

PROSPECTUS-ADDENDA:**SWISS FEDERAL BANKING COMMISSION ("FBC") COMMUNICATES PRACTICE**

Prospectus amendments of foreign (non-Swiss) investment funds registered in Switzerland are often implemented by way of addenda. In the recent past, the FBC has in various cases refused to accept filings based on such addenda arguing that amendments not made directly in the Prospectus could be misleading. In November 2002, we have filed in our own name an application with the FBC arguing that addenda should be permitted. The FBC has, after a meeting with us in January 2003, now laid down its practice in a letter directed to the Swiss Funds Association SFA which in turn has distributed this letter to its members. The FBC practice is as follows:

If an addendum is to be used,

- it must be individually referred to in the table of contents of the prospectus (not just by using a general term such as "Addenda");
- it must be bound into the prospectus (no loose-leafs);
- only one addendum per prospectus may be used;
- its size may not exceed 2 prospectus pages.

Pursuant to the FBC, an addendum may not cover amendments with different effective dates. The use of addenda as described above is permissible only exceptionally and upon specific request which has to be made on the occasion of the filing. The FBC will then set a deadline within which the contents of the addendum have to be fully implemented into the prospectus.

Our view: this is a clarification and a certain relaxation of the overly strict practice which had developed last year. However, we believe that the restriction to one addendum with one effective date and with max. 2 pages would not have been necessary to safeguard investor protection. The question whether addenda are investor friendly and do not impair the readability of a prospectus does not necessarily depend on the length nor on the number of addenda used. We believe that there may still be room for argumentation on a case-by-case basis.

For more information, feel free to contact any of our investment fund specialists (www.nastra.ch).

NOTE: the information contained in this document is based on a letter of the FBC published by the SFA and our communications with the FBC. In addition, where indicated, it states our personal view which may not be the view of the FBC. None of the information contained herein is to be regarded as binding legal advice.