing of settlement upon subscription and changes in exchange rates during the period of investment in the Fund.

Illiquid Assets. The Portfolio may invest up to 10% of its net assets in securities for which there is no ready market. See Section 5 of Appendix A.

In addition, the Portfolio may engage in futures contracts or options thereon in limited circumstances, and such instruments may also be subject to illiquid situations when market activity decreases or when a daily price fluctuation limit has been reached. Most futures exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "daily limits." During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract has increased or decreased to the limit point, positions can neither be taken nor liquidated. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Portfolio from promptly liquidating unfavorable positions and, therefore, result in losses to the Portfolio and corresponding decreases in the Net Asset Value per Share.

Certain over-the-counter instruments, for which there will be limited liquidity, will be valued for purposes of calculating net asset value based upon an average of prices taken from at least two major primary dealers. These prices will affect the price at which Shares may be redeemed or purchased. Such valuation may not be realized upon sale by the Portfolio.

Use of Derivatives. While the judicious use of derivatives by experienced investment advisers such as the Investment Manager can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in the Portfolio.

- *Market Risk* — This is the general risk attendant to all investments that the value of a particular investment will *change* in a way detrimental to the Portfolio’s interest.
- *Management Risk* — Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.
- *Credit Risk* — This is the risk that a loss may be sustained by the Portfolio as a result of the failure of another party to a derivative (usually referred to as a “counterparty”) to comply with the terms of the derivative contract. The credit risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. This guarantee is supported by a daily payment system (*i.e.*, margin requirements) operated by the clearing house in order to reduce overall credit risk. For privately negotiated derivatives, there is no similar clearing agency guarantee. Therefore, the Investment Manager will consider the creditworthiness of each counterparty to a privately negotiated derivative in evaluating potential credit risk.
- *Liquidity Risk* — Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.
- *Leverage Risk* — Since warrants, options and many derivatives (to the extent utilized) have

a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the warrant, option or derivative itself. In the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment.

- *Other Risks* — Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Portfolio. Derivatives do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to track. Consequently, the Portfolio’s use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the Portfolio’s investment objective.

Lack of Operating History. The Portfolio is recently formed and has no operating history.

Special Considerations Associated with an Investment in the Fund

No Payment of Additional Taxes or Assessments. Each holder of Shares will assume and be responsible to the proper governmental or regulatory authority for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessments or charges that may be applicable to any payment in respect of the Shares made by the Fund, the Management Company or State Street Bank Luxembourg S.A. (in such capacity, the “Administrative Agent”). Neither the Fund, the Management Company nor the Administrative Agent will pay any additional amounts to shareholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments on the Shares by the Fund, the Management Company or the Administrative Agent.

Neither the Fund, the Management Company nor the Administrative Agent will be responsible for the payment of any additional amount of withholding tax which may become payable due to an increase in any applicable withholding tax rates.

Conflicts of Interest. Potential investors should be aware that there may be situations in which the Investment Manager or its affiliates (which includes the Management Company) (“Interested Parties”) could encounter a conflict of interest in connection with the Fund. Subject as mentioned below, the Investment Manager will, in such event, have regard to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Fund, so far as practicable having regard to its obligations to other clients, when undertaking any investments where potential conflicts of interest may arise. Should a conflict of interest arise, the Investment Manager will endeavor to ensure that it is resolved fairly. Without limitation, these conflicts include the following:

(1) *Other Funds.* An Interested Party may make investments for other clients without making the same available to the Fund. In the event any investment is made in funds already managed or advised by the Investment Manager, they will be effected only on terms which either avoid or make appropriate provision for double charging of investment management or advisory fees.

To the extent that the Investment Manager deems it advisable to seek investments for the Fund and for its other client accounts in the same security at the same time, the Fund may not be able to acquire as large an allocation of

such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Allocation will be made in a manner deemed equitable by the Investment Manager, taking into account size of account, amount purchased or sold and any other factor it may deem relevant.

(2) *Services To Other Clients.* An Interested Party may enter into financial, banking, currency, advisory (including corporate finance advice) or other transactions on an arm’s-length basis with the Fund or any company in the investment portfolio of the Fund for which it may receive and retain fees.

(3) *Sales To And From The Fund.* An Interested Party may sell or purchase investments to or from the Fund, provided that (i) the sale or purchase is effected on an official stock exchange or other organized market where the purchaser or vendor is undisclosed at the time of the sale or purchase or in other circumstances where the vendor and purchaser are not identified to each other; or (ii) the terms and conditions of any such sale or purchase are effected on an arm’s-length basis and approved by the Board before such sale or purchase is effected.

(4) *Transaction With Affiliated Broker/Dealers.* The Investment Manager may, in the normal course of business, utilize the brokerage services of affiliated broker/dealers including, but not limited to, Sanford C. Bernstein & Co., LLC.

MANAGEMENT AND ADMINISTRATION

The Management Company

Alliance Capital (Luxembourg) S.A., the principal shareholder of which is Alliance Capital Management Corporation of Delaware, a wholly owned, indirect subsidiary of the Investment Manager, was organized as a *société anonyme* under the laws of the Grand Duchy of Luxembourg by notarial deed dated July 31, 1990, and published in the *Mémorial* on November 9, 1990. It has been incorporated for an undetermined period and its registered and principal office is at 35, boulevard Prince

Henri, L-1724, Luxembourg. It is registered on the Luxembourg Commercial Register under No. B 34.405.

The issued capital of the Management Company is \$420,000, divided into 4,200 registered shares with a par value of \$100 each, all of which are fully paid.

The object of the Management Company is the creation and management of collective investment undertakings on behalf of their respective shareholders. It will carry out the administration and management of the Fund on behalf of the Shareholders, including the

purchase, sale, subscription and exchange of securities, and it may exercise all rights related to the Fund's assets.

In addition to the Fund, the Management Company currently also manages ACM Global Investments, ACM Institutional Series, ACM Libor Trust, ACM Principal Protection Fund, ACM Strategic Investments, ACM Technology Hedge Investments, ACM Japan Growth Hedge Investments, ACM Global Growth Trends II Investments, ACM Japan Growth Companies Fund, ACM European Diversified Bond Fund, Andorfons Internacional, Andorfons Internacional Strategic Funds, Mansurii Doriimu, Mansurii Doriimu II and ACM Investor Series.

Investment Manager

Alliance Capital Management L.P., a Delaware limited partnership with principal offices at 1345 Avenue of the Americas, New York, New York 10105, U.S.A., has been appointed as the investment manager for the Portfolio pursuant to the terms of an Investment Management Agreement between the Management Company on behalf of the Portfolio and the Investment Manager. The Investment Management Agreement may be terminated by the Management Company on behalf of the Portfolio or by the Investment Manager upon sixty days' written notice to the other.

The Investment Manager is a leading global investment adviser supervising client accounts with assets as of December 31, 2000, totaling approximately \$454 billion, of which approximately \$91 billion is managed in value strategies. The Investment Manager has thirteen offices in the United States. Subsidiaries of the Investment Manager operate out of offices in Australia, Bahrain, Canada, Egypt, France, Germany, India, Japan, Luxembourg, Russia, Singapore, South Africa, Spain, Turkey and the United Kingdom, and affiliate offices are located in Austria, Brazil, Korea, Hong Kong, Taiwan, and other locations around the globe. The Investment Manager and its subsidiaries employ approximately 4,000 persons worldwide.

On October 2, 2000, the Investment Manager completed the acquisition of the business of Bernstein. Through its Bernstein Investment Research and Management unit, the Investment Manager provides value style asset management services to individuals and institutions. Formed in 1967 to manage private accounts, Bernstein later expanded into institutional investment management, with over \$85 billion under management for individuals and institutions as of the date of the acquisition.

The Investment Manager's clients are primarily major corporate employee benefit funds, public employee retirement systems, investment companies, foundations, endowment funds and private clients. As of December 31, 2000, there were more than 50 U.S.-registered investment companies managed by the Investment Manager, comprising over 130 separate investment portfolios. There were also more than 180 non-U.S. investment funds and products, comprising over 220 separate investment portfolios, managed by the Investment Manager and its affiliates. These investment portfolios currently have approximately 6.5 million shareholder accounts, in aggregate. As of December 31, 2000, the Investment Manager was retained as an investment manager of employee benefit fund assets for 43 of the Fortune 100 companies.

