

ACM Global Investments – Short Maturity Dollar Portfolio

Addendum to the Offering Circular

dated November 2, 1999

(Class I Shares)

Shareholders are advised that the procedure set out below will apply to purchases or redemptions of Shares:

Issue and Sale of Shares - General

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.

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.

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.

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 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.

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 result of any redemption request, a Shareholder's ACM Funds Account falls below EUR 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 to 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.

Brown Brothers Harriman (Luxembourg) S.C.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.

Distributions

The language on page 5 under the heading "Distributions" in the "Offering Circular Summary" section of the Offering Circular is replaced with the following:

"The Management Company intends to declare daily and pay monthly dividends from the Portfolio's net investment income and realized capital gains attributable to the Shares, or otherwise out of capital, to the extent consistent

with low volatility of the net asset value of the Shares. Dividends automatically may be reinvested at the election of the investor."

Also, the language under the heading "Distributions" on page 24 of the Offering Circular is replaced with the following:

"The Management Company intends to declare daily and pay monthly dividends from the Portfolio's net investment income and realized capital gains attributable to the Shares, or otherwise out of capital, to the extent consistent with low volatility of the net asset value of the Shares. Dividends automatically may be reinvested at the election of the investor.

To the extent that the net income and net realized profits attributable to the Shares exceeds the amount declared payable, the excess return will be reflected in the respective Net Asset Value of the Shares.

Each distribution, if any, declared payable by the Fund to each class of shares of the Portfolio will, at the election of each Shareholder, be paid in cash or in additional shares of the relevant class of the Portfolio having an aggregate Net Asset Value as of the payment date of such distribution equal to the cash amount of such distribution. Election to receive distributions in cash or shares is made at the time shares are subscribed for and may be changed at any time prior to the record date for a particular distribution. There is no sales charge or contingent deferred sales charge in connection with the reinvestment of distributions.

Distributions not collected within five years will lapse and will accrue to the benefit of the Fund."

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 Global Investments - followed by the name of the Portfolio in which you are investing (for example, "ACM Global Investments – Short Maturity Dollar Portfolio"). Cheques written by a third party will not be accepted.

The Management Regulations

The Management Regulations of the Fund have been amended to permit the pricing of Shares as stated above. They have further been amended to provide that Portfolios are liable for indebtedness incurred by the Fund on their behalf only provided, however, that under exceptional circumstances the Management Company may undertake joint and several obligations which may be binding upon several or all Portfolios, if this is in the interest of the Shareholders concerned.

Investment Restrictions

Item (4) of the Investment Restrictions has been amended so as to read as follows:

"(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 above limit of 10% shall be 25% in respect of certain debt securities if they are issued by a credit institution whose registered office is situated in an

EU Member State and which is subject, by virtue of law, to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts resulting from the issue of such debt securities must be invested in conformity with the law in assets which sufficiently cover, during the whole period of validity of such debt securities, the liabilities arising there from and which are assigned to the preferential repayment of capital and accrued interest in the case of default by the issuer. When the Fund invests more than 5% of the assets of a portfolio in such debt securities as referred to above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of the portfolio concerned;

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

(iv) 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;"

The following paragraph should be included in Appendix A to the Offering Circular relating to the investment restrictions:

"For a portfolio registered with the Taiwan Securities and Futures Commission, the following shall apply in addition to the Investment Restrictions set out in Appendix A of the 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."

Taxation

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

Registrar and Transfer Agent

The name of the Registrar and Transfer Agent has been changed into ACM Global Investor Services S.A. and its offices have been transferred to 18, rue Eugène Ruppert, L-2453 Luxembourg.

Management Company

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

The present capital of the Management Company amounts to 420,000 Dollars.

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 European Diversified Bond Fund, ACM Strategic Investments, Andorfons Internacional, Andorfons Internacional Strategic Funds, ACM Global Growth Trends II Investments, ACM Bernstein Value Investments, ACM Investor Series and ACM Japan Growth Companies Fund."

Defined Terms

The following definitions shall 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.

"Business Day"	means each bank business day in Luxembourg.
"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. into "AllianceBernstein Investment Research and Management, Inc.", the following definitions shall read as follows:

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

Important Information

The following paragraph should be included in the "Important Information" section:

"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 semi-annual report, if later than such annual report."

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.

Switzerland

The Fund's prospectus, 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.

Legal Advisers in the United States

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

Dated September 2004

ACM Global Investments—

Short Maturity Dollar Portfolio

*A mutual investment fund organized under
the laws of the Grand Duchy of Luxembourg*

Class I Shares

Offering Circular

November 2, 1999

IMPORTANT INFORMATION

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.

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) "Euros" are to European currency units, (II) "Dollars" and "\$" are to U.S. dollars 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.

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

The Portfolio

ACM Global Investments — Short Maturity Dollar Portfolio is a portfolio of ACM Global Investments, which is a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg. 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 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 seek the highest level of current income, consistent with low volatility of net asset value, that is available from a portfolio of high quality mortgage-related and asset-backed securities. Except when the Portfolio assumes a temporary defensive position, it will have at least 65% of the value of its total assets invested in mortgage-related and asset-backed securities. The Portfolio will only purchase securities that are issued or guaranteed by the United States Government, its agencies or instrumentalities, or are rated AAA by S&P, Aaa by Moody’s or the equivalent thereof by another NRSRO or, if not rated, are of equivalent investment quality as determined by the Investment Manager. The Portfolio may also invest in United States Government Treasury securities. The Portfolio is structured to achieve relatively low volatility of net asset value approximating that of a portfolio investing in short duration bonds. The Portfolio is designed for the investor who seeks a more consistent and less volatile net asset value than characteristic of a mutual fund investing primarily in fixed-rate mortgage-related securities and asset-backed securities, and a higher yield than that of a mutual fund investing primarily in money market eligible securities. There can be no assurance that the Portfolio’s investment objective will be achieved. The Portfolio may seek to hedge against interest rate and currency risks through the use of options, futures and currency transactions. The Portfolio should be considered as a vehicle for diversification and not as a balanced investment program. See “Investment Objective and Policies.”

The Offering

The Fund is offering through this Offering Circular Class I Shares of the Portfolio. The Shares will be offered at their Net Asset Value in Euros and Dollars, as the case may be, on each Valuation Date. 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 3.0% of the purchase price. The minimum initial investment is 1,000,000 Euros or \$1,000,000. 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 intends to declare daily and pay monthly dividends equal to all or substantially all of the Fund’s net investment income and realized capital gains attributable to the Shares. Dividends may be automatically reinvested at the election of the investor.

