



## **BDT INVEST FUNDS PLC**

### **First Addendum to Prospectus**

**This Addendum should be read in conjunction with, and forms part of, the Prospectus for BDT Invest Funds p.l.c. (the "Company") dated 29<sup>th</sup> September, 2005, the Supplement in respect of BDT Invest Asian Focus Fund dated 29<sup>th</sup> September, 2005 and the Supplement for BDT Invest Japanese Smaller Companies Fund dated 29<sup>th</sup> September, 2005, the Supplement for BDT Invest Emerging Markets Focus Fund dated 29<sup>th</sup> September, 2005, the BDT Invest Japanese Focus Fund dated 29<sup>th</sup> September, 2005 (together the "Prospectus"). All capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus unless otherwise indicated.**

The Directors of the Company, whose names appear on page 8 of the Prospectus, accept responsibility for the information contained in this document and the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document and the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Terms and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum.

#### **Payment of dividends**

The Directors of the Company wish to notify Shareholders and prospective investors of an amendment to the distribution policy of each Fund of the Company.

##### **1. BDT Invest Asian Focus Fund (the "Fund")**

The Supplement for the Fund will be amended by the deletion in its entirety of the third paragraph under the heading "Distribution and Reinvestment Policy" on page 7 of the Supplement and replacing same with the following paragraph:

"The Fund will normally go "ex dividend" on the next Business Day following 31 December in each year, and the annual distribution will be paid to Shareholders on the register at the close of business on 31 December of that year, on or before 30 June in each year."

##### **2. BDT Invest Japanese Smaller Companies Fund (the "Fund")**

The Supplement for the Fund will be amended by the deletion in its entirety of the third paragraph under the heading "Distribution and Reinvestment Policy" on page 7 of the Supplement and replacing same with the following paragraph:

"The Fund will normally go "ex dividend" on the next Business Day following 31 December in each year, and the annual distribution will be paid to Shareholders on the register at the close of business on 31 December of that year, on or before 30 June in each year."

### **3. BDT Invest Emerging Markets Focus Fund (the “Fund”)**

The Supplement for the Fund will be amended by the deletion in its entirety of the third paragraph under the heading “Distribution and Reinvestment Policy” on page 7 of the Supplement and replacing same with the following paragraph:

“The Fund will normally go “ex dividend” on the next Business Day following 31 December in each year, and the annual distribution will be paid to Shareholders on the register at the close of business on 31 December of that year, on or before 30 June in each year.”

### **4. BDT Invest Japanese Focus Fund (the “Fund”)**

The Supplement for the Fund will be amended by the deletion in its entirety of the third paragraph under the heading “Distribution and Reinvestment Policy” on page 7 of the Supplement and replacing same with the following paragraph:

“The Fund will normally go “ex dividend” on the next Business Day following 31 December in each year, and the annual distribution will be paid to Shareholders on the register at the close of business on 31 December of that year, on or before 30 June in each year.”

#### **Amendment to the investment restrictions of the Company**

The Directors wish to notify Shareholders and prospective investors of an amendment to the investment restrictions of the Company.

Accordingly, the Prospectus will be amended by the deletion in its entirety of Section 3.3 under the sub-heading “3. Investment in Collective Investment Schemes”, main heading “part IV: Investment Restrictions” on page 35 of the Prospectus and replacing same with the following paragraph:

“3.3 The CIS in which each Fund may invest are prohibited from investing more than 10% of net assets in other CIS. When each Fund invests in the shares/units of other CIS that are managed, directly or by delegation, by the Fund's management company or by any other company with which each Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of a Fund's investment in the shares/units of such other CIS.”

#### **Further Clarification of the Investment Policy of each Sub-Fund**

By way of further clarification of the existing investment policy of each Sub-Fund, the Directors wish to insert the following additional disclosure into each Supplement for the BDT Invest Asian Focus Fund, BDT Invest Japanese Smaller Companies Fund, BDT Invest Emerging Markets Focus Fund and BDT Invest Japanese Focus Fund at the end of the second paragraph under the heading: “Investment Objective and Policy”: “The Sub-Fund will not invest in collective investment schemes”.