As of December 31, 2000, Alliance Capital Management Holding L.P. ("Alliance Holding") owned approximately 30% of the outstanding units of limited partnership interest in the Investment Manager ("Alliance Units"). Equity interests in Alliance Holding are traded on the New York Stock Exchange, Inc. ("NYSE") in the form of units ("Alliance Holding Units"). Alliance Capital Management Corporation ("ACMC"), an indirect wholly-owned subsidiary of AXA Financial, Inc. ("AXA Financial"), is the general partner of both the Investment Manager and Alliance Holding. As of December 31, 2000, AXA Financial, together with ACMC and certain of its other wholly-owned subsidiaries, beneficially owned approximately 2% of the outstanding Alliance Holding Units and 53% of the outstanding Alliance Units. AXA Financial, a Delaware corporation, is a wholly-owned subsidiary of AXA, a French company.

Administrative Agent and Custodian

State Street Bank Luxembourg S.A. has been appointed as the administrative agent to the Management Company pursuant to the terms of an Administration Agreement between the Management Company and the Administrative Agent (the "Administration Agreement"). In such capacity it is responsible for the general administrative functions of the Fund required by Luxembourg law, such as the calculation of the Net Asset Value of the Shares and the maintenance of accounting records. State Street Bank Luxembourg S.A. also acts as paying agent of the Fund. Either the Administrative Agent or the Management Company may terminate the Administrative Agent's appointment at any time on giving ninety days' written notice.

State Street Bank Luxembourg S.A. also has been appointed Custodian of the Fund pursuant to the terms of a Custodian Agreement between the Management Company and the Custodian (the “Custodian Agreement”). All cash and securities constituting the assets of the Fund are held by the Custodian on behalf of the Shareholders of the Fund. The Custodian may, with the approval of the Management Company, entrust banks and financial institutions with the custody of such assets. The Custodian may hold securities in fungible or non-fungible accounts with such clearing houses as the Custodian, with the approval of the Management Company, may determine. It will have the normal duties of a bank with respect to the Fund’s deposits of cash and securities held by it. The Custodian may only dispose of the assets of the Fund and make payments to third parties on behalf of the Fund on receipt of instructions from the Management Company or its appointed agents. Upon receipt of instructions from the Management Company, the Custodian will carry out all dispositions of the Fund’s assets.

Either the Custodian or the Management Company may terminate the Custodian’s appointment at any time on giving ninety days’ written notice. In the case of termination, the Management Company will appoint a new Custodian. Termination is, however, subject to the condition that a new Custodian, which is required to be appointed within two months of the notice of termination, assumes the responsibilities and

functions of the Custodian under the Management Regulations. In addition, the Custodian’s appointment will continue for such further period as may be necessary for the transfer of all assets of the Fund to the new Custodian.

The Custodian has assumed its functions and responsibilities in accordance with Articles 16 and 17 of the law of March 30, 1988 on collective investment undertakings.

State Street Bank Luxembourg S.A. maintains its registered office at 47, boulevard Royal, L-2449 Luxembourg, and is a bank organized as a *société anonyme* in and under the laws of the Grand Duchy of Luxembourg. As of December 31, 2000, its capital amounted to approximately LUF 494 million.

Registrar and Transfer Agent

ACM Global Investor Services S.A. (the “Registrar and Transfer Agent”) has been appointed to act as registrar and transfer agent of the Fund pursuant to the terms of a Registrar and Transfer Agency Agreement between the Management Company and the Registrar and Transfer Agent (the “Registrar and Transfer Agency Agreement”). In such capacity, the Registrar and Transfer Agent is responsible for processing issues, redemptions, exchanges and transfers of shares of the Fund. The Registrar and Transfer Agent is an indirect wholly owned subsidiary of the Investment Manager.

ISSUE AND SALE OF SHARES

General

The Fund is offering Class I Shares of the Portfolio through this Offering Circular. Although Dollars are the currency in which the Portfolio, including the Shares, will be denominated for accounting purposes, the Fund is offering the Shares for subscription and redemption in Dollars and Euros. The Shares being offered hereby are subject to a sales charge. The minimum initial investment is \$1,000,000 or €1,000,000. The minimum initial investment may be reduced by the Management Company in its sole discretion.

After the Initial Offering Period, Shares will be offered at their Net Asset Value in Dollars or Euros, as the case may be, on each Valuation Date, plus a sales charge. The Fund does not currently accept telegraphic

transfers, checks, bank drafts or other payment forms in any currency other than Dollars or Euros.

Pursuant to a Distribution Agreement between the Management Company and Alliance Fund Distributors, Inc. (the “Distribution Agreement”), ACM Fund Distributors, a division of Alliance Fund Distributors, Inc., acts as the Distributor for the Shares on a best efforts basis. The Distribution Agreement has an unlimited duration and may be terminated by either party upon sixty days’ notice. The Distributor may conclude contractual arrangements with other dealers for the distribution of Shares outside the United States.

The offering price of the Shares will be available for inspection at the registered offices of the Management Company and the Distributor.

The Fund retains the right to offer an additional class, or additional classes, of shares of the Fund or the Portfolio. The Fund retains the right to offer only one class of Shares for purchase by investors in any particular jurisdiction. In addition, the Fund or the Distributor may adopt standards applicable to classes of investors or transactions which permit, or limit investment to, the purchase of a particular class of Shares. Investors should consult their financial consultant for information concerning the class of Shares eligible for purchase.

Investor Information

In order to comply with the anti-money laundering laws applicable in Luxembourg, a subscriber must deliver identification documents (a certified copy of such subscriber's passport or identification card, or, if a legal entity, a certified extract of the commercial registry or companies registry together with appropriate information about beneficial owners) to the Registrar and Transfer Agent. Such identification is not required, however, if the subscription is collected by a sales agent who is established in a state which has ratified the conclusions of the report of the Financial Action Task Force on Money Laundering ("GAFI") or another jurisdiction which is subject to customer identification requirements equivalent to those prescribed in Luxembourg law.

Initial Offering Period

During the Initial Offering Period, the Shares will be offered at an offering price of \$10 per Share or the Euro equivalent thereof as determined on the third Business Day preceding the last day of the Initial Offering Period, plus a sales charge, if applicable. The Initial Offering Period will end on April 24, 2001, unless terminated earlier by the Management Company or unless extended for any and all subscribers.

Purchases After the Initial Offering Period

After the Initial Offering Period, the applicable offering price for the Shares will be based on the Net Asset Value per Share in Dollars or Euros, as the case may be, determined on each Valuation Date following the day on which the order is received by the Management Company, or on the Valuation Date if the order is received by the Management Company by 9:00 a.m., Luxembourg time, on such day. The applicable offering price for orders received by the Management Company from the Distributor or selling dealer after 9:00 a.m., Luxembourg time, will be based on the Net Asset Value per Share in Dollars or Euros, as the case may be, on the next Valuation Date. The Net Asset Value per Share is

determined as of 9:00 a.m., Luxembourg time, on each Valuation Date. The Net Asset Value per Share will be expressed in both Dollars and Euros. At the discretion of the Management Company, the Valuation Date or the foregoing times may be changed, and additional Valuation Dates and times may be designated. The Management Company will notify Shareholders of any change in the Valuation Date or the foregoing times. In the event the Management Company has suspended or postponed the Net Asset Value determination as set forth herein, the valuation on the next subsequent Valuation Date will be utilized.

Orders generally will be forwarded to the Management Company by the Distributor or selling dealer on the date received, provided the order is received by the Distributor or dealer prior to such deadline as may from time to time be established by the office in which the order is placed. Neither the Distributor nor any dealer is permitted to withhold placing orders to benefit themselves by a price change.

Class I Shares

The maximum dealer mark-up with respect to the Class I Shares is 3.00% of the amount invested, except as described below. The Distributor may fully reallocate the amount of the mark-up to dealers with whom it has agreements.

If in any country in which the Class I Shares are offered, local law or practice requires or permits a lower dealer mark-up than that listed above for any individual purchase order, the Distributor may sell Shares and may authorize dealers to sell Shares within such country with a lower dealer mark-up than the maximum set forth above.

