

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. Shares are offered on the basis of the information contained in the Prospectus, this Supplement and the documents referred to herein.

The Directors of BDT Invest Funds p.l.c. (the “Company”), whose names appear in the Prospectus, are the persons responsible for the information contained in the Prospectus and this Supplement. 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 Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

Neither the admission of the Shares of BDT Invest Japanese Smaller Companies Fund to the Official List nor the approval of this document pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers or any other party connected with the Company, the adequacy of information contained in this document or the suitability of the Company for investment purposes.

BDT Invest Funds p.l.c.

(an open-ended umbrella type investment company with variable capital incorporated with limited liability under the laws of Ireland, registered number 335843)

BDT Invest Japanese Smaller Companies Fund

SUPPLEMENT TO PROSPECTUS



Investment Manager

BDT Investment Management Limited

Dated 29th September, 2005

Distribution of this Supplement is not authorised in any jurisdiction unless it is accompanied by a copy of the most recent annual and any subsequent semi-annual report of the Company. Such reports, the Prospectus and this Supplement together form the Prospectus for the issue of Shares.

BDT Invest Japanese Smaller Companies Fund is a sub-fund of BDT Invest Funds p.l.c., an investment company with variable capital established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (S.I. No. 211 of 2003) as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2003 (S.I. No. 212 of 2003) or any amendments thereto (the “Regulations”). The Company is structured as an umbrella fund in which different funds may be created from time to time with the prior approval of the Authority. The Base Currency of the Fund is U.S. Dollars. Three other sub-funds are currently established in the Company, namely, BDT Invest Asian Focus Fund, BDT Invest Emerging Markets Focus Fund and BDT Invest Japanese Focus Fund.

The Dollar Shares, the Sterling Shares, the Yen Shares and the Euro Shares of BDT Invest Japanese Smaller Companies Fund have been admitted to the Official List of the Irish Stock Exchange. No application has been made for the listing of Shares on any other stock exchange. The Directors do not expect a secondary market to develop in any of the Shares of the Company.

A description of BDT Invest Funds p.l.c., its management and administration, fees and expenses, taxation and risk factors is contained in the Prospectus.

The Investment Manager is entitled to charge a redemption charge on the redemption of B Shares of up to 3 per cent. of the redemption price depending upon their date of acquisition. No redemption charge is payable on redemption of A Shares.

This Supplement relates to BDT Invest Japanese Smaller Companies Fund and forms part of the Prospectus. **This Supplement must be read in the context of and together with the Prospectus.** The Supplement and the Prospectus together comprise listing particulars for the purposes of the application to list the Shares of the Company on the Irish Stock Exchange. In particular, investors should read the risk factors set out in the Prospectus. **An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.**

DEFINITIONS

In this Supplement the words and expressions listed below have the meanings set opposite them, except where the context otherwise requires:

“A Shares”	A Dollar Shares, A Sterling Shares, A Yen Shares and A Euro Shares;
“Base Currency”	the currency of account of the Fund which is U.S. Dollars;
“B Shares”	B Dollar Shares, B Sterling Shares, B Yen Shares and B Euro Shares;
“Dealing Day”	each Business Day together with such other day or days as the Directors shall determine and notify to Shareholders, and further provided that there should be at least two dealing days per month;
“Dollar Shares”	A Dollar Shares and B Dollar Shares;
“Euro Shares”	A Euro Shares and B Euro Shares;
“Financial Regulator”	The Irish Financial Services Regulatory Authority;
“Fund”	BDT Invest Japanese Smaller Companies Fund;
“Prospectus”	the prospectus of the Company dated 29 th September, 2005;
“Shares”	participating shares of no par value in the capital of the Company and which have been designated A Dollar Shares, B Dollar Shares, A Sterling Shares, B Sterling Shares, A Yen Shares, B Yen Shares, A Euro Shares and B Euro Shares with reference to the Fund;
“Sterling Shares”	A Sterling Shares and B Sterling Shares;
“Supplement”	this supplement and any addendum hereto made from time to time;
“Yen Shares”	A Yen Shares and B Yen Shares;

Unless otherwise stated, all capitalised terms shall have the same meaning herein as in the Prospectus.

Introduction

Eight classes of Shares are available in the Fund, A Dollar Shares and B Dollar Shares which are denominated in U.S. Dollars, A Sterling Shares and B Sterling Shares which are denominated in Pounds Sterling, A Yen Shares and B Yen Shares which are denominated in Japanese Yen and A Euro Shares and B Euro Shares which are denominated in Euro, all of which may be purchased and/or redeemed as described in this Supplement and the Prospectus. A single portfolio of assets is maintained for the Fund, which is invested in accordance with the investment objective, policies, powers and restrictions set out in this Supplement.