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 June 30, 1999 totaling \$321 billion. The Investment Manager has eight offices in the United States, subsidiaries of the Investment Manager operate out of offices in Bahrain, Bangalore, Calcutta, Chennai, Istanbul, Johannesburg, London, Luxembourg, Madrid, Mumbai, New Delhi, Paris, Pune, Singapore, Sydney, Tokyo and Toronto, and affiliate offices are located in Cairo, Hong Kong, Moscow, São Paulo, Seoul, Vienna and Warsaw. The Investment Manager and its subsidiaries employ over 2,000 persons worldwide. Units representing assignments of beneficial ownership of limited partnership interests of the Investment Manager are publicly traded on the New York Stock Exchange. The Investment Manager is an indirect subsidiary of AXA Financial, Inc. (“AXA Financial”), which in turn is an indirect subsidiary of AXA, a French insurance holding company. See “Management and Administration.”

Redemption and Transfer of Shares

Shares may be presented to the Fund for redemption 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 3.0%
Management Fee**	0.10%
Investment Management Fee**	
Up to \$100,000,000	0.50%
\$100,000,000.01 – \$200,000,000	0.45%
Over \$200,000,000	0.40%
Distribution Fee	None
Shareholder Servicing Fee	None
Contingent Deferred Sales Charge	None

* As a percentage of purchase price.

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

Brown Brothers Harriman (Luxembourg) S.C.A., as administrative agent and custodian, and ACM Fund Services S.A., as registrar and transfer agent, are entitled to receive out of the assets of the Portfolio fees 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” in the pertinent resolutions 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 risks, and investors should carefully consider such risks 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.”

ACM GLOBAL INVESTMENTS — SHORT MATURITY DOLLAR PORTFOLIO is a portfolio of ACM Global Investments, which is a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg as an unincorporated coproprietorship 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 shares of the Portfolio are denominated in Dollars and offered in both Euros and Dollars. The Fund 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 Information — Management Regulations." The assets of the Fund, including the Portfolio, are separate from those of the Management Company. All actions referred to herein as being taken 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 Global Investments: American Growth Portfolio, American Income Portfolio, Developing Regional Markets Portfolio, European Growth Portfolio, European Income Opportunities Portfolio, Global Bond Portfolio, Global Growth Trends Portfolio, Global High Yield Portfolio, International Privatisation Portfolio, Privanza Global Balanced Portfolio, U.S. High Yield Portfolio, and U.S. Smaller Companies Portfolio. The Fund's consolidated prospectus is available for inspection during normal business hours at the office of the Management Company.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective of the Portfolio is to seek the highest level of current income, consistent with low volatility of net asset value, that is available from a portfolio of high quality, mortgage-related securities and asset-backed securities. Except when the Portfolio assumes a temporary defensive position, it will have at least 65% of the value of its total assets invested in mortgage-related securities and asset-backed securities. The Portfolio will only purchase securities that are issued or guaranteed by the United States Government, its agencies or instrumentalities, or are rated AAA by S&P or Aaa by Moody's or the equivalent thereof by another NRSRO or, if not rated, are of equivalent investment quality as determined by the Investment Manager. The Portfolio may also invest in United States Government Treasury securities. The Portfolio is structured to achieve relatively low volatility of net asset value approximating that of a portfolio investing in short duration bonds. The Portfolio is designed for the investor who seeks a more consistent and less volatile net asset value than characteristic of a mutual fund investing primarily in fixed-rate mortgage-related and asset-backed securities, and a higher yield than that of a mutual fund investing primarily in money market eligible securities. There can be no assurance that the Portfolio's investment objective will be achieved. The Portfolio may seek to hedge against interest rate and currency risks through the use of

options, futures and currency transactions. The Portfolio should be considered as a vehicle for diversification and not as a balanced investment program. See "Special Considerations and Risks."

In seeking to achieve its investment objective, the Portfolio will invest primarily in adjustable/floating-rate and fixed-rate mortgage-related and asset-backed securities. Adjustable rate mortgage-related securities ("adjustable rate mortgage securities" or "ARMS") and adjustable rate asset-backed securities ("adjustable rate asset-backed securities" or "ARABS") have adjustable coupon rates which reset at periodic intervals. The value of ARMS and ARABS, like other debt securities, generally varies inversely with changes in market interest rates by increasing in value during periods of declining interest rates and decreasing in value during periods of increasing interest rates. However, the value of ARMS and ARABS should generally be more resistant to price swings than fixed-rate debt securities because the coupon rates of ARMS and ARABS move with market interest rates. Accordingly, as interest rates change, the value of the Portfolio's shares should be more stable than that of funds which invest primarily in fixed-rate mortgage-related debt securities or in fixed-rate non-mortgage-related debt securities, which do not provide for adjustment in the coupon rates thereon in response to changes

in market interest rates. See “Investment Objective and Policies — Types of Investments — Adjustable Rate Mortgage Securities,” below.

When market interest rates decline, the value of a portfolio invested in short-term fixed-rate obligations can be expected to rise. Conversely, when market interest rates rise, the value of a portfolio invested in short-term fixed-rate obligations can be expected to fall. The Investment Manager seeks to provide a relatively stable net asset value by investing the Portfolio’s assets in a portfolio of securities which the Investment Manager believes, in the aggregate, will experience relatively low price volatility. In addition the maturity of portfolio securities will be kept below one year or, should the maturity exceed one year, it will be hedged back below one year by means of appropriate financial instruments. A group of mortgage-related and asset-backed securities may, in the aggregate, experience lower price volatility if, for example, the group contains adjustable/floating rate securities the value of which tend to fluctuate less significantly as compared to fixed-rate securities of comparable maturities. See “Investment Objective and Policies — Types of Investments — Adjustable Rate Mortgage Securities.”

The Fund believes that because of the nature of the Portfolio’s assets, it is not exposed to any material risk of loss as a result of default on any securities held by the Portfolio. Like all investors in interest-bearing securities, however, the Portfolio is exposed to the risk that the prices of individual securities held by it can fluctuate, in some cases significantly, in response to changes in prevailing interest rates.

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.

Pass-Through Mortgage-Related Securities. The mortgage-related securities in which the Portfolio may invest provide funds for mortgage loans made to U.S. residential home buyers. These include securities which represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage bankers and commercial banks. Pools of mortgage loans are assembled for sale to investors (such as the Portfolio) by various U.S. governmental, government-related and private organizations.

Interests in pools of mortgage-related securities differ from other forms of traditional debt securities,

which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call dates. Instead, mortgage-related securities provide a monthly payment which consists of both interest and principal. In effect, these payments are a “pass-through” of the monthly interest and principal payments made by the individual borrowers on their residential mortgage loans, net of any fees paid to the issuer, servicer or guarantor of such securities. Additional payments result from repayments of principal resulting from the sale of the underlying residential property, refinancing or foreclosure, net of fees or costs which may be incurred. Some mortgage-related securities, such as securities issued by the Government National Mortgage Association (“GNMA”), are described as “modified pass-through.” These securities entitle the holder to receive all interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether or not the mortgagors actually make mortgage payments when due.