Issuance and Settlement

Payments for Shares subscribed for during the Initial Offering Period must be received by the Fund within three Business Days after the last day of the Initial Offering Period in the manner directed by the Distributor or the Fund. Payments for Shares subscribed for after the Initial Offering Period should accompany the investor's subscription application, or, if Shares are subscribed for and purchased from or through an authorized selling dealer or the Distributor, such payment should be made in accordance with such procedures as may be adopted by such dealer and approved by the Distributor and the Fund. Different settlement periods may apply in certain jurisdictions where the Shares are sold. Payment for Shares purchased directly from the Fund are payable to the Fund at its account with the Custodian. Whole and

fractional Shares of the Fund will be issued by the Management Company, provided payment is made to the Custodian within such period as the Management Company may from time to time determine. Certificates or confirmations will be delivered by the Management Company, provided payment has been received by the Custodian.

Payment for Shares may be made in Dollars or Euros, as the case may be, (i) during the Initial Offering Period in respect of an offering price of \$10 per Share or the Euro equivalent thereof as determined on the third Business Day preceding the last day of the Initial Offering Period plus a sales charge, and (ii) thereafter, in respect of the Shares' Net Asset Value on each Valuation Date plus a sales charge. Investors will be required to provide assurances satisfactory to the Distributor, the dealer or the Fund indicating that the purchaser is not a United States Person.

Confirmation Notes and Certificates

A confirmation note is sent to the investor on the Business Day following the receipt of the investor's settlement payment, providing full details of the transaction.

All Shares are issued in registered form, and the share register is conclusive evidence of ownership. The Management Company treats the registered owner of a Share as the absolute and beneficial owner thereof. Shares are issued in uncertificated form unless a certificate is specifically requested at the time of application. The uncertificated form enables the Fund to effect redemption instructions without undue delay and consequently the Fund recommends investors to maintain their Shares in uncertificated form.

Investors are allocated a Shareholder number on acceptance of their application and this together with the Shareholder's personal details are proof of identity. This Shareholder number should be used for all future dealings by the Shareholder with the Fund.

If an investor or transferee requests Shares to be issued in certificated form, a Share certificate is sent either to him or his nominated agent (at his risk) normally within 28 days of completion of the registration process or transfer, as the case may be, of the Shares.

Any changes to the Shareholder's personal details, loss of Shareholder number or loss of certificate must be notified immediately to the Fund in writing. The Fund reserves the right to require an indemnity or verification countersigned by a bank, stockholder or other party acceptable to it before accepting such instructions.

Other Information

All Shares of a class convey, upon issue, the same rights as to redemptions and distributions. The Net Asset Value per share of each class of shares may differ as a result of the different fees assessed on each class of shares.

The Management Company may, at any time at its discretion, temporarily discontinue, cease indefinitely or limit the issue of Shares to persons or corporate bodies resident or established in certain countries or territories. The Management Company may also prohibit certain persons or corporate bodies from acquiring Shares if such a measure is necessary for the protection of the Shareholders as a whole and the Fund.

As set forth herein under the heading "Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value," the Management Company may suspend the sale of Shares. In addition, the Management Company reserves the right to suspend the sale of Shares in response to conditions in the securities markets or otherwise. Further, any order may be rejected by the Distributor or the Management Company.

The Management Company may redeem at any time Shares held by Shareholders who are excluded from purchasing or holding Shares. See "Restrictions on Ownership."

ADDITIONAL CLASSES OF SHARES

In the future, in addition to the Shares, the Fund may issue shares of other classes of the Portfolio or shares of other classes related to additional portfolios. By the addition of further portfolios, investors will be able to choose between more investment objectives (or securities denominated in particular currencies) by investing in

different classes of shares within the same investment vehicle. The ownership of a share of a specific class related to a particular portfolio affords the shareholder the opportunity of having his investment spread over the whole range of those securities held by the Fund which are attributable to such portfolio. The shares related to

the Portfolio are divided into Class S Shares, Class A Shares, Class B Shares, Class C2 Shares, Class I Shares, Class J Shares and Class AJ Shares. Only the Class I Shares are being offered pursuant to this Offering Circular. The Class A Shares, Class B Shares, Class C2

Shares, Class J Shares, Class AJ Shares and Class S Shares are, or may be, offered pursuant to separate offering circulars. All shares of the same class have equal rights as to dividends and redemptions.

REDEMPTION AND TRANSFER OF SHARES

Redemption

Shareholders may redeem their Shares on any Valuation Date (any such day, a “Redemption Date”) through the Distributor or any dealer or by transmitting an irrevocable redemption order via facsimile, telex or mail to the Management Company or the Registrar and Transfer Agent at 35, boulevard Prince Henri, L-1724, Luxembourg. The redemption order must include the number of Shares to be redeemed or the amount (in Dollars or Euros, as the case may be) of Shares to be redeemed and the Shareholder’s name and account number as registered with the Fund. Shareholders who have purchased Shares in a particular currency (either Dollars or Euros) will receive payment of the redemption price in this same currency.

The distributors and dealers may transmit redemption requests to the Fund on behalf of Shareholders, including share certificates where they have been issued to the investor.

The redemption price will be equal to the Net Asset Value per Share in Dollars or Euros, as the case may be, determined on the applicable Redemption Date, provided the redemption request is received by the Fund by 9:00 a.m., Luxembourg time, on such date.

The Management Company will endeavor to ensure, for any Redemption Date, that an appropriate level of liquidity is maintained in the Fund so that redemption of Shares in the Fund may, under normal circumstances, be made promptly on such date to Shareholders requesting redemption.

The redemption price may, depending on the Net Asset Value applicable on the date of redemption, be higher or lower than the price paid at the time of subscription.

Payment of the redemption price will be made by the Custodian or its agents in Dollars or Euros, as the

case may be, not later than three Luxembourg bank business days after the relevant Redemption Date, provided that (i) a redemption order has been received by the Management Company in appropriate form within the notice period and (ii) the certificates (if issued) for the Shares to be redeemed have been received by the Management Company prior to such Redemption Date. A redemption order is not treated as valid unless it is in respect of shares for which the issue price has been fully paid. Payments can be made only to the Shareholder or broker-dealer of record; third party payments cannot be made. For fastest service, it is recommended that payments be made by wire transfer, although payment by check is also available.

The Management Company may limit the redemption of Shares in the event the Fund receives on any Valuation Date requests to redeem more than 10% of the shares of the Portfolio outstanding on such date, in which case shares of the Portfolio will be redeemed on a pro rata basis. Any part of a redemption request to which effect is not given by reason of the exercise of this power by or on behalf of the Management Company will be treated as if a request has been made in respect of the next Valuation Date and all following Valuation Dates (in relation to which the Management Company has the same power) until the original request has been satisfied in full. Any such limitation will be notified to those Shareholders who have applied for redemption.

In addition, under certain circumstances, the Management Company may suspend the right of Shareholders to redeem Shares. See “Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value.”

Transfers

Except as set forth below under the heading “Restrictions on Ownership,” the Shares are freely transferable.

DISTRIBUTIONS

The Management Company may, at its sole discretion, pay distributions to Shareholders. The Management Company does not currently intend to pay dividends

with respect to the Shares. Therefore, any net income and net realized profits attributable to the Shares will be reflected in the Net Asset Value of the Shares.

EXCHANGE OF SHARES

Exchange for Shares of Other Portfolios within ACM Bernstein Value Investments

Class I Shareholders of the Fund have the ability to exchange their Class I Shares (“original Class I Shares”) of one portfolio for Class I Shares of any other portfolio within the Fund that offers Class I Shares (“new Class I Shares”) having the same initial sales charge as the original Class I Shares. A Class I shareholder of any portfolio within the Fund may exchange his original Class I Shares, without the payment of any sales or service charge to the Fund, for new Class I Shares of any other portfolio in an amount equal to the aggregate Net Asset Value of the original Class I Shares. Presently, the other portfolios of the Fund that issue Class I Shares are the Global Value Portfolio and the European Value Portfolio.

All exchanges will be made in such a manner that, upon redemption of the Shares received in the exchange, Shareholders will be paid the redemption price in the currency in which they have purchased the Shares that were submitted for exchange, except in cases where this currency is not used as a redemption currency for the portfolio concerned. In the latter case, Shareholders will receive payment of the redemption price in respect of Shares received in the exchange in a currency used as a redemption currency for that portfolio.

All exchanges are subject to the minimum investment requirements and any other applicable terms set forth in this Offering Circular and the addenda relating to the individual portfolio within the Fund whose shares are being acquired.