Investment Objective and Policy

The investment objective of the Fund is to achieve long-term capital appreciation through investment in Japanese smaller companies.

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 and registered on the Over-the-Counter market that is regulated by the Japan Securities Dealers Association. Together these two markets comprise approximately 1489 companies (as at 1 October, 2003). Investments will also be considered into companies that typically have a market capitalization 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 24 November 2003 the Index was comprised of 557 members with an aggregate market capitalisation of 5.41 trillion Japanese Yen.

The Investment Manager believes that it has particular skills in the investment management of Japanese securities. A permanent presence in Tokyo will allow the Investment Manager to conduct frequent discussions and meetings with local company management, which is an essential part of research into smaller companies.

In the absence of unforeseen circumstances, the principal investment objective and policies of the Fund will be adhered to for at least three years from the date of admission of the Shares to the Official List of the Irish Stock Exchange. Amendments to the investment objective and material amendments to investment policies of the Fund will only be made with the consent of the Fund's Shareholders by way of majority vote at a general meeting. Any non-material amendments to the investment policy of the Fund may be made from time to time by the Directors if they shall deem it in the interests of the Fund to do so. In the event of a change to the investment objective and/or investment policies of the Fund, a reasonable notification period must be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of such changes.

Efficient Portfolio Management

The Fund may employ techniques and instruments for efficient portfolio management transactions and/or to protect against exchange rate risks subject to the conditions and limits laid down by the Financial Regulator detailed on page 38 under "Part V: Financial Derivative Instruments".

A description of the main techniques and instruments that may be used for efficient portfolio management and/or to provide protection against exchange rate risks are set out below.

Forward Currency Contracts and Currency Options

Forward currency contracts and currency options may, at the Directors' sole discretion, be used to hedge some or all of the exchange risk/currency exposure arising as a result of the fluctuation between the currency in which the Net Asset Value per Share is computed and the currencies in which the Fund's investments are denominated. In addition, forward currency contracts and currency options may be used to protect the value of the currency of each class from the adverse movements of other currencies. Please see the section headed "Class Currency Hedging" below for further details.

Access Products

A Fund may employ access vehicles such as low exercise price warrants (which may be known as certificates or notes) in order to gain an exposure to particular security or markets. Low exercise price warrants held by a Fund for efficient portfolio management shall be cash settled, listed on a Recognised Exchange in the European Economic Area (EEA) (European Union, Norway, Iceland, Lichtenstein), Switzerland, Australia, Canada, Japan, New Zealand and the United States and shall be exercisable at any time over the life of the warrant. In addition, the underlying investment of a low exercise price warrant shall be one in which the Fund could invest in directly.

Warrants, Convertible Bonds and Convertible Debentures

A Fund may purchase warrants, convertible bonds and convertible debentures to provide an efficient, liquid mechanism for taking position in securities without the need to purchase and hold the security.

Other Financial Derivative Instruments

Whilst other financial derivative instruments such as options, futures, swaps, stocklending agreements and repurchase/reverse repurchase agreements have not been used by the Fund to date there is a possibility that in the future such financial derivative instruments will be employed for hedging exposure to a market, sector or region. Further details of such instruments are set out on page 11 of the full Prospectus under the heading "Investment Objective, Policy and Restrictions-Financial Derivative Instruments and Efficient Portfolio Management". The Fund will not utilise financial derivative instruments which have not been included in the risk management process employed by the Company until such time as a revised risk management process has been prepared and filed with the Financial Regulator.

Investment and Borrowing Powers and Restrictions

The investment and borrowing powers of the Fund and the investment restrictions to which it is subject are summarised in "Part IV: Investment and Borrowing Powers and Restrictions" on pages 33 to 37 of the Prospectus.

Investment Process

The Investment Manager intends to employ bottom-up company specific analysis to identify Japanese smaller companies that are likely to grow revenues and profits over a sustained period. The investment management team have between them over forty years of experience in analysing, and investing in Japanese smaller companies.

The Investment Manager will conduct regular company visits to existing and potential investments, meeting with company management and comparing strategies with competing companies. The Investment Manager will focus on those companies that have a sustainable competitive advantage as a

result of their strategy or products. It is believed that these companies offer the greatest prospect of achieving capital appreciation over the long-term.

Share Class Denominations

The Shares are being made available to investors in eight differently denominated classes for ease of subscription in four currencies to enable investors other than those whose assets are denominated in U.S. Dollars to gain exposure to the U.S. Dollar denominated asset class without the attendant foreign exchange costs and to enable investors to have access to a class with a Net Asset Value per Share denominated in the currency of choice of the investor.