The investment characteristics of pass-through mortgage-related securities differ from those of traditional fixed income securities. The major differences include the payment of interest and principal on the mortgage-related securities on a more frequent schedule, as described above, and the possibility that principal may be prepaid at any time due to prepayments on the underlying mortgage loans or other assets.

The occurrence of mortgage prepayments is affected by factors including the level of interest rates, general economic conditions, the location and age of the mortgage and other social and demographic conditions. Generally, prepayments on pass-through mortgage-related securities increase during periods of falling mortgage interest rates and decrease during periods of rising mortgage interest rates. Reinvestment of prepayments may occur at higher or lower interest rates than the original investment, thus affecting the yield of the Portfolio.

The principal U.S. governmental (*i.e.*, backed by the full faith and credit of the United States Government) guarantor of mortgage-related securities is GNMA. GNMA is a wholly-owned United States Government corporation within the Department of Housing and Urban Development. GNMA is authorized to guarantee, with the full faith and credit of the United States Government, the timely payment of principal and interest on securities issued by institutions approved by GNMA (such as savings and loan institutions, commercial banks and mortgage bankers) and backed by pools of Federal Housing Administration-

insured or Veterans Administration-guaranteed mortgages.

Government-related (*i.e.*, not backed by the full faith and credit of the United States Government) guarantors include the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Corporation (“FHLMC”). FNMA is a government-sponsored corporation owned entirely by private stockholders. Pass-through securities issued by FNMA are guaranteed as to timely payment of principal and interest by FNMA but are not backed by the full faith and credit of the United States Government. FHLMC is a corporate instrumentality of the United States Government. Participation certificates issued by FHLMC are guaranteed as to the timely payment of interest and ultimate (or, in some cases, timely) collection of principal but are not backed by the full faith and credit of the United States Government.

Commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers also create pass-through pools of conventional residential mortgage loans. Such issuers may also be the originators of the underlying mortgage loans as well as the guarantors of the mortgage-related securities. Pools created by such non-governmental issuers generally offer a higher rate of interest than government and government-related pools because there are no direct or indirect government guarantees of payments in the former pools. However, timely payment of interest and principal of these pools is generally supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance. The insurance and guarantees are issued by government entities, private insurers and the mortgage poolers. Such insurance and guarantees and the creditworthiness of the issuers thereof will be considered in determining whether a mortgage-related security meets the Portfolio’s investment quality standards. There can be no assurance that the private insurers can meet their obligations under the policies. The Portfolio may buy mortgage-related securities without insurance or guarantees if through an examination of the loan experience and practices of the poolers the Investment Manager determines that the securities meet the Portfolio’s quality standards. Although the market for such securities is becoming increasingly liquid, securities issued by certain private organizations may not be readily marketable.

Collateralized Mortgage Obligations and Multi-Class Pass-Through Securities. Mortgage-related securities in which the Portfolio may invest may also include

collateralized mortgage obligations (“CMOs”) and multi-class pass-through securities. CMOs are debt obligations issued by special purpose entities that are secured by mortgage-backed certificates, including, in many cases, certificates issued by governmental or government-related guarantors, including GNMA, FNMA and FHLMC, together with certain funds and other collateral. Multi-class pass-through securities are equity interests in a trust composed of mortgage loans or other mortgage-related securities. Payments of principal and interest on underlying collateral provide the funds to pay debt service on the CMO or make scheduled distributions on the multi-class pass-through security. CMOs and multi-class pass-through securities (collectively CMOs unless the context indicates otherwise) may be issued by agencies or instrumentalities of the United States Government or by private organizations. The issuer of a CMO may elect to be treated as a Real Estate Mortgage Investment Conduit (“REMIC”).

In a CMO, a series of bonds or certificates is issued in multiple classes. Each class of CMOs, often referred to as a “tranche,” is issued at a specific coupon rate and has a stated maturity or final distribution date. Principal prepayments on collateral underlying a CMO may cause it to be retired substantially earlier than the stated maturities or final distribution dates. The principal and interest on the underlying mortgages may be allocated among the several classes of a series of a CMO in many ways. In a common structure, payments of principal, including any principal prepayments, on the underlying mortgages are applied to the classes of the series of a CMO in a specified order, so that no payment of principal will be made on certain classes of a CMO until certain other classes have been paid in full.

One or more tranches of a CMO may have coupon rates which reset periodically at a specified increment over an index such as LIBOR. These adjustable rate tranches known as “floating rate CMOs” will be considered as ARMS by the Portfolio. Floating rate CMOs are typically issued with lifetime caps on the coupon rate thereon. These caps, similar to the caps on adjustable rate mortgages described in “Adjustable Rate Mortgage Securities” below represent a ceiling beyond which the coupon rate on a floating rate CMO may not be increased regardless of increases in the interest rate index to which the floating rate CMO is tied.

The Portfolio will not invest in certificates that represent residual interests in a CMO that is organized as a corporation or in a CMO that is an owner-trust if the trust documents give the trustee the power to vary the trust’s investments. In addition, the Portfolio will not

invest in certificates that represent residual interests in a REMIC.

Adjustable Rate Mortgage Securities. Adjustable rate mortgage securities in which the Portfolio may invest include (i) pass-through securities backed by adjustable rate mortgages and issued by GNMA, FNMA, FHLMC and by private organizations and (ii) floating rate CMOs. The coupon rates on ARMS are reset at periodic intervals to an increment over some predetermined interest rate index. There are three main categories of indices: (i) those based on U.S. Treasury securities, (ii) those derived from a calculated measure such as a cost of funds index or a moving average of mortgage rates and (iii) those based on short-term rates such as the London Interbank Offered Rate (“LIBOR”), Certificates of Deposit (“CDs”) or the prime rate. Many issuers have selected as indices the yields of one-, three- and five-year U.S. Treasury notes, the discount rate of six-month U.S. Treasury bills as reported in two Federal Reserve statistical releases, the monthly G.13 (415) and the weekly H.15 (519), the CD composite, the prime rate, LIBOR and other indices. Additional indices may be developed in the future. In selecting a type of ARMS for investment, the Investment Manager will also consider the liquidity of the market for such ARMS.