An exchange is effected at the respective net asset values of the relevant shares as next determined following receipt by the portfolio whose shares are being exchanged of proper instructions and all necessary supporting documents.

Each portfolio of the Fund reserves the right to reject any order to acquire shares through exchange or

otherwise modify, restrict or terminate the exchange privilege at any time on 60 days’ notice to Shareholders.

Shareholders who hold their shares through house or omnibus accounts with brokers should contact such brokers to determine if such brokers levy any administrative fees in connection with exchanges.

Transaction costs incurred in respect of an exchange of Shares of the same class but involving different currencies will be reflected in the amount of shares realized by the investor upon exchange.

Exchange for Shares of Other ACM Funds

Shareholders may exchange their Shares for shares of certain other ACM Funds. Such exchanges are effected by means of a redemption of the existing Shares and purchase of the new shares. Exchanges for shares of a different fund may be made without the sales charges or commissions depending on the fund and the shares exchanged. Exchanges must be made only for shares priced in a like currency. Upon any exchange, the time period for purposes of calculating any contingent deferred sales charge due upon redemption will continue to be based on the date of purchase of the original Shares. For further information as to the exchange option, Shareholders should contact the Management Company or their account representative. Shareholders who hold their shares through house or omnibus accounts with brokers should contact such brokers to determine if any administrative fees in connection with exchanges apply.

Suspension of Right to Exchange Shares

Under certain circumstances, the Management Company may suspend the right of Shareholders to exchange Shares. See “Suspension of Issue, Redemption and Exchange of Shares and Calculation of Net Asset Value.”

DETERMINATION OF THE NET ASSET VALUE OF SHARES

The Net Asset Value per Share, expressed in both Dollars, the currency in which the Portfolio, including the Shares, are denominated, and Euros, will be determined by the Management Company as of 9:00 a.m., Luxembourg time, on each Valuation Date. To the extent feasible, investment income, interest payable, fees and other liabilities (including management fees) will be accrued daily.

In all cases, the Net Asset Value per Share expressed in Dollars is determined by dividing the Dollar value of the total assets of the Portfolio properly allocable to the Shares less the Dollar value of the liabilities of such Portfolio properly allocable to the Shares by the total number of Shares outstanding on the Valuation Date. To determine the Net Asset Value per Share expressed in Euros as of such Valuation Date, the Net Asset Value per Share expressed in Dollars is then converted into Euros at the relevant Euro/Dollar spot rate on each Valuation Date. The Net Asset Value per share of each class of shares may differ as a result of the different fees assessed on each class of shares.

The assets of the Fund will be valued as follows:

(a) Securities listed on a stock exchange or traded on any other regulated market will be valued at the last available price on such exchange or market or, if no such price is available, at the mean of the bid and asked price quoted on such day. If there is no such market price, or such market price is not representative of a security's fair market value, then the security is valued in a manner determined to reflect its fair value. If a security is listed on several stock exchanges or markets, the last available price on the stock exchange or market

which constitutes the main market for such security will be used;

(b) Securities not listed on any stock exchange or traded on any regulated market are valued at the mean between the most recent quoted bid and asked price provided by the principal market makers. If there is no such market price, or if such market price is not representative of a security's fair market value, then the security is valued in a manner determined to reflect its fair value;

(c) Cash and other liquid assets will be valued at their face value with interest accrued to the end of the day; and

(d) Values expressed in a currency other than Dollars shall be translated to Dollars at the average of the last available buying and selling price for such currency, which translation may give rise to a currency gain or loss.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorized to follow other rules prudently and in good faith in order to achieve a fair valuation of the assets of the Fund.

State Street Bank Luxembourg S.A. has been appointed by the Management Company to make the daily determination of Net Asset Value per Share. The Net Asset Value will be available on each Valuation Date at or around 12:00 noon, Luxembourg time. The Net Asset Value is published on each Business Day following a Valuation Date in the *Financial Times*, *The Wall Street Journal Europe*, *The Asian Wall Street Journal*, and periodically in the *Luxemburger Wort*.

SUSPENSION OF ISSUE, REDEMPTION AND EXCHANGE OF SHARES AND CALCULATION OF NET ASSET VALUE

The Management Company may temporarily suspend the determination of Net Asset Value, and consequently the issue, redemption and exchange of Shares, in any of the following events:

(a) When one or more stock exchanges or markets which provides the basis for valuing a substantial portion of the assets of the Portfolio, or when one or more foreign exchange markets in the currency in which

a substantial portion of the assets of the Portfolio are denominated, is closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;

(b) When, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Management Company, disposal of the assets of the Portfolio is not

reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;

(c) In the case of a breakdown in the normal means of communication used for the valuation of any investment of the Portfolio or if, for any reason, the value of any asset of the Portfolio may not be determined as rapidly and accurately as required; or

(d) If, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Portfolio are rendered impracticable or if purchases and sales of the Portfolio's assets cannot be effected at normal rates of exchange.

The decision to suspend temporarily the determination of the Net Asset Value of Shares of the Portfolio does not necessarily entail the same decision for the classes of shares of another portfolio, if the assets within such other portfolio are not affected to the same extent by the same circumstances.

Suspensions of the calculation of the Net Asset Value will be published in the manner prescribed for notices to Shareholders under the heading "General Information — Shareholders' Information" if such suspension is likely to exceed 10 days.

F E E S A N D E X P E N S E S

In addition to the sales charge that investors purchasing Shares may incur, the Fund and the Portfolio are also subject to on-going fees and expenses. For a discussion of the sales charge applicable to the Shares, see "Issue and Sale of Shares."

The Management Company is entitled to a management fee with respect to the Portfolio, accrued daily and payable monthly, at an annual rate of 0.10% of the average daily Net Asset Value of the Shares.

The Investment Manager is entitled to the payment of a management fee with respect to the Portfolio, accrued daily and payable monthly, at an annual rate of 0.95% of the average daily Net Asset Value of the Shares. In the event that the Investment Manager is not acting as Investment Manager for an entire month, the management fee payable by the Portfolio for such month will be prorated to reflect the portion of such month in which the Investment Manager acted as such under the Investment Management Agreement. The Investment Manager may reallow a portion of its investment management fees to distributors, dealers or other entities that assist the Investment Manager in the performance of its duties or provide services, directly or indirectly, to the Portfolio or its Shareholders.

Each of the Administrative Agent and Custodian is entitled to receive out of the assets of the Portfolio a fee in accordance with the usual practice in the Grand Duchy of Luxembourg. Such fee is a combination of asset based fees and transaction fees.

The Portfolio bears all of its other expenses, including, but not limited to, the following:

(a) All taxes which may be due on the assets and the income of the Portfolio;

(b) The reasonable disbursements and out-of-pocket expenses (including, without limitation, telephone, telex, cable and postage expenses) incurred by the Custodian and any custody charges of banks and financial institutions to which custody of assets of the Portfolio is entrusted;

(c) Usual banking fees due on transactions involving securities held in the Portfolio (such fees to be included in the acquisition price and to be deducted from the selling price);

(d) The remuneration and out-of-pocket expenses of the Registrar and Transfer Agent which will be determined on a graduated basis as a percentage of net assets, but not less than a stated amount, and will be payable monthly;

(e) Legal expenses incurred by the Management Company or the Custodian while acting in the interest of the Shareholders; and

(f) The cost of printing certificates, the cost of preparing and/or filing the Management Regulations and all other documents concerning the Portfolio, including registration statements and prospectuses, offering circulars and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Portfolio and any other costs of qualifying or registering the Shares of the Portfolio for offer or sale in any jurisdiction; the cost of preparing, in such languages as are necessary for the benefit of the Shareholders, including the beneficial holders of the

Shares, and distributing annual and semiannual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the daily Net Asset Value; the cost of preparing and distributing public notices to the Shareholders; lawyers' and auditor's fees; the costs incurred with the admission and the maintenance of the Shares on the stock exchanges on which they are listed; and all similar administrative charges, including, unless otherwise decided by the Management Company, all other expenses directly incurred in offering or distributing the Shares, including the printing costs of copies of the above-mentioned documents or reports, which are utilized by the distributors or dealers of the Shares in the course of their business activities.