#### **Amendment to the Recognised Markets of the Company**

The Directors wish to notify the Shareholders and prospective investors of an amendment to the Recognised Markets of the Company.

- (a) Accordingly, the Prospectus of the Company will be amended by the deletion in its entirety of Section (iii) under the main heading “Part VI: Recognised Markets” on page 43 of the Prospectus and replacing same with the following:

“(iii) without restriction in any of the following:

- MICEX (equity securities that are traded on level 1 or level 2 only);
- RTS1 (equity securities that are traded on level 1 or level 2 only);
- RTS2 (equity securities that are traded on level 1 or level 2 only);
- the market organised by the International Securities Market Association;
- the market conducted by the "listed money market institutions", as described in the Financial Services Authority publication “The Regulation of the Wholesale Cash and OTC derivatives markets; “The Grey Paper”;
- AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- the French Markets for Titres de Créances Négotiables (the Over-the-Counter markets in negotiable debt instruments);
- the Over-the-Counter market in the United States of America regulated by the National Association of Securities Dealers Inc.;
- NASDAQ in the United States of America;
- NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);
- JASDAQ in Japan (formerly known as the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan);
- the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- SESDAQ the second tier of Singapore Stock Exchange;
- TAISDAQ the over-the-counter market in Taiwan the general level of liquidity on this market may not compare favourably to that found on more established markets).”

(b) Accordingly, the Prospectus of the Company will be amended by the deletion in its entirety of Section (v) under the main heading “Part VI: Recognised Markets” on page 44 of the Prospectus and replacing same with the following:

- “(v) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:
- in a Member State;
  - in a member state in the European Economic Area (a Member State, Norway, Iceland and Liechtenstein);
  - United States of America – Chicago Board of Trade

- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange.
- Osaka Securities Exchange;
- Singapore International Monetary Exchange;
- Tokyo International Futures Exchange;
- Tokyo Stock Exchange;
- the market in US Government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York;
- the over-the-counter market in the United States conducted by primary dealers as above and secondary dealers which are regulated by the US Securities and Exchange Commissions and by the National Association of Securities Dealers;
- JASDAQ in Japan (formerly known as the Japan Over-the-Counter Markets regulated by the Securities Dealers Association of Japan);
- NASDAQ (the market organised by the National Association of Securities Dealers);
- the market organised by the International Securities Market Association.”

**Amendment to the Investment Objective and Policy of the BDT Invest Japanese Smaller Companies Fund**

The Supplement for the Japanese Smaller Companies Fund will be amended by the deletion in its entirety of the second, third and fourth paragraphs under the heading “Investment Objective and Policy” on page 4 of the Supplement and replacing same with the following paragraphs:

“These investments will predominantly be made in equity and equity-related issues (such as convertible bonds and warrants) that are listed on the Tokyo Stock Exchange Second Section Index, the Tokyo Stock Exchange Mothers Section, the Osaka Stock Exchange Hercules Section and the JASDAQ (formerly known as the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan) market. Together these four markets comprise approximately 1750 companies (as at 12 July, 2006). Investments will also be considered into companies that typically have a market capitalisation of less than Japanese Yen 100 billion and which are listed on the Tokyo Stock Exchange First Section Index, and occasionally those listed on the various small regional stock exchanges in Japan.

The Fund may invest in short term liquid securities if attractive equity or equity-related investment opportunities cannot be identified. During such periods the Fund may lower its equity exposure and invest in bonds issued by corporate and governmental issuers and debt instruments (such as promissory notes which are freely transferable and certificates of deposit). The Fund will use the Tokyo Stock Exchange Second Section Index as its performance benchmark.

The Tokyo Stock Exchange Second Section Index is a capitalisation-weighted index of all the companies listed on the Second Section of the Tokyo Stock Exchange. The index was developed with a base value of 100 as of 4 January 1968. On 27 July 2006 the Index was comprised of 489 members with an aggregate market capitalisation of 7.38 trillion Japanese Yen.”

**Dated the 20<sup>th</sup> day of September, 2006**