In the interests of seeking the optimal protection of a Shareholder's interest, the Fund will, where practicable, engage in foreign exchange hedging transactions for each class (where the profits, gains, losses, costs, income and expenditure consequent upon such hedging transactions are allocated solely to the relevant class) which in no case should exceed 100 per cent. of Net Asset Value of the relevant class. Foreign exchange transactions with respect to the Dollar Shares will be undertaken with a view to protecting the value of that class in U.S. Dollars from the adverse movements of other currencies. Foreign exchange transactions with respect to the Sterling Shares will be undertaken with a view to protecting the value of that class in Pounds Sterling from the adverse movements of other currencies. Foreign exchange transactions with respect to the Yen Shares will be undertaken with a view to protecting the value of that class in Japanese Yen from the adverse movements of other currencies. Foreign exchange transactions with respect to the Euro Shares will be undertaken with a view to protecting the value of that class in Euros from the adverse movements of other currencies. Performance among classes will, however, vary due to their different currency exposure. Investors should be aware that this strategy may substantially limit Shareholders of the relevant class from benefiting if the designated currency of the class falls against the Base Currency of the Fund and the currencies in which the assets of the Fund are denominated. The annual and semi-annual accounts of the Fund will indicate how transactions undertaken to provide protection against exchange rate risks have been utilised.

Risk Factors

Investors' attention is drawn to the risk factors set out in Part I of the Prospectus.

Cross Liability of Funds

All liabilities, irrespective of the Fund they are attributable to, shall (in the event of a winding up of the Company or a redemption of all of the Shares of a Fund), unless otherwise agreed upon with the auditors, be binding on the Company as a whole and, accordingly, liabilities of one Fund may be paid out of one or more other Funds. At the date of this document the Directors are not aware of any such existing or contingent liability.

Forward Currency Contracts

A forward currency contract is an agreement between two parties pursuant to which one party agrees to purchase or sell a fixed amount of a particular currency at an agreed price on a specified future date. Although the Fund may enter into forward contracts to minimise the risk of loss due to a decline in the value of a hedged currency, such transactions limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of the Fund cannot be assured.

In addition, the Fund may enter into forward currency contracts which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward currency contracts. Banks and other dealers with whom the Fund may maintain accounts may require the Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Fund's counterparties are not required to continue to make markets in such contracts. There have been periods during which certain counterparties have refused to continue to quote prices for forward currency contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward currency contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which would otherwise be optimal, to the possible detriment of the Fund. The Fund may from time to time enter into currency exchange transactions by buying currency exchange forward contracts for the purposes of efficient portfolio management.

Distribution and Reinvestment Policy

Dividends may be paid out of the net investment income and/or net realised and unrealised capital gains of the Fund.

Unless a Shareholder elects otherwise, any distributions will be applied in the purchase of further Shares (or fractions thereof) as applicable.

The Fund will normally go "ex dividend" on the next Business Day following 31 December in each year from and including 31 December, 2004 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 April in each year.

Payments of dividends to holders of registered Shares who opt for cash (rather than the purchase of further Shares as described above) will be made in the currency of denomination of the Shares in question by telegraphic transfer or cheque (sent at the Shareholder's risk) to such Shareholders at the relevant address in the register of Shareholders. In the event that Shares are held in joint names, dividends may be sent to the first named Shareholder appearing in the register.

Shares shall rank for dividends as and from the beginning of the accounting period in which they were issued.

No dividends or other amount payable to Shareholders shall bear interest against the Company. All dividends unclaimed after a period of six years shall be forfeited and shall revert to the Company for the benefit of the Fund.

Purchases and Redemptions of Shares

Dollar Shares, Sterling Shares, Yen Shares and Euro Shares in the Fund may be purchased on each Dealing Day at prices in U.S. Dollars, Pounds Sterling, Japanese Yen and Euros respectively and calculated with reference to the Net Asset Value per Share of the relevant class.

The minimum initial investment in any class of A Shares is U.S.\$10,000 (or its equivalent in Pounds Sterling for the A Sterling Shares, Japanese Yen for the A Yen Shares and Euros for the A Euro Shares). The minimum additional investment in any class of A Shares is U.S.\$2,500 (or its equivalent in Pounds Sterling for the A Sterling Shares, Japanese Yen for the A Yen Shares and Euros for the A Euro Shares). The minimum initial investment in any class of B Shares is U.S.\$500,000 (or its equivalent in Pounds Sterling for the B Sterling Shares, Japanese Yen for the B Yen Shares and Euros for the B Euro Shares). The minimum additional investment in any class of B Shares is U.S.\$100,000 (or its equivalent in Pounds Sterling for the B Sterling Shares, Japanese Yen for the B Yen Shares and

Euros for the B Euro Shares). The Directors may waive these minima at their discretion in respect of specific applications or generally.