All recurring charges will be charged first against income, then against capital gains and then against assets. Expenses attributable to a particular portfolio are charged to that portfolio, while expenses not

attributable to a specific portfolio will be allocated among the Fund's portfolios on such basis as the Board of Directors of the Management Company determines is fair and equitable. Different classes of shares within a portfolio will bear all expenses attributable to that class of shares, and if expenses of a portfolio are not attributable to a specific class of shares of such portfolio, such expenses will be allocated among the classes of shares of such portfolio on such basis as the Board of Directors of the Management Company determines is fair and equitable.

The initial organizational and offering expenses of the Portfolio are anticipated to be approximately \$315,000.

The Management Company expects the Portfolio's annual expense ratio to be comparable to that of other collective investment undertakings with similar investment objectives.

RESTRICTIONS ON OWNERSHIP

Pursuant to its powers as set forth in the Management Regulations, the Management Company has resolved to restrict or prevent the ownership of Shares by any "United States Person." The Management Company has defined "United States Person" as "a citizen or resident of the United States of America, its territories or possessions or any area subject to its jurisdiction, including any corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof, or any estate other than an estate the income of which from sources outside of the United States (which is not effectively connected with a trade or business within the United States) is not includible in gross income for United States federal income tax purposes or any trust if a court within the United States

is able to exercise primary supervision over the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust."

If it shall come to the attention of the Management Company at any time that Shares are beneficially owned by a United States Person, either alone or in conjunction with any other person, the Management Company, on behalf of the Fund, may in its discretion compulsorily repurchase such Shares at their redemption price as described herein. Not less than ten days after the Fund gives notice of such compulsory repurchase, the Shares will be redeemed and Shareholders will cease to be the owners of such Shares.

TAXATION

General

Prospective Shareholders should inform themselves of, and where appropriate take advice on, the laws and regulations (such as taxation and exchange controls) applicable to the subscription, purchase, redemption,

exchange, holding and realization of Shares in the place of their citizenship, residence, domicile or incorporation.

This advice is based on current law and interpretations thereof on the date of this Offering Circular. No assurance can be given that applicable tax law and interpretations thereof will not be changed in the future.

Luxembourg Taxation

The Fund is subject to Luxembourg law in respect of its tax status. Under legislation and regulations currently prevailing in the Grand Duchy of Luxembourg, the Fund is subject to an annual tax on its Net Asset Value attributable to the Shares at an annual rate of 0.06% calculated and payable quarterly. No such tax is applicable in respect of assets invested in Luxembourg undertakings for collective investment which are themselves subject to such tax. Under present law neither the Fund nor the Shareholders (except persons or companies who have their residence, registered office or a permanent establishment in Luxembourg) are subject to any Luxembourg tax on income or capital gains nor to any withholding or estate tax.

United States Taxation

In the opinion of Clifford Chance Rogers & Wells LLP, counsel to the Fund as to matters of United States tax law, based on certain representations made by the Fund as to its intended method of operations, the Fund will not be engaged in a United States trade or business

under current United States federal income tax law and, therefore, will not be subject to United States federal income tax on its net income from United States sources. An opinion of counsel is not binding on the United States Internal Revenue Service (“IRS”) and it is possible that the IRS could disagree with counsel’s conclusion. The Fund will be subject, however, to nonrecoverable foreign withholding taxes, including United States withholding tax on certain of its U.S. source income, with respect to certain of its portfolio investments.

In general, Shareholders who are not United States Persons and who are not engaged in a United States trade or business to which income attributable to their shareholding is effectively connected will not be subject to United States tax on distributions made by the Fund with respect to their Shares. As a general rule, such Shareholders also will not be subject to United States tax with respect to gain realized from the sale or other disposition of their Shares unless, in the case of a Shareholder who is an individual, such gain is earned by a Shareholder who is physically present in the United States for 183 days or more during a year.

GENERAL INFORMATION

Management Regulations

The Fund is managed by the Management Company in accordance with the Management Regulations. The Management Regulations of the Fund, dated March 8, 2001, and the addendum thereto describing the Portfolio were published in the *Mémorial* on March 21, 2001. The Management Regulations may be amended from time to time in order to create additional portfolios in the Fund or for other purposes deemed necessary by the Management Company. All amendments to the Management Regulations will be published in the *Mémorial*. Specific information regarding such amendments is contained in the addendum pertaining to a specific portfolio. The Management Regulations in their consolidated form and such addendum or addenda thereto are on file with the *Greffé du Tribunal d'Arrondissement de Luxembourg* where they may be inspected and where copies thereof may be obtained.

Indemnifications

The Management Company has, in general, agreed to indemnify, out of the assets of the Portfolio, each service provider to the Portfolio for any loss, liability or other

expense (including reasonable attorneys’ fees) incurred by such service provider in connection with the performance of its services in good faith to the Portfolio.

Listing

The Shares are listed on the Luxembourg Stock Exchange as and when issued. Trading in the Fund’s Shares on the Luxembourg Stock Exchange will be conducted in accordance with its rules and regulations and subject to the payment of normal brokerage fees. There can be no assurance that a trading market for the Shares will develop or continue.

Auditor

The Statutory Auditor of the Management Company is KPMG Audit, 31 Allee Scheffer, L-2520, Luxembourg.

The Management Company has appointed Ernst & Young, Independent Public Accountants, rue Richard Coudenhove-Kalergi, L-1359, Luxembourg, as authorized auditor of the Fund. Ernst & Young will, with respect to the assets of the Fund, carry out the duties prescribed by the Luxembourg law of March 30, 1988, regarding collective investment undertakings.

Duration of the Fund, Liquidation, Amalgamation

The Fund and the various portfolios have been established for an indefinite period. Shareholders, their heirs and any other beneficiaries may not demand the dissolution or division of the Fund or of a portfolio. A portfolio will be dissolved in the event the total net assets of the portfolio fall below \$10 million if the Management Company determines that because of the portfolio's size it is no longer economical to operate the portfolio. Notice of dissolution will be given in three successive monthly announcements in the *Mémorial* and in three newspapers, including those referred to below in "Shareholders' Information." No shares of such portfolio may be issued after the date of such decision of the Management Company and the Custodian. The Fund will be dissolved when the last portfolio is dissolved. In the event of the liquidation of the last portfolio, the Management Company will realize the assets of that portfolio in the best interest of the Shareholders, and the Custodian will distribute the net liquidation proceeds corresponding to each class of shares of that portfolio, after deduction of liquidation charges and expenses, to the holders of shares of each class in the proportion of the respective rights of each class, all in accordance with the directions of the Management Company.

Liquidation proceeds which cannot be distributed to the persons entitled thereto at the close of liquidation will be deposited with the *Caisse des Consignations* in Luxembourg until the applicable prescription period shall have elapsed.

If the Management Company decides to dissolve any portfolio without terminating the Fund, it will refund to the holders of shares of each class of such portfolio the full net asset value of the shares within each class of such portfolio. Such action will be publicized by the Management Company and the proceeds of the refund will be deposited with the Custodian for a period of six months for collection by the former shareholders who will be entitled thereto and thereafter at the *Caisse des Consignations* in Luxembourg.

By decision of the Management Company, two or more portfolios may be amalgamated and the corresponding class of shares converted into shares of the corresponding class of another portfolio. The rights of the different share classes will in such event be determined in the proportion of the respective net asset values. Notice of such an amalgamation will be given at least one month prior thereto in order to allow investors to request redemption of their shares if they do not wish to participate in the portfolio so established.

Governing Language

English will be the governing language of the Management Regulations, provided, however, that the Management Company and the Custodian may, on behalf of themselves and the Fund, consider as binding the translation into languages of the countries in which the Shares of the Fund are offered and sold with respect to Shares sold to investors in such countries.

Applicable Law and Jurisdiction

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg and any dispute arising between the Shareholders, the Management Company and the Custodian will be subject to the jurisdiction of the District Court of Luxembourg.

Notwithstanding the foregoing, the Management Company and the Custodian may subject themselves and the Fund to the jurisdiction of the courts of the countries in which the Shares of the Fund are offered and sold with respect to claims by investors resident in such countries, and with respect to matters relating to subscriptions and repurchases by Shareholders resident in such countries, to the laws of such countries.

The claims of the Shareholders against the Management Company or the Custodian will lapse five years after the date of the event which gave rise to such claims.

Accounting Year

The accounts of the Portfolio are closed each year at the end of May. The accounts of the Portfolio are kept in Dollars.

