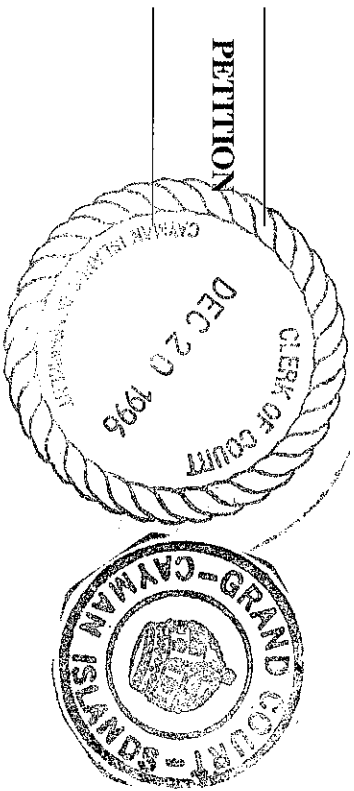


IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 704 OF 1996

IN THE MATTER OF CLARDEN US DOLLAR BOND INVESTMENTS INC.
AND IN THE MATTER OF CLARDEN INVESTMENTS LIMITED
AND IN THE MATTER OF THE COMPANIES LAW (1995 REVISION)



TO: The Grand Court

The Humble Petition of CLARDEN US DOLLAR BOND INVESTMENTS INC. (the "Company") shows that:

1. The object of this Petition is to seek
 - (a) The sanction of the Court to a scheme of arrangement and amalgamation (the "Scheme") under Section 85 of the Companies Law (1995 Revision) between the above named Company and the holders of its Participating Shares; and
 - (b) The making by the Court of ancillary orders under Section 86 of the Companies Law (1995 Revision) directing the transfer of the assets of the Company to Clariden Investments Limited, a Guernsey Company (the "Guernsey Company"), the repayment of the Ordinary Share capital of SFr.100 to the holder of the Ordinary Shares and the dissolution without winding-up of the Company.
2. The Company was incorporated on 18th July, 1989 and registered under the Companies Law Cap. 22 (as amended) as an exempted company limited by shares. The registered office of the Company is situated at the offices of Maples and Calder, Ugland House, P.O. Box 309, George Town, Grand Cayman.

3. The objects for which the Company was established are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law as provided by Section 6(4) of the Companies Law (1995 Revision). The principal activity of the Company is to act as an open-ended investment fund pursuant to which shares are offered to investors on a continuous basis at the then net asset value per share of the Company and, also on a continuous basis, shareholders are permitted to redeem their shares at the then net asset value.
4. The Company was incorporated with an authorised share capital of SFr.500,000 divided into 100 Ordinary voting shares of SFr.1.00 each and 499,900 non-voting Participating Redeemable Preferred Shares of SFr.1.00. As at 11th November, 1996 the issued and fully paid share capital of the Company was 100 Ordinary Shares and 85,095 Participating Shares.
5. The Guernsey Company was incorporated in Guernsey under the laws of Guernsey on 24th December, 1993 also as an open-ended investment fund and has an authorised share capital divided into of US\$50,100 divided into 100 Management Shares of US\$1.00 each and 5,000,000 Unclassified Shares of US\$0.01 each. The Unclassified Shares may be issued as Nominal Shares or as Participating Redeemable Preference Shares, each issued with reference to separate portfolios of assets as sub funds of the Guernsey Company Umbrella Fund.
6. On the 22nd October, 1996 the respective Boards of the Company and the Guernsey Company entered into an agreement subject to the sanction of this Honourable Court of the Scheme for a merger of the two companies by which the whole of the Company's business and undertaking will be transferred to the Guernsey Company in consideration for the Guernsey Company issuing to the holders of the Company's Participating Shares one share in the Guernsey Company's US Dollar Bond Fund class of participating shares for each participating share held in the Company. As at the 12th December, 1996, no US Dollar Bond Fund Class of Participating Shares of the Guernsey Company (the "Guernsey Shares") are in issue, fully paid or credited as fully paid. The said agreement was subject to the approval of the holders of the Participating Shares of the Company,

the sanction of the Scheme by this Honourable Court and the approval of the Swiss Federal Banking Commission of an application on behalf of the Guernsey company for the sale on a commercial basis of the said US Dollar Bond Fund class of participating shares.

7. An application was made on the 14th June, 1996 on behalf of the Guernsey Company for approval of the Swiss Banking Commission. The merger agreement was conditional upon that approval which was granted on the 14th November, 1996.