Initial and redemption charges applicable to each class of Shares are set out below. The Investment Manager may, in its sole discretion, (i) pay all or part of the initial charge and all or part of any Investment Management Fee for introducing intermediaries or agents or such other persons as the Investment Manager may determine; and/or (ii) waive the initial or redemption charge for certain prospective investors based on factors deemed appropriate by the Investment Manager.

Shares in the Fund are redeemable on each Dealing Day at a price in U.S. Dollars for the Dollar Shares, Pounds Sterling for the Sterling Shares, Japanese Yen for the Yen Shares and Euros for the Euro Shares calculated with reference to the Net Asset Value per Share of the relevant class. The minimum residual holding following a redemption of Shares prescribed by the Directors is Shares with a value of U.S.\$5,000 (or its equivalent in Pounds Sterling for the A Sterling Shares, Japanese Yen for the A Yen Shares and Euros for the A Euro Shares) in respect of any class of A Shares and U.S.\$500,000 (or its equivalent in Pounds Sterling for the B Sterling Shares, Japanese Yen for the B Yen Shares and Euros for the B Euro Shares) in respect of any class of B Shares.

The detailed provisions governing purchases and redemptions of Shares are set out in Part II: Issue and Redemption of Shares on pages 24 to 29 of the Prospectus.

Investment Management Charges

Initial Charge

The Investment Manager is entitled to receive an initial charge on the issue of A Shares not exceeding 3 per cent. of the subscription amount per A Share which is retained by the Investment Manager and out of which the Investment Manager may pay commission to agents or intermediaries. No initial charge is payable on the issue of B Shares.

Redemption Charge

The Investment Manager, in its sole discretion, is entitled to charge a redemption charge on the redemption of B Shares. Holders of B Shares seeking to redeem all or part of their holding may be charged by the Investment Manager a charge of up to 3 per cent. of the redemption price when seeking to redeem those Shares within 12 months of the date on which they were acquired. The amount of such redemption charge will be reduced to 2 per cent. where the B Shares being redeemed have been held for 12 months or over; to 1 per cent. where the B Shares have been held for 24 months or over; and waived when the redeeming Shareholder has held such B Shares for 36 months or longer. Shares first subscribed for by a Shareholder will be deemed to be the Shares first redeemed by that Shareholder. No redemption charge is payable on redemption of the A Shares.

Investment Management Fee

The Investment Manager is paid by the Fund a basic investment management fee (the "Investment Management Fee") in respect of the A Shares and the B Shares, which accrues on each Dealing Day and is payable monthly in arrears. In respect of the A Shares, the Fund will pay a monthly investment management fee calculated at the rate of 1.75 per cent. per annum of the Net Asset Value of the class of A Shares. In respect of the B Shares, the Fund will pay a monthly investment management fee calculated at the rate of 1.25 per cent. per annum of the Net Asset Value of the class of B Shares concerned.

The Investment Management Fee will be calculated by the Administrator and verified by the Custodian. If the determination of the Net Asset Value per Share of the relevant class is suspended on any calculation date, the calculation of the Investment Management Fee on that date will be based

upon the next available determination of the Net Asset Value per Share and the amount of any Investment Management Fee accrued will be adjusted accordingly.

The Investment Management Fee is exclusive of value added tax (if any). Further details are set out in the Prospectus.

Administration Charges

The Administrator is entitled to receive an administration charge and fees in respect of its duties as administrator and registrar. The administration charge accrues daily and is paid monthly in arrears at a rate of 0.20 per cent. of the Fund's assets (prior to deduction of the Fund's liabilities) subject to a minimum monthly fee of U.S.\$5,750 plus value added tax (if any). In addition, transaction fees are levied in respect of its duties as Registrar at a rate of U.S.\$35 per transaction. The fees are exclusive of value added tax (if any). Further details are set out in the Prospectus.

Remuneration of the Custodian

The Custodian is entitled to receive fees accruing and calculated daily and paid monthly in arrears at a rate of 0.125 per cent. of the Fund's assets (prior to deduction of the Fund's liabilities) subject to a minimum monthly fee of U.S.\$2,500. In addition the Custodian is entitled to charge the Fund U.S.\$75 in respect of the settlement of each investment transaction, along with other sub-custodian fees, expenses and charges which it will recover directly from the Fund. Further details are set out in the Prospectus.

Establishment and Other Expenses

The fees and expenses incurred in connection with the establishment of the Fund and the ongoing operation of the Fund are not expected to exceed €30,000. Such fees and expenses will be borne by the Fund and amortised over five years.