Shareholders' Information

Audited annual reports and unaudited semiannual reports will be published and made available to the Shareholders at no cost to them at the offices of the Management Company and the Custodian. Copies of such annual and semiannual reports will also be sent to the Shareholders at their registered addresses. The first unaudited semi-annual report in respect of the Portfolio will be prepared for the period ending November 30, 2001, and the first audited annual report in respect of the Portfolio will be prepared for the period ending May 31, 2002.

Any other financial information to be published concerning any portfolio of the Fund or the Management Company, including the daily Net Asset Value of the shares of any class of any portfolio and any suspension of such valuation, will be made available to the

Shareholders at no cost to them at the offices of the Management Company and the Custodian.

The Net Asset Value and the issue and redemption prices of Shares are available to the public at the offices of the Management Company and the Custodian.

All notices to Shareholders will be published in the *Financial Times*, in a newspaper in Luxembourg and, if required, in the *Mémorial*, and/or in such other newspaper(s) of general circulation in such countries as the Management Company may from time to time determine.

Shareholder Meetings

The Management Regulations do not provide for meetings of shareholders, and the Fund does not intend to call any such meetings.

Documents Available for Inspection

The following documents will be available for inspection during normal business hours at the office of the Management Company:

- (1) The Management Regulations;
- (2) The Custodian Agreement between the Management Company and the Custodian;

- (3) The Administration Agreement between the Management Company and the Administrative Agent;

- (4) The Investment Management Agreement between the Management Company and the Investment Manager relating to the Portfolio;

- (5) The Articles of the Management Company;

- (6) The Distribution Agreement between the Management Company and the Distributor relating to the Portfolio;

- (7) The Registrar and Transfer Agency Agreement between the Management Company and the Registrar and Transfer Agent;

- (8) The latest semiannual and annual reports relating to the Portfolio; and

- (9) The consolidated prospectus of the Fund, containing such addendum or addenda as are from time to time attached thereto.

Copies of the consolidated prospectus of the Fund, the Management Regulations and the latest reports may be obtained at the office of the Management Company without cost.

APPENDIX A: INVESTMENT RESTRICTIONS

The following restrictions apply individually to each portfolio of the Fund and not in aggregate to the Fund as a whole, unless specifically so stated. The Management Regulations place the following restrictions on the Management Company:

(1) The Fund may not borrow money except from banks on a temporary basis, which includes for purposes of redeeming Shares, and only if the aggregate of the amount borrowed would not exceed 10% of the value of the total net assets of the portfolio concerned, provided, however, that this restriction shall not prevent the Fund from entering into swap arrangements in order to acquire foreign exchange;

(2) The Fund may not mortgage, pledge, hypothecate or in any manner transfer, as security for indebtedness, any securities owned or held by the Fund except as may be necessary in connection with (i) borrowings mentioned in (1) above, and then such mortgaging, pledging or hypothecating may not exceed 10% of the total net assets of the portfolio concerned, and/or (ii) margin requirements which the Fund may have with respect to its transactions in forward or futures contracts or in options, and/or (iii) swap transactions;

(3) Without prejudice to other provisions contained herein, the Fund may not grant loans to or act as a guarantor on behalf of third parties;

(4) The Fund may not invest in the securities of any single issuer if more than 10% of the total net assets of the portfolio concerned would consist of the securities of such issuer, provided that the total value of the securities held by the Fund in issuers in which it invests more than 5% of the total net assets of a portfolio may not exceed, at the time of any investment, 40% of the total net assets of such portfolio, provided further that:

(i) the above limit of 10% shall be 35% in respect of the securities issued or guaranteed by any Member State of the European Union (“EU”) or any local authority thereof, or public international bodies of which one or more Member States of the EU are members or any other national government;

(ii) the securities referred to in subparagraph (i) shall not be included in applying the limit of 40% set forth in this paragraph; and

(iii) notwithstanding the foregoing, the Fund may invest up to 100% of the assets of

any portfolio 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 Member States are members, or by any member state of the OECD, provided that the Fund holds within such portfolio securities from at least six different issues, and securities from any one issue shall not account for more than 30% of the total net assets of such portfolio;

(5) The Fund may not invest in securities which are not quoted securities or which cannot be readily resold because of legal or contractual restrictions or which are not otherwise readily marketable or in 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 be accurately determined at any Valuation Date, if, regarding all such securities, more than 10% of the total net assets of the portfolio concerned would be invested in such securities as a result of such transaction.

For this purpose “quoted securities” means:

(i) transferable securities admitted to official listing on a recognized stock exchange in any Member State of the EU;

(ii) transferable securities admitted to official listing on a recognized stock exchange in any other country of Europe, Asia, Oceania, Africa or the American continents;

(iii) transferable securities dealt in or on another regulated market within the EU as well as any of the countries referred to above, provided that such market operates regularly and is recognized and open to the public; and

(iv) recently issued transferable securities provided the terms of the issue provide that application be made for admission to the official listing on any of the stock exchanges or regulated markets referred to above and such admission is secured within a year of issue;

(6) The Fund may not purchase securities of any issuer if, upon such purchase, the Fund owns more than 10% of any class of the securities of such issuer, or if as a result of such purchase the Management Company may exercise a significant influence over the management of the issuer, provided that this limit shall not apply to

(i) securities issued or guaranteed by any Member State of the EU or any local authority thereof, or issued by public international bodies of which one or more Member States of the EU are members or issued or guaranteed by any member state of the OECD, or (ii) 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, if 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 of March 30, 1988 on collective investment undertakings. Further, the Management Company may not purchase shares of any company if, upon such purchase, the Fund, together with other funds which are managed by the Management Company, would in the aggregate own more than 15% of the outstanding shares of such company;

(7) The Fund may not underwrite or subunderwrite securities of other issuers except to the extent that, in connection with the disposition of portfolio securities, the Fund may be deemed to be an underwriter under applicable securities laws;

(8) The Fund may not purchase securities of other collective investment undertakings of the open-ended type, except in connection with a merger, consolidation, acquisition or reorganization, or otherwise to a maximum of 5% of the net assets of the portfolio concerned may be invested into collective investment undertakings qualifying as UCITS within the meaning of Article 1(2) of the EC Directive 85/611 of December 20, 1985;

(9) The Fund may not deal in options on securities unless the following limitations are observed:

(i) individual purchases of call and put options and the writing of call options shall be limited so that upon exercise thereof none of the preceding restrictions would be infringed;

(ii) put options may be written by the Fund provided adequate liquid assets are set aside until the expiry of said put options to cover the aggregate exercise price of the securities to be acquired by the Fund pursuant thereto;

(iii) call options will only be written if such writing does not result in a short position; in such event the Fund will maintain within the

relevant portfolio the underlying securities until the expiry date of the relevant call options granted by the Fund, except that the Fund may dispose of said securities in declining markets under the following circumstances:

(a) the market must be sufficiently liquid to enable the Fund to cover its position at any time;

(b) the aggregate of the exercise prices payable under such options written shall not exceed 25% of the net assets of each portfolio concerned; and

(iv) no option will be purchased or sold unless it is quoted on a stock exchange or dealt in on a regulated market and provided, immediately after its acquisition, the aggregate of the acquisition prices of all options held by the Fund (in terms of premiums paid) does not exceed 15% of the net assets of each portfolio concerned;

(10) The Fund may for the purpose of hedging currency risks hold forward currency contracts or currency futures or acquire currency options for amounts not exceeding, respectively, the aggregate value of securities and other assets held within each portfolio concerned denominated in a particular currency, provided, however, that the Fund may also purchase the currency concerned through a cross transaction (entered into through the same counterparty) or, within the same limits, enter into currency swaps, should the cost thereof be more advantageous to the Fund. Contracts on currencies must either be quoted on a stock exchange or dealt in or on a regulated market except that the Fund may enter into currency forward contracts or swap arrangements with highly rated financial institutions;

(11) The Fund may not deal in index options except that

(i) for the purpose of hedging the risk of the fluctuation of the value of the securities within a portfolio, the Fund may, on behalf of such portfolio, sell call options on stock indices or acquire put options on stock indices. In such event the value of the underlying securities included in the relevant stock index options shall not exceed, together with outstanding commitments in financial futures contracts entered into for the same purpose, the aggregate value of the portion of the assets of the portfolio concerned to be hedged; and