8. The primary object of the Scheme is to carry out a merger between the Company and the Guernsey Company under the terms of which the Guernsey Company would be the surviving entity, the holders of Participating Shares in the Company would become shareholders in the Guernsey Company and the Company would be dissolved upon repayment of SFr. 100 to the holder of the Ordinary Shares of the Company. Under the Scheme the undertaking of assets and liabilities of the Company will be transferred to the Guernsey Company which will issue fully paid shares to the holders of the Participating Shares of the Company as aforesaid. The Company prays that it may be dissolved without winding up on such date as the Court may by Order hereafter prescribe.

9. The holder of the Ordinary Shares of the Company consents to the said Scheme of Arrangement and Amalgamation. The directors of the Company intend to declare a temporary suspension of redemptions of Participating Shares with effect from 9:00 a.m. (Guernsey time) on 11th February, 1997.

10. By Order of this Honourable Court made on the 8th November, 1996 it was ordered that the Company should convene a meeting of the holders of Participating Shares for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme, and the Court appointed, *inter alia*, Dr. Alex Hoffmann or, failing him, Mr. John Lipscombe, both Directors of the Company to act as Chairman of the said meeting and directed him to report the results thereof to the Court.

11. On the 12th December, 1996 meetings of the shareholders duly convened in accordance with the said Order were held at the offices of Credit Suisse (Guernsey) Limited, Helvetia Court, South Esplanade, St Peter Port, Guernsey and Mr. John Lipcombe presided as Chairman of the Meeting.
12. The number of shareholders present and voting in person or by proxy at each of the said meetings and the number of shares held by such shareholders are set out in the first column of each of the tables below. The resolution submitted at each of the said meetings was that the Scheme should be approved and it was so approved. The votes given for the resolution that the Scheme be so approved at each meeting were as stated in the second and third columns of the said tables. No votes were given against the resolution.
13. A copy of the Scheme is contained in the Schedule hereto.

YOUR PETITIONER THEREFORE HUMBL Y PRAYS as follows:

- (1) That the Scheme may be sanctioned by the Court so as to be binding on the Company and the holders of its Participating Shares.
- (2) That the Court make an order for the transfer on 12th February, 1997, being the intended Effective Date of the Scheme or such other date as shall be substituted as the Effective Date of the Scheme of (a) the whole of the undertaking and all the property, assets save for the sum of SFr. 100 and rights of the Company then existing subject to all mortgages and charges (if any) then affecting the same or any part or parts thereof to and vesting in the Guernsey Company for its estate and interest without further act or deed and (b) of all the liabilities and obligations of the Company then existing to the Guernsey Company without further act or deed.
- (3) That the Court make an order that all proceedings (if any) pending by or against the Company be continued by or against the Guernsey Company.
- (4) That the Court make an order directing that the said sum of SFr. 100 shall be paid by the Company on the said Effective Date to the holder or holders of the Ordinary Shares of the Company.
- (5) That the Court make an order directing the dissolution without winding-up of the Company within 7 days from the said Effective Date or from delivery to the Registrar of Companies for registration of an office copy of the Order whichever shall be the later.

(6) That the Court make such other further orders or directions including orders facilitating the schemes as it shall think fit.

AND your Petitioner will ever pray, etc.

DATED this 20th day of December, 1996

Maples and Calder
MAPLES AND CALDER

TO: The Clerk of the Grand Court

AND TO: Clariden Investments Limited
Helvetia Court
South Esplanade
St Peter Port, Guernsey



This Petition is filed by Maples and Calder, P. O. Box 309, Ugland House, George Town, Grand Cayman, attorneys-at-law for the Petitioner.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

IN THE MATTER OF CLARDEN US DOLLAR BOND INVESTMENTS INC.

AND IN THE MATTER OF CLARDEN INVESTMENTS LIMITED

AND IN THE MATTER OF THE COMPANIES LAW (1995 REVISION)

SCHEME OF ARRANGEMENT AND AMALGAMATION

between

CLARDEN US DOLLAR BOND INVESTMENTS INC.

and

the holders of its Participating Shares
(as defined herein)

PRELIMINARY

(A) In this scheme of arrangement, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:-

"the Company"	CLARDEN US DOLLAR BOND INVESTMENTS INC.;
"Effective Date"	the day on which the Scheme becomes effective in accordance with clause 9 of the Scheme;
"Guernsey Company"	Clariden Investments Limited;
"Guernsey Shares"	participating redeemable preference shares of US\$0.01 par value of the Guernsey Company designated as the US Dollar Bond Fund class;
"holder"	includes any person entitled by transmission;
"Participating Shares"	participating redeemable preference shares of SFr. 1.00 each in the capital of CLARDEN US DOLLAR BOND INVESTMENTS INC.;
"Record Date"	9:00 a.m. (Guernsey time) on the Effective Date;