The underlying adjustable rate mortgages which back ARMS in which the Portfolio may invest will frequently have caps and floors which limit the maximum amount by which the loan rate to the residential borrower may change up or down (i) per reset or adjustment interval and (ii) over the life of the loan. Some residential adjustable rate mortgage loans limit periodic adjustments by limiting changes in the borrower’s monthly principal and interest payments rather than limiting interest rate changes. These payment caps may result in negative amortization, *i.e.*, an increase in the balance of the mortgage loan. ARMS in which the Portfolio may invest may also be backed by fixed-rate mortgages. Such ARMS, known as floating rate CMOs (as described above), generally have lifetime caps on the coupon rate thereon.

The ARMS in which the Portfolio may invest include pass-through mortgage-related securities backed by adjustable rate mortgages and floating rate CMOs. As described above, adjustable rate mortgages typically have caps, which limit the maximum amount by which the coupon rate may be increased or decreased at periodic intervals or over the life of the loan. Floating rate CMOs have similar lifetime caps. To the extent that interest rates rise faster than the allowable caps on ARMS, such ARMS will behave more like securities backed by fixed-

rate mortgages than by adjustable rate mortgage loans. Consequently, interest rate increases in excess of caps can be expected to cause ARMS to behave more like traditional debt securities than adjustable rate securities and, accordingly, to decline in value to a greater extent than would be the case in the absence of such caps.

As noted above, because the coupon rates on ARMS are adjusted in response to changing interest rates, fluctuations in prices of ARMS due to changes in interest rates will be less than in the case of traditional debt securities. The adjustable rate feature of ARMS will not, however, eliminate such price fluctuations, particularly during periods of extreme fluctuations in interest rates. Also, since many adjustable rate mortgages only reset on an annual basis, it can be expected that the prices of ARMS will fluctuate to the extent that changes in prevailing interest rates are not immediately reflected in the coupon rates payable on the underlying adjustable rate mortgages.

Stripped Mortgage-Related Securities. Stripped mortgage-related securities (“SMRS”) are derivative multi-class mortgage-related securities. SMRS may be issued by the United States Government, its agencies or instrumentalities, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks and special purpose subsidiaries of the foregoing.

SMRS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of GNMA, FNMA or FHLMC certificates, whole loans or private pass-through mortgage-related securities (“Mortgage Assets”). A common type of SMRS will have one class receiving some of the interest and most of the principal from the Mortgage Assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (the interest-only or “IO” class), while the other class will receive all of the principal (the principal-only or “PO” class). The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying Mortgage Assets, and a rapid rate of principal prepayments may have a material adverse effect on the yield to maturity of the IO class. The rate of principal prepayment will change as the general level of interest rates fluctuates. If the underlying Mortgage Assets experience greater than anticipated principal prepayments, the Portfolio may fail to fully recoup its initial investment in these securities, even if the securities are rated AAA by S&P or Aaa by Moody’s or the equivalent thereof by

another NRSRO. Due to their structure and underlying cash flows, SMRS may be more volatile than mortgage-related securities that are not stripped.

Asset-Backed Securities. The Portfolio may invest in certain high quality Dollar-denominated asset-backed securities. The securitization techniques used to develop mortgage-related securities are now being applied to a broad range of assets. Through the use of trusts, special purpose corporations and other vehicles, various types of assets, including automobile and credit card receivables, home equity loans and equipment leases, are being securitized in pass-through structures similar to the mortgage pass-through structures described above or in a pay-through structure similar to the CMO structure. The collateral behind asset-backed securities tends to have a controlled or limited prepayment rate. In addition, the short-term nature of asset-backed loans reduces the impact of any change in prepayment level. Due to amortization, the average life for asset-backed securities is also the conventional proxy for maturity.

Because of the possibility that prepayments (on mortgage loans, automobile loans or other collateral) will alter the cash flow on asset-backed securities, it is not possible to determine in advance the actual final maturity date or average life. Faster prepayment will shorten the average life and slower prepayments will lengthen it. However, it is possible to determine what the range of the movement could be and to calculate the effect that it will have on the price of the security. In selecting these securities, the Investment Manager will look for those securities having a final maturity of 397 days or less that offer a higher yield to compensate for any variation in average maturity.

“Zero Coupon” Treasury Securities. The Portfolio may invest in “zero coupon” Treasury securities, which are U.S. Treasury bills issued without interest coupons, U.S. Treasury notes and bonds which have been stripped of their unmatured interest coupons, and receipts or certificates representing interests in such stripped debt obligations and coupons. A zero coupon security pays no interest to its holder during its life. Its value to an investor consists of the difference between its face value at the time of maturity and the price for which it was acquired, which is generally an amount significantly less than its face value (sometimes referred to as a “deep discount” price). Such securities usually trade at a deep discount from their face or par value and will be subject to greater fluctuations of market value in response to changing interest rates than debt obligations of comparable maturities which make current distributions of interest. On the other hand, because there are no peri-

odic interest payments to be reinvested prior to maturity, zero coupon securities eliminate reinvestment risk and lock in a rate of return to maturity.

Currently the only U.S. Treasury security issued without coupons is the Treasury bill. Although the U.S. Treasury does not itself issue Treasury notes and bonds without coupons, under the U.S. Treasury STRIPS program interest and principal payments on certain long-term Treasury securities may be maintained separately in the Federal Reserve book entry system and may be separately traded and owned. In addition, in the last few years a number of banks and brokerage firms have separated (“stripped”) the principal portions (“corpus”) from the coupon portions of U.S. Treasury bonds and notes and sold them separately in the form of receipts or certificates representing interests in these instruments (which instruments are generally held by a bank in a custodial or trust account).

New Instruments. The Fund expects that new types of ARMS, other mortgage-related securities, asset-backed securities and other securities in which the Portfolio may invest will be developed and marketed from time to time. Consistent with the Portfolio’s investment objective, policies and quality standards, subject to the requirement of a listing of such securities on a recognized exchange or the trading thereof on a regulated market, the Investment Manager will consider making investments in such new types of securities.

Additional Investment Policies

The Fund’s Management Regulations contain substantial restrictions on the ability of the Fund to use certain of the instruments described below. The Fund intends to engage in these investment practices subject to the limitations set forth in Appendix A.

Futures Contracts and Options on Futures Contracts. The Portfolio may enter into contracts for the purchase or sale for future delivery of fixed-income securities, or contracts based on financial indices including any index of (i) securities issued or guaranteed by the United States Government, its agencies or instrumentalities or (ii) corporate debt securities (“futures contracts”), and may purchase and write put and call options to buy or sell futures contracts (“options on futures contracts”). A “sale” of a futures contract means the acquisition of a contractual obligation to deliver the securities called for by the contract at a specified price on a specified date. A “purchase” of a futures contract means the incurring of a contractual obligation to acquire the securities 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 difference between a specified dollar 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 fixed-income securities underlying the index is made. Options on futures contracts to be written or purchased by the Portfolio will be traded on exchanges or over-the-counter. These investment techniques will be used only to hedge against anticipated future changes in interest rates which otherwise might either adversely affect the value of the Portfolio’s portfolio securities or adversely affect the prices of securities which the Portfolio intends to purchase at a later date.