(ii) for the purpose of the efficient management of its securities portfolio, the Fund may acquire call options on stock indices mainly in order to facilitate changes in the allocation of the assets of a portfolio 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 within such portfolio by uncommitted cash reserves, short dated debt securities and instruments or securities to be disposed of at predetermined prices;

Such options on stock index futures must either be listed on an exchange or dealt in on a regulated market, except that the Fund may purchase or sell OTC options on financial instruments, if such transactions are more advantageous to the Fund or if quoted options having the required features are not available, provided such transactions are made with highly rated counterparties specializing in these types of transactions. Further, the aggregate acquisition cost (in terms of premiums paid) of all options on securities and such options on interest rate futures and other financial instruments purchased by the Fund for purposes other than hedging, shall not exceed 15% of the net assets of each of the portfolios concerned;

(12) The Fund may not enter into interest rate futures contracts, deal in options on interest rates or enter into interest rate swap transactions except that

(i) for the purpose of hedging the risk of fluctuations of the value of the assets of a portfolio, the Fund may sell interest rate futures or write call options or purchase put options on interest rates or enter into interest rate swaps. Such contracts or options must be denominated in the currencies in which the assets of such portfolio are denominated, or in currencies which are likely to fluctuate in a similar manner, and they must be listed on an exchange or dealt in on a regulated market, provided, however, that interest rate swap transactions may be entered into by private agreement with highly rated financial institutions; and

(ii) for the purpose of efficient portfolio management, the Fund may enter into interest rate futures purchase contracts or acquire call options on interest rate futures, mainly in order to facilitate changes in the allocation of the assets of a portfolio 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 uncommitted cash reserves, short dated debt securities or instruments or securities to be disposed of at 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 portfolio;

Such options on interest rate futures must either be listed on an exchange or dealt in on a regulated market, except that the Fund may purchase or sell OTC options on financial instruments, if such transactions are more advantageous to the Fund or if quoted options having the required features are not available, provided such transactions are made with highly rated counterparties specializing in these types of transactions. Further, the aggregate acquisition costs (in terms of premiums paid) of all options on securities and such options on interest rate futures and other financial instruments purchased by the Fund for purposes other than hedging, shall not exceed 15% of the net assets of each of the portfolios concerned;

(13) The Fund may not deal in stock index futures except that

(i) for the purpose of hedging the risk of fluctuations of the value of the assets of a portfolio, the Fund may have outstanding commitments on behalf of such portfolio in respect of index futures sales contracts not exceeding the corresponding risk of fluctuation of the value of the corresponding portion of such assets; and

(ii) for the purpose of efficient portfolio management, the Fund may enter into index futures purchase contracts, mainly in order to facilitate changes in the allocation of a portfolio's assets between markets or in anticipation of or in a significant market sector advance, provided that sufficient uncommitted cash reserves, short dated debt securities or instruments owned by the portfolio concerned or securities to be disposed of by such portfolio 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;

provided, further, that all such index futures must either be listed on an exchange or dealt in on a regulated market;

(14) The Fund may not lend portfolio investments except against receipt of adequate security either in the form of bank guarantees of highly rated financial institutions or in the form of a pledge of cash or securities issued by governments of member states of the OECD. No securities lending may be made, except through recognized clearing houses or highly rated financial institutions specializing in these types of transactions and for more than one half of the value of the securities of each portfolio and for periods exceeding 30 days;

(15) The Fund may not purchase real estate, but the Fund may make investments in companies which invest in or own real estate;

(16) The Fund may not enter into transactions involving commodities, commodity contracts or securities representing merchandise or rights to merchandise, and for purposes hereof commodities includes precious metals, except that the Fund may purchase and sell securities that are secured by commodities and securities of companies which invest or deal in commodities and may purchase or sell futures and forward contracts (and

options thereon) on financial instruments, stock indices and foreign currencies as stated above; and

(17) The Fund may not purchase any securities on margin (except that the Fund may 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 make initial and maintenance margin deposits in respect of futures and forward contracts (and options thereon).

The Management Company need not comply with the investment limit percentages set forth above when exercising subscription rights attaching to securities which form part of the assets of the Fund.

If, by reason of subsequent fluctuations in values of the Fund's assets or as a result of the exercise of subscription rights, the investment limit percentages above are infringed, priority will be given, when sales of securities are made, to correcting the situation, having due regard to the interests of Shareholders.

The Management Company may from time to time impose further investment restrictions as are compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where the Shares of the Fund are sold.

APPENDIX B: GLOSSARY OF DEFINED TERMS

“ACMC”	means Alliance Capital Management Corporation
“Administration Agreement”	means the agreement between the Management Company and the Administrative Agent
“Administrative Agent”	means State Street Bank Luxembourg S.A.
“Alliance Holding”	means Alliance Capital Management Holding L.P.
“Alliance Holding Units”	means equity interests in Alliance Holding which are traded on the NYSE in the form of units
“Alliance Units”	means the units of limited partnership interest in the Investment Manager
“AXA Financial”	means AXA Financial, Inc., a Delaware corporation
“Bernstein”	means Sanford C. Bernstein Inc.
“Business Day”	means any day on which banks are open in Luxembourg
“Custodian”	means State Street Bank Luxembourg S.A.
“Custodian Agreement”	means the agreement between the Management Company and the Custodian
“Distribution Agreement”	means the agreement between the Management Company and Alliance Fund Distributors, Inc. relating to the Portfolio
“Distributor”	means ACM Fund Distributors, a division of Alliance Fund Distributors, Inc.
“EU”	means the European Union
“Euro”	means the European Currency Unit
“Fund”	means ACM Bernstein Value Investments, a mutual fund organized under the laws of the Grand Duchy of Luxembourg
“Initial Offering Period”	means the commencement of the offering of Shares by the Fund on the date hereof and ending on April 24, 2001, unless terminated earlier by the Management Company, or unless extended for any and all subscribers
“Interested Parties”	means the Investment Manager or its affiliates (which includes the Management Company)
“Investment Company Act”	means the United States Investment Company Act of 1940, as amended
“Investment Management Agreement”	means the agreement between the Management Company and the Investment Manager relating to the Portfolio
“Investment Manager”	means Alliance Capital Management L.P., a Delaware limited partnership
“IRS”	means the United States Internal Revenue Service
“Management Company”	means Alliance Capital (Luxembourg) S.A., a <i>société anonyme</i> organized under the laws of the Grand Duchy of Luxembourg
“ <i>Mémorial</i> ”	means the <i>Mémorial C Recueil des Sociétés et Associations</i>
“Moody’s”	means Moody’s Investors Services, Inc.
“Net Asset Value”	means the value of the total assets of the Portfolio less the liabilities of the Portfolio as described under “Determination of the Net Asset Value of Shares”
“NYSE”	means the New York Stock Exchange, Inc.
“OECD”	means the Organization for Economic Cooperation and Development
“Portfolio”	means ACM Bernstein Value Investments — American Value Portfolio, a separate portfolio of the Fund
“Redemption Date”	means each Valuation Date on which Shareholders have requested redemption of their Shares
“Registrar and Transfer Agent”	means ACM Global Investor Services S.A.
“Registrar and Transfer Agency Agreement”	means the agreement between the Management Company and the Registrar and Transfer Agent
“S&P”	means Standard & Poor’s, a division of The McGraw Hill Companies, Inc.
“SEC”	means the United States Securities and Exchange Commission

“Securities Act”	means the United States Securities Act of 1933, as amended
“Shareholders”	means the registered shareholders of the Fund
“Shares”	means (unless the context otherwise requires) the Class I Shares of the Portfolio
“UCITS”	means a fund qualifying as an undertaking for collective investment in transferable securities
“United States”	means the United States of America, its territories or possessions or any area subject to its jurisdiction
“United States Person”	means a citizen or resident of the United States of America, its territories or possessions or any area subject to its jurisdiction, including any corporation, partnership or other entity created or organized under the laws of the United States or any political subdivision thereof, or any estate other than an estate the income of which from sources outside of the United States (which is not effectively connected with a trade or business within the United States) is not includible in gross income for United States federal income tax purposes or any trust if a court within the United States is able to exercise primary supervision over the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust
“Valuation Date”	means each bank business day in Luxembourg

Management Company

Alliance Capital (Luxembourg) S.A.
35, boulevard Prince Henri
L-1724 Luxembourg

Board of Directors of the Management Company

John D. Carifa (Chairman of the Board)
President and Chief Operating Officer
Alliance Capital Management Corporation
1345 Avenue of the Americas
New York, New York 10105
U.S.A.