- (E) At the date of this Scheme the Guernsey Company does not beneficially own any Participating Shares of the Company.
 - (F) The Guernsey Company will agree by way of written undertaking to the Cayman Court to be bound by this Scheme and to execute all such documents and to do all acts and things as may be necessary or desirable to be executed and done by them for the purpose of giving effect to this Scheme. This Scheme is subject to the approval of the Swiss Federal Banking Commission of the sale on a commercial basis of the Guernsey Shares in Switzerland.
1. (a) The Guernsey Company shall acquire and amalgamate with its own undertaking and allocate to the portfolio represented by the Guernsey Shares, the undertaking and all the property, assets and rights, real and personal of the Company and all the property, assets and rights of the Company as aforesaid shall be transferred to and vest in the Guernsey Company. KPMG, Orbis House, 20 New Street, St. Peter Port, Guernsey, Channel Islands are the auditors both of the Company and the Guernsey Company. Audited financial statements for the year ending 31st December, 1995 have been issued.
 - (b) All liabilities and obligations of the Company shall, to the extent possible, be discharged by the Company on or prior to the Effective Date. To the extent that liabilities and obligations of the Company shall then remain outstanding the consent of the relevant creditors will be sought and those liabilities and obligations shall be assumed by the Guernsey Company and allocated to the portfolio represented by the Guernsey Shares.
2. As consideration for the foregoing, the Guernsey Company shall allot and issue without further charge Guernsey Shares credited as fully paid up at an issue price equal to the

respective net asset value of the Participating Shares to the persons who at the Record Date were registered holders of Participating Shares on the following terms:-

In respect of every Participating Share (either of the class of Accumulation shares or of the class of Income shares) in the Company;

One Guernsey Share of the same class and so on in proportion

3. The Guernsey Shares shall, after the Effective Date, entitle the holders thereof to any and all dividends declared in relation to the portfolio of the Guernsey Company, allocated thereto.

4. In any case where the directors of the Guernsey Company have been advised that the allotment and issue of Guernsey Shares to a holder of Participating Shares may be prohibited by the law of the place where such holder is resident or so prohibited except after compliance with conditions which the directors of the Guernsey Company or the Company regard as unduly onerous by reason of delay, expense or otherwise, the Guernsey Company shall allot and issue the relevant Guernsey Shares to a person nominate by the Company or failing such nomination by the relevant registered Participating Shareholder. That person shall sell the same and account to such holder of Participating Shares for the net proceeds of sale in full satisfaction of his or her rights under the Scheme.

5. The Guernsey Company shall:-

- (a) on the Effective Date effect the allotment and issue of the Guernsey Shares allotted and issued in accordance with clauses 2 and 4 of this Scheme; and
- (b) not later than fourteen days after the Effective Date despatch share confirmations for the Guernsey Shares allotted and issued in accordance with clauses 2 and 4 of this Scheme to the persons to whom the same shall have been respectively so

allotted and issued by sending such share confirmations through the post in prepaid envelopes addressed to such persons:-

- (i) in the case of sole holders to their respective registered addresses as appearing in the register of members of the Company on the Record Date;
- or
- (ii) in the case of joint holders, to the registered address as appearing in the register of members of the Company on the Record Date of that one of the joint holders whose name stands first in such register in respect of the joint holding.

Certificates shall, if requested by the relevant holder, be posted at the risk of the addressees and neither the Company nor the Guernsey Company shall be responsible for any loss or delay in transmission.

6. All mandates or other instructions to the Company in force at the opening of business on the Effective Date relating to the Participating Shares shall unless and until revoked be deemed as from the Effective Date to be valid and subsisting mandates or instructions to the Guernsey Company in relation to the corresponding Guernsey Shares to be allotted and issued pursuant to the Scheme.

7. As from and including the Effective Date all existing certificates representing Participating Shares shall cease to have effect as documents of title and every holder thereof shall be bound on the request of the Guernsey Company to deliver up to the Company the certificate(s) for his or her existing holding(s).

8. SFr.100 shall be repaid to the holder of the Ordinary Shares and the Company shall be dissolved without winding-up on such date as the Court may by Order prescribe.

9. This Scheme shall become effective on a date not later than 31st March, 1997 as shall have been resolved upon by the Directors of the Company and the Guernsey Company) provided always that an office copy of the Order of the Court sanctioning this Scheme under Section 85 of the Companies Law (1995 Revision) shall have been registered by the Registrar of Companies in the Cayman Islands.
10. Unless this Scheme shall have become effective on or before 31st March, 1997 this Scheme shall lapse.
11. The Company and the Guernsey Company may jointly consent for and on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

Dated 11th November, 1996

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