The Portfolio’s ability to dispose of its position in futures contracts and options on futures contracts will depend on the availability of liquid markets in such instruments. Markets in options and futures with respect to a number of fixed-income securities are relatively new and still developing. It is impossible to predict the amount of trading interest that may exist in various types of futures contracts and options on futures contracts. If a secondary market does not exist with respect to an option purchased or written by the Portfolio over-the-counter, 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 portfolio securities covering an option written by the Portfolio until the option expires or it delivers the underlying security or futures contract 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.

Forward Commitments. The Portfolio may enter into forward commitments for the purchase or sale of securities. Such transactions 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, which is generally expressed in yield terms, 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 delayed settlements beyond two months may be negotiated. Securities pur-

chased or sold under a forward commitment are subject to market fluctuation, and no interest accrues to the purchaser prior to the settlement date. At the time the Portfolio enters into a forward commitment, it will record the transaction and thereafter reflect 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 condition did not occur and the trade was cancelled.

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 bond prices. 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 prices less favorable than current market values. No forward commitments will be made by the Portfolio if, as a result, the Portfolio’s aggregate commitments under such transactions would be more than 30% of the then current value of the Portfolio’s total assets.

The Portfolio’s right to receive or deliver a security under a forward commitment may be sold prior to the settlement date, but the Portfolio will enter into forward commitments only with the intention of actually receiving or delivering the securities, as the case may be. If the Portfolio, however, chooses to dispose of the right to receive or deliver a security subject to a forward commitment prior to the settlement date of the transaction, it can incur a gain or loss. 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.

Interest Rate Transactions. The Portfolio may enter into interest rate swaps and may purchase or sell interest rate caps and floors. The Portfolio expects to enter into these transactions primarily to preserve a return or spread on a particular investment or portion of its portfolio. The Portfolio may also enter into these transactions to protect against any increase in the price of securities the Portfolio anticipates purchasing at a later date. The Portfolio does not intend to use these transactions in a speculative manner. Interest rate swaps involve the exchange by the Portfolio with another party of their respective commitments to pay or receive interest, *e.g.*, an exchange of floating rate payments for fixed-rate pay-

ments. The purchase of an interest rate cap entitles the purchaser, to the extent that a specified index exceeds a predetermined interest rate, to receive payments of interest on a contractually-based principal amount from the party selling the interest rate cap. The purchase of an interest rate floor entitles the purchaser, to the extent that a specified index falls below a predetermined interest rate, to receive payments of interest on a contractually-based principal amount from the party selling the interest rate floor.

The Portfolio may enter into interest rate swaps, caps and floors on an asset-based basis, and will usually enter into interest rate swaps on a net basis (*i.e.*, the two payment streams are netted out) with the Portfolio receiving or paying, as the case may be, only the net amount of the two payments. The net amount of the excess, if any, of the Portfolio's obligations over its entitlements with respect to each interest rate swap will be accrued on a daily basis and an amount of cash or liquid securities having an aggregate net asset value at least equal to the accrued excess will be maintained in a segregated account by the Portfolio's custodian. If the Portfolio enters into an interest rate swap on other than a net basis, the Portfolio would maintain a segregated account in the full amount accrued on a daily basis of the Portfolio's obligations with respect to the swap. The Portfolio will not enter into any interest rate swap, cap or floor transaction unless 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 NRSRO at the time of entering into the transaction. The Investment Manager will monitor the creditworthiness of counterparties to its interest rate swap, cap and floor transactions on an on-going basis. 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 transaction.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and agents utilizing standardized swap documentation. The Investment Manager has determined that, as a result, the swap market has become relatively liquid. The use of interest rate swaps is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its forecasts of the market values, interest rates and other applicable factors, the investment performance of the Portfolio would diminish compared with what it would have been if these investment techniques were not used. Moreover, even if the Investment Manager is correct in its forecasts,

there is a risk that the swap position may correlate imperfectly with the price of the asset or liability being hedged.

Interest rate swap transactions do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Portfolio is contractually obligated to make. If the other party to an interest rate swap defaults, the Portfolio's risk of loss consists of the net amount of interest payments that the Portfolio contractually is entitled to receive. The Portfolio may purchase and sell (*i.e.*, write) caps and floors without limitation, subject to the segregated account requirement described above and the limitations set forth in Appendix A.

Eurodollar Instruments. The Portfolio may invest in Eurodollar instruments for hedging purposes. Eurodollar instruments are essentially Dollar-denominated futures contracts or options thereon that are linked to the LIBOR. Eurodollar futures contracts enable purchasers to obtain a fixed-rate for the lending of funds and sellers to obtain a fixed rate for borrowings. The Portfolio intends to use Eurodollar futures contracts and options thereon to hedge against changes in the LIBOR to which many short-term borrowings and floating rate securities are linked. Eurodollar instruments are subject to the same limitations and risks as other futures contracts and options thereon as described above and below.

Currency Futures Contracts and Options Thereon. The Portfolio may enter into contracts for the purchase or sale for future delivery of foreign currencies ("futures contracts") and may purchase and write put and call options to buy or sell futures contracts ("options on futures contracts"). A "sale" of a futures contract means the acquisition of a contractual obligation to deliver the foreign currencies called for by the contract at a specified price on a specified date. A "purchase" of a futures contract means the incurring of a contractual obligation to acquire the foreign currencies called for by the contract at a specified price on a specified date. Although futures contracts by their terms call for the actual delivery or acquisition of currency, the Portfolio will offset its contractual obligation with respect to any futures contract before the date of the contract without having to make or take delivery of the currency. Options on futures contracts written or purchased by the Portfolio will be traded on U.S. or foreign exchanges. These investment techniques will be used only to hedge against anticipated future changes in market conditions or exchange rates which otherwise might either adversely affect the value of the Portfolio's portfolio securities or adversely affect the

prices of securities which the Portfolio intends to purchase at a later date.

The Portfolio will not enter into any futures contracts or options on futures contracts if immediately thereafter (i) the aggregate of margin deposits on all the outstanding futures contracts of the Portfolio and premiums paid on outstanding options on futures contracts would exceed 5% of the market value of the total assets of the Portfolio, or (ii) the aggregate of the market value of the outstanding futures contracts of the Portfolio and the market value of the currencies and futures contracts subject to outstanding options written by the Portfolio would exceed 50% of the market value of the total assets of the Portfolio.