David R. Brewer, Jr.
Senior Vice President and General Counsel
Alliance Capital Management Corporation
1345 Avenue of the Americas
New York, New York 10105
U.S.A.

Kurt H. Schoknecht
Senior Vice President
Alliance Capital Management Corporation
1345 Avenue of the Americas
New York, New York 10105
U.S.A.

James J. Posch
Senior Vice President and Assistant
General Counsel-International
Alliance Capital Management Corporation
1345 Avenue of the Americas
New York, New York 10105
U.S.A.

Yves Prussen
Elvinger, Hoss & Prussen
2, Place Winston Churchill,
B.P. 425
L-2014 Luxembourg

Investment Manager

Alliance Capital Management L.P.
1345 Avenue of the Americas
New York, New York 10105
U.S.A.

Auditor

Ernst & Young
rue Richard Coudenhove-Kalergi
L-1359 Luxembourg

Distributor

ACM Fund Distributors
1345 Avenue of the Americas
New York, New York 10105
U.S.A.

Legal Advisers in Luxembourg

Elvinger, Hoss & Prussen
2, Place Winston Churchill
B.P. 425
L-2014 Luxembourg

Custodian and Administrative Agent

State Street Bank Luxembourg S.A.
47, boulevard Royal
L-2499 Luxembourg

Legal Advisers in the United States

Clifford Chance Rogers & Wells LLP
200 Park Avenue
New York, New York 10166
U.S.A.

Registrar and Transfer Agent

ACM Global Investor Services S.A.
35, boulevard Prince Henri
L-1724 Luxembourg

ACM VALUE INVESTMENTS

Please complete in English in **BLOCK LETTERS** and return this application form together with a photocopy of your identification card or passport to:

ACM Global Investor Services S.A.
35, boulevard Prince Henri
L-1724 Luxembourg

Telephone: (352) 46 39 36 151, Facsimile: (352) 22 68 83.

Subscription Application for ACM Bernstein Value Investments Portfolios

1. Initial Investment

Portfolio Name(s)	Class of Shares	Sales Charge*	Amount To Be Invested (Dollars, Euros, Shares)
a _____	_____	_____	_____
b _____	_____	_____	_____
c _____	_____	_____	_____

*If applicable, for example, Class A, I

2. Amount To Be Invested

Please specify whether amounts in "Initial Investment" above are expressed in Dollars Euros Shares

3. Subscriber Information

Individual/Joint Holdings 1st Holder/Corporation

Mr. Mrs. Ms. Corporation

Surname/Corporation Name Given Name

a _____

ID/Passport No.

Occupation

Home Tel.

Fax

Joint Holdings 2nd Holder

Mr. Mrs. Ms.

Surname Given Name

b _____

ID/Passport No.

Occupation

Home Tel.

Fax

c Account Address

(Must be a non-U.S. address)

Home Tel.

Office Tel.

Fax

d Mailing Address

(If different from Account Address)

Home Tel.

Office Tel.

Fax

4. Joint Holders Special Authorization

If indicated by each Holder signing below, ACM Bernstein Value Investments or its authorized agents will act upon instructions by one of the joint holders in respect of the subscription, redemption, or switching of Shares or any other matter relating to Shares in the portfolios.

Any one of the following persons are authorized to give instructions regarding the account.

a Name _____
Signature _____

b Name _____
Signature _____

5. Account Information

It may be more convenient for you to obtain information in respect of your account from ACM Fund Client Service Centers outside of Luxembourg. If you would like to be able to obtain such information at ACM Fund Client Service Centers outside of Luxembourg, please check the box next to the authorization below. If you do not check the box, your account information will not be made available to you outside of Luxembourg.

By checking here, I instruct you to give access to information regarding my account to any ACM Fund Service Center.

ACM Funds 
The Investment Professional's Choice

6. Distribution Options

Distributions reinvested Distributions in cash

Please complete the following to have the proceeds sent directly to your bank account when paying dividends on your holdings:

U.S. Correspondent Bank _____ ABA No. _____

Investor's Bank _____

Investor's Bank's Account No. _____
with U.S. Correspondent Bank _____

Name on Investor's Bank Account _____

Investor's Bank Account No. _____

7. Redemption Options

Please complete the following to have the proceeds sent directly to your bank account when redeeming your holdings:

U.S. Correspondent Bank _____ ABA No. _____

Investor's Bank _____

Investor's Bank's Account No. _____
with U.S. Correspondent Bank _____

Name on Investor's Bank Account _____

Investor's Bank Account No. _____

Signature and Certification:

In signing this application form each of the undersigned agrees, represents and warrants as follows:

For United States securities law purposes, I hereby certify to the Management Company, as the management company of the Fund that (a) I have received and read the Offering Circular with respect to each of the portfolios in which I am investing as indicated in Section 1 above and have been informed that the Offering Circular is available on request; (b) I understand and agree that the Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, and that the shares of the Fund for which I am making application to purchase as set forth in Section 1 above (the "Shares") have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any State of the United States and may not be offered, sold, transferred or delivered, directly or indirectly, in the United States or to U.S. Persons (as such terms are defined in the Offering Circular with respect to each portfolio in which I am investing as indicated in Section 1 above) at any time; (c) I am not a U.S. Person; (d) none of the funds used by me to effect the purchase of the Shares have been obtained from U.S. Persons; (e) I will not transfer any of my Shares or any interest therein to a U.S. Person; (f) I did not acquire nor will I transfer any of my Shares within the United States; (g) I will notify the Management Company immediately if I should at any time become a U.S. Person; (h) I am acquiring the Shares for investment purposes only and not with a view toward resale; (i) I was not solicited to purchase Shares while present in the United States; and (j) I did not place an order to purchase Shares while present in the United States. If the purchaser is a bank or broker, the purchaser hereby represents and warrants, when it is acquiring Shares on behalf of clients for investment purposes, that such clients are not U.S. Persons, that it will notify the Management Company if it shall come to its knowledge that any such client has become a U.S. Person, that it will not at any time knowingly transfer or deliver the Shares or any part thereof or interest therein to a U.S. Person and that it will not make any transfer thereof in the United States.

Payment

Payment may be made in Dollars or Euros and can be made by telegraphic transfer (or bank wire). If an investor makes payment by telegraphic transfer, such investor should enclose a copy of the remittance instruction with his application. No responsibility will be accepted by the Management Company for reconciling investor's remittances where problems occur in the transmission or as a result of inadequate details of the transfer. For remittances made by a third party, please ensure that the name of the investor is quoted.

Dollars:

Bank: Bank of America NA, New York
ABA: 026009593
For the account of: Brown Brothers Harriman & Co.
Account Number: 6550802274
For the account of: ACM Global Subscription Account
Account Number: 6133219
*(client acct. #, name, confirm #, portfolio, etc.)

Euros:

Bank: Bank of America NA, London
For the account of: Brown Brothers Harriman & Co.
Swift Code: BOFAGB22
Account Number: 61896018
For the account of: ACM Global Subscription Account
Account Number: 6133219
*(client acct. #, name, confirm #, portfolio, etc.)

*Payment information for an initial purchase should reference the confirmation number, client name and portfolio. When making a subsequent investment, the client must reference his account number and portfolio. For ease of identification, the wire should include as much information as possible.

Payments may also be made by cheque or banker's draft and must be sent to ACM Global Investor Services S.A. Cheques should be made payable to "ACM Bernstein Value Investments —" followed by the name of the portfolio in which you are investing (for example, "ACM Bernstein Value Investments — American Value Portfolio"). Cheques written by a third party will not be accepted.

Signature _____ *Date* _____

Signature of Joint Holder(s) _____ *Date* _____

To Be Completed by Representative

8. DEALER/AGENT REGISTRATION:

We hereby authorize ACM Global Investor Services S.A. to act as our agent in connection with transactions under this authorization form.

Dealer/Agent Name: _____ Dealer/Agent Number: _____

Representative Name: _____ Representative Number: _____

Branch Office Address: _____ Branch Office Number: _____

Signature : _____ Seal : _____