Options on Foreign Currencies. The Portfolio may purchase and write put and call options on foreign currencies for the purpose of protecting against declines in the Dollar value of foreign currency-denominated portfolio securities and against increases in the Dollar cost of such securities to be acquired. Options on foreign currencies to be written or purchased by the Portfolio are traded on U.S. and non-U.S. exchanges or over-the-counter. 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. The Portfolio must offset an exchange-traded option which it has written through a closing purchase transaction. 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. The Portfolio must offset an exchange-traded option which it has purchased by entering into a closing sale transaction. In connection with options written or purchased by the Portfolio over-the-counter, the Portfolio can only look to the counterparty for purpose of offset.

Repurchase Agreements. The Portfolio may enter into "repurchase agreements," pertaining to the types of securities in which it invests, with member banks of the Federal Reserve System or "primary dealers" (as designated by the Federal Reserve Bank of New York) in U.S. Government securities. There is no percentage restriction on the Portfolio's ability to enter into repurchase agreements. The Portfolio will enter into repurchase agreements only with its custodian and such primary dealers. A repurchase agreement arises when a buyer such as the Portfolio purchases a security and simultaneously agrees to resell it to the vendor at an agreed-upon future date, normally one day or a few days

later. The resale price is greater than the purchase price, reflecting an agreed-upon interest rate which is effective for the period of time the buyer's money is invested in the security and which is related to the current market rate rather than the coupon rate on the purchased security. Such agreements permit the Portfolio to keep all of its assets at work while retaining "overnight" flexibility in pursuit of investments of a longer-term nature. The Portfolio requires continual maintenance by its custodian for its account in the Federal Reserve/Treasury Book Entry System of collateral in an amount equal to, or in excess of, the resale price. In the event a vendor defaulted on its repurchase obligation, the Portfolio might suffer a loss to the extent that the proceeds from the sale of the collateral were less than the repurchase price. In the event of a vendor's bankruptcy, the Portfolio might be delayed in, or prevented from, selling the collateral for the Portfolio's benefit.

Reverse Repurchase Agreements and Dollar Rolls. The Portfolio may also use reverse repurchase agreements and dollar rolls as part of its investment strategy. Reverse repurchase agreements involve sales by the Portfolio of portfolio assets concurrently with an agreement by the Portfolio to repurchase the same assets at a later date at a fixed price. Generally, the effect of such a transaction is that the Portfolio can recover all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement, while it will be able to keep the interest income associated with those portfolio securities. Such transactions are only advantageous if the interest cost to the Portfolio of the reverse repurchase transaction is less than the cost of obtaining the cash otherwise.

The Portfolio may enter into dollar rolls in which the Portfolio sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (*i.e.*, same type and coupon) securities on a specified future date. During the roll period, the Portfolio forgoes principal and interest paid on the securities. The Portfolio is compensated by the difference between the current sales price and the lower forward price for the future purchase (often referred to as the "drop") as well as by the interest earned on the cash proceeds of the initial sale.

The Portfolio may enter into reverse repurchase agreements and dollar rolls with highly rated financial institutions specialized in these types of transactions, provided that at any time the magnitude of such transactions will be maintained at a level such that obligations to redeem Shares of the Fund out of the assets of the Portfolio can be met. The use of reverse repurchase

agreements and dollar rolls entails risks that may be compared to long positions in futures on treasury securities and may result in losses in the event of major adverse interest rate movements. Under normal circumstances, the Portfolio does not expect to engage in reverse repurchase agreements and dollar rolls with respect to greater than 50% of the Portfolio's net assets.

Loans of Portfolio Securities. The Portfolio may make secured loans of its portfolio securities to brokers, dealers and financial institutions, provided that cash, liquid high-grade debt securities issued by any Member State of the Organization for Economic Cooperation and Development ("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 may pay reasonable finders', administrative and other fees in connection with a loan. The Portfolio will not lend portfolio securities in excess of 20% of the value of its total assets, nor will the Portfolio lend its portfolio securities to any officer, director, employee or affiliate of the Portfolio or the Investment Manager.

Illiquid Securities. The Portfolio will not maintain more than 10% of its total net assets in illiquid securities. Illiquid securities generally include (i) direct placements or other securities that are subject to legal or contractual restrictions on resale or for which there is no readily available market (e.g., when trading in the security is suspended or, in the case of unlisted securities, when market makers do not exist or will not entertain bids or offers), including many currency swaps and any assets used to cover currency swaps, (ii) over-the-counter options and assets used to cover over-the-counter options, and (iii) repurchase agreements not terminable within seven days. Securities that have legal or contractual restrictions on resale but have a readily available market are not deemed illiquid. The Investment Manager will monitor the liquidity of the portfolio securities of the Portfolio. If the Portfolio invests in illiquid securi-

ties, it may not be able to sell such securities and may not be able to realize their full value upon sale.

Portfolio Turnover. The investment activities described above are likely to result in the Portfolio engaging in a considerable amount of trading of securities held for less than one year. Accordingly, it can be expected that the Portfolio's portfolio will have a high turnover rate. The Fund anticipates that the average annual turnover in the Portfolio will be approximately 200%, subject to substantial fluctuations on a year-to-year basis. An annual turnover rate of 200% occurs, for example, when all the securities in the Portfolio's portfolio are replaced twice in a period of one year. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate; such expenses must be borne by the Portfolio and its shareholders. High portfolio turnover also may result in the realization of substantial net short-term capital gain.

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 interest rate or currency exchange rate movements correctly, depending on the instrument being used. Should interest rates or exchange rates move in an unexpected manner, the Portfolio may not achieve the anticipated benefits of futures contracts, options on futures contracts or options contracts or may realize losses and thus be in a worse position than if such strategies had not been used. Furthermore, unlike many exchange-traded futures contracts and options on futures contracts, there are no daily price fluctuation limits with respect to options on currencies, and adverse market movements could therefore continue to an unlimited extent over a period of time. In addition, the correlation between movements in the values of the currencies in which the securities are denominated will not be perfect and could produce unanticipated losses. See "Special Considerations and Risks."

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 Brown Brothers Harriman (Luxembourg) S.C.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 C, Recueil des Sociétés et Associations* (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. 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.

Although Dollars are the currency in which the Shares will be denominated, the Fund is offering through this Offering Circular Shares in both Euros and Dollars. To the extent that Euro subscriptions are accepted on behalf of the Portfolio, the Portfolio is subject to certain additional currency risk. For example, the Portfolio is subject to the risk of an unfavorable change in the Euro/Dollar 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 Euros 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.

Interest Rates. The average maturity of the securities of the Portfolio will vary based upon the Investment Manager's assessment of economic and market conditions. As with all debt securities, changes in interest rates will affect the Portfolio's asset value as the prices of portfolio securities generally increase when interest rates decline and decrease when interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities.

Illiquid Assets. The Portfolio may invest up to 10% of its net assets in securities for which there is no ready market. The Portfolio may therefore be unable to sell readily such securities. Moreover, there may be contractual restrictions on resale of such securities.

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.

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 Brown Brothers Harriman (Luxembourg) S.C.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.

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 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 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 \$400,000, divided into 4,000 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.

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 Libor Trust, ACM Principal Protection Fund, ACM Strategic Investments, ACM Technology Hedge Investments, Mansurii Doriimu and Mansurii Doriimu II.

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 and terminates automatically in the event of its assignment.

The Investment Manager is a leading global investment adviser supervising client accounts with assets as of June 30, 1999 totaling \$321 billion. The Investment Manager has eight offices in the United States, subsidiaries of the Investment Manager operate out of offices in Bahrain, Bangalore, Calcutta, Chennai, Istanbul, Johannesburg, London, Luxembourg, Madrid, Mumbai, New Delhi, Paris, Pune, Singapore, Sydney, Tokyo and Toronto, and affiliate offices are located in Cairo, Hong Kong, Moscow, São Paulo, Seoul, Vienna and Warsaw. The Investment Manager and its subsidiaries employ over 2,000 persons worldwide. Units representing assignments of beneficial ownership of limited partnership interests of the Investment Manager ("Units") are publicly traded on the New York Stock Exchange.

The Investment Manager's clients are primarily major corporate employee benefit funds, public employee retirement systems, investment companies, foundations and endowment funds. There are 54 U.S.-registered

investment companies managed by the Investment Manager, comprising 120 separate investment portfolios. There are also 103 non-U.S. investment companies comprising 127 separate investment portfolios managed by the Investment Manager and its affiliates. These investment portfolios currently have over 4.5 million shareholder accounts, in aggregate. As of June 30, 1999, the Investment Manager was retained as an investment manager of employee benefit fund assets for 29 of the Fortune 100 companies.

Alliance Capital Management Corporation ("ACMC") is the general partner of the Investment Manager and conducts no other active business. As of June 30, 1999, The Equitable Life Assurance Society of the United States ("Equitable"), ACMC, Inc. and Equitable Capital Management Corporation ("ECMC") were the beneficial owners of approximately 56.45% of the outstanding Units of the Investment Manager. ACMC, ECMC and ACMC, Inc. are wholly-owned subsidiaries of Equitable. Equitable, a New York life insurance company, had total assets as at March 31, 1999 of approximately \$91.0 billion. Equitable is a wholly-owned subsidiary of AXA Financial, Inc., a Delaware corporation ("AXA Financial"), whose shares are publicly traded on the New York Stock Exchange. As of June 30, 1999, AXA, a French insurance holding company, owned approximately 58.2% of the issued and outstanding shares of the common stock of AXA Financial.

Administrative Agent and Custodian

Brown Brothers Harriman (Luxembourg) S.C.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. Brown Brothers Harriman (Luxembourg) S.C.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.

Brown Brothers Harriman (Luxembourg) S.C.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. 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.

Brown Brothers Harriman (Luxembourg) S.C.A. maintains its registered office at 33, boulevard Prince Henri, L-2014 Luxembourg, and is a bank organized as a *société en commandite par actions* in and under the laws of the Grand Duchy of Luxembourg. As of June 30, 1999, its capital amounted to approximately \$11.5 million.

Registrar and Transfer Agent

ACM Fund 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 Shares will be denominated, the Fund is offering through this Offering Circular Shares in both Euros and Dollars. 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 3.0% of the purchase price. The minimum initial investment is 1 million Euros or \$1,000,000. The minimum initial investment may be reduced by the Management Company in its sole discretion.

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

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) and/or the status of financial intermediaries (a recent original extract of the Trade Register and, where applicable or if requested, a certified copy of the business authorization delivered by the competent local authorities) to the Registrar and Transfer Agent. Such identification is not required, however, if the subscription is collected by a sales agent who is subject, in another jurisdiction, to customer identification requirements equivalent to those prescribed in Luxembourg law.

Purchases of Shares

The applicable offering price for the Shares will be based on the Net Asset Value per Share in Euros or Dollars, 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 Euros or Dollars, 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 of each such class will be expressed in both Euros and Dollars. 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 Shares is 3.0% of the amount invested, except as described below. The Distributor may fully reallow the amount of the mark-up to dealers with whom it has agreements.

If in any country in which the 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 are required to be made within three business days after acceptance of a purchase order by the Fund and, if purchased from a dealer or the Distributor, payable in accordance with procedures adopted by various dealers and approved by the Distributor and the Fund. Different settlement periods may apply in certain jurisdictions where the shares of the Portfolio 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 Euros or Dollars, as the case may be, in respect of the Shares' respective Net Asset Value on each Valuation Date, plus a sales charge, if applicable. 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, 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 A Shares, Class A2 Shares, Class B Shares, Class B2 Shares, Class C 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 A2 Shares, Class B Shares, Class B2 Shares, Class C Shares, Class J Shares and Class AJ Shares are being offered pursuant to separate offering circulars. All shares of the same class have equal rights as to dividends and redemptions.

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 Euros or Dollars, as the case may be, of Shares to be redeemed and the Shareholder’s name and account number as registered with the Fund.

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 Euros or Dollars, 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 Euros or in Dollars, as the case may be, not later than three Luxembourg bank business days after the relevant Redemption Date, pro-

vided 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 intends to declare daily and pay monthly dividends equal to all or substantially all of the Fund’s net investment income and realized capital gains attributable to the Shares. To the extent that the net income and net realized profits attributable to the Shares exceeds the amount declared payable, the excess

return will be reflected in the Net Asset Value of the Shares.

Each distribution, if any, declared payable by the Fund to each class of shares of the Portfolio will, at the election of each Shareholder, be paid in cash or in additional shares of the relevant class of the Portfolio

having an aggregate Net Asset Value as of the payment date of such distribution equal to the cash amount of such distribution. Election to receive distributions in cash or shares is made at the time shares are subscribed for and may be changed at any time prior to the record date for a particular distribution. There is no sales charge or

contingent deferred sales charge in connection with the reinvestment of distributions.

Distributions not collected within five years will lapse and will accrue to the benefit of the Fund.

EXCHANGE OF SHARES

Exchange for Shares of Other Portfolios within ACM Global 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 American Growth Portfolio, the American Income Portfolio, the Developing Regional Markets Portfolio, the European Growth Portfolio, the European Income Opportunities Portfolio, the Global Bond Portfolio, the Global Growth Trends Portfolio, the Global High Yield Portfolio, the International Privatisation Portfolio, the Privanza Global Balanced Portfolio, the U.S. High Yield Portfolio and the U.S. Smaller Companies 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 to 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 sales charges or commissions depending on the fund and the shares exchanged. 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 fund 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's 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 of each class of Shares expressed in Euros as of such Valuation Date, the Net Asset Value per Share of each class of Shares expressed in Dollars is then converted into Euros at the relevant Euro/Dollar mid-price in respect of such 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 allocation of the assets and liabilities among the different classes of shares and the different portfolios is relevant for the respective relationships between the Shareholders holding shares of different classes, the Management Company and the Custodian and does not affect rights which third parties may legally have vis-à-vis the Fund as one single collective investment scheme in connection with obligations to be allocated to one or more of the classes 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.

Brown Brothers Harriman (Luxembourg) S.C.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.

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 Fund, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Fund are denomi-

nated, 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 Fund 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 Fund or if, for any reason, the value of any asset of the Fund 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, transac-

tions on behalf of the Fund are rendered impracticable or if purchases and sales of the Fund'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 a management fee with respect to the Portfolio, accrued daily and payable monthly, at an annual rate of 0.50% of the average daily Net Asset Value on the first \$100,000,000, 0.45% of average daily Net Asset Value on the next \$100,000,000 and 0.40% of the average daily Net Asset Value over \$200,000,000. The Investment Manager may reallocate a portion of its investment management fee 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 Fund 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 semi-annual 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 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" in the pertinent resolutions 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, 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 at an annual rate of 0.01% 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 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 initial Management Regulations of the Fund, dated August 21, 1991, were published in the *Mémorial* on September 26, 1991. Initially, the Fund was established under the name “Alliance Global Growth Trends Portfolio.” Subsequently, the Management Regulations were amended, and the name “Alliance Global Investments” and the umbrella structure were adopted on July 22, 1992. Subsequently the Management Regulations were amended at various points in time, including amendments which became effective on January 1, 1997 and were published in the *Mémorial* on December 23, 1996, when the name of the Fund was changed to “ACM Global Investments.” 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 have been, and will continue to 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 *Greffe 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. 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 Allée 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 or redeemed 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 August. The consolidated accounts of the Fund are kept in Dollars and expressed in both Euros and Dollars.

Shareholders' Information

Audited annual reports and unaudited semi-annual 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 semi-annual reports will also be sent to the Shareholders at their registered addresses.

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* and in a newspaper in Luxembourg and, if required, in the *Mémorial*.

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 semi-annual 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.

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 immediately after and as a result of such investment 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 immediately after and 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; 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 sub-underwrite 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, as permitted under Articles 44 and 45 of the law of March 30, 1988 on collective investment undertakings;

(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 fluctuations 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 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 fluctuation 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 Brown Brothers Harriman (Luxembourg) S.C.A.
“AXA Financial”	means AXA Financial, Inc., a Delaware corporation
“CMO”	means collateralized mortgage obligation
“Custodian”	means Brown Brothers Harriman (Luxembourg) S.C.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.
“ECMC”	means Equitable Capital Management Corporation
“Equitable”	means The Equitable Life Assurance Society of the United States, a New York life insurance company
“EU”	means the European Union
“FHLMC”	means the Federal Home Loan Mortgage Corporation
“FNMA”	means the Federal National Mortgage Association
“Fund”	means ACM Global Investments, a mutual fund organized under the laws of the Grand Duchy of Luxembourg
“GNMA”	means the Government National Mortgage Association
“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 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
“LIBOR”	means the London Interbank Offered Rate
“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 Service, Inc.
“Mortgage Assets”	means the two classes of SMRS that receive different proportions of the interest and principal distributions on a pool of GNMA, FNMA or FHLMC certificates, whole loans or private pass-through mortgage-related securities
“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”
“NRSROs”	means Moody’s, S&P and/or any other nationally recognized statistical rating organizations
“OECD”	means the Organization for Economic Cooperation and Development
“Portfolio”	means ACM Global Investments — Short Maturity Dollar 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 Fund Services S.A.
“Registrar and Transfer Agency Agreement”	means the agreement between the Management Company and the Registrar and Transfer Agent
“REMIC”	means a Real Estate Mortgage Investment Conduit
“S&P”	means Standard & Poor’s, a division of The McGraw-Hill Companies
“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
“Units”	means the units representing assignment of beneficial ownership of limited partnership interests of the Investment Manager
“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.

Jon Groom
Senior Vice President
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

Karen French
Vice President
ACM Fund Services S.A.
35, boulevard Prince Henri
L-1724 Luxembourg

Investment Manager

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

Distributor

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

Custodian and Administrative Agent

Brown Brothers Harriman (Luxembourg)
S.C.A.
33, boulevard Prince Henri
L-2014 Luxembourg

Registrar and Transfer Agent

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

Auditor

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

Legal Advisers in Luxembourg

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

Legal Advisers in the United States

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

ACM GLOBAL 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 Fund Services S.A.
35, boulevard Prince Henri
L-1724 Luxembourg

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

Subscription Application Form for ACM Global Investments Portfolios

1. Initial Investment

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

3. Subscriber Information

Individual/Joint Holdings 1st Holder/Corporation

Mr. Mrs. Ms. Corporation

Surname

Given Name

a _____

ID/Passport No.

Home Tel.

Date of Birth

Office Tel.

MM/DD/YY

Occupation

Fax

Joint Holdings 2nd Holder

Mr. Mrs. Ms.

Surname

Given Name

b _____

ID/Passport No.

Home Tel.

Date of Birth

Office Tel.

MM/DD/YY

Occupation

Fax

c Account Address

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

Home Tel.

Office Tel.

Fax

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 Global Investments or its authorized agents will act upon instructions from 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. _____

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.

Signature _____ Date _____

Joint Signature(s) _____ Date _____

To Be Completed by Representative

8. DEALER/AGENT REGISTRATION:

We hereby authorize ACM Fund 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: _____

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. _____

Payment

Payment may be made in Euros or Dollars 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.

Euros:

Bank: Dresdner Bank A.G., Frankfurt
Swift Code: DRESDEFF
For the account of: Brown Brothers Harriman & Co.
Account Number: 08 183 491 00
For the account of: ACM Funds Subscription Account
Account number: 8110785
*(client acct. #, name, confirm #, portfolio, etc.)

Dollars:

Bank: Citibank, N.A., New York
ABA: 021-0000-89
For the account of: Brown Brothers Harriman & Co.
Account Number: 09250276
For the account of: ACM Funds Subscription Account
Account Number: 8110785
*(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.

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