

SECURITIES AND EXCHANGE COMMISSION

FORM 485B24E

Post-effective amendments

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FILER

ADVISORS FUND L P

CIK: **825201** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **485B24E** | Act: **33** | File No.: **033-18584** | Film No.: **94514154**

Business Address
*TWO WORLD TRADE CENTER
NEW YORK NY 10048
6172486257*

As filed with the Securities and Exchange Commission on March 1, 1994

Registration No. 33-18584
811-5391

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 X

Pre-Effective Amendment No.

Post-Effective Amendment No. 11 X

REGISTRATION STATEMENT UNDER THE INVESTMENT
COMPANY ACT OF 1940

Amendment No. 15 X

THE ADVISORS FUND L.P.

(Exact name of Registrant as Specified in Charter)

Two World Trade Center, 100th Floor, New York, New York 10048
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code:
(212) 720-9218

Francis J. McNamara, III
The Advisors Fund L.P.
Exchange Place
P.O. Box 2145
Boston, Massachusetts 02109
(Name and Address of Agent for Service)

Approximate Date of Proposed Public Offering:
As soon as possible after this Post-Effective Amendment
becomes effective.

It is proposed that this filing will become effective:

X immediately upon filing pursuant to Rule 485(b)
on _____ pursuant to Rule 485(b)
60 days after filing pursuant to Rule 485(a)
on _____ pursuant to Rule 485(a)

The Registrant has previously filed a declaration of indefinite
registration of its shares pursuant to Rule 24f-2 under the Investment Company
Act of 1940. Registrant's Rule 24f-2 Notice for the fiscal year ending
December 31, 1993 was filed on February 28, 1994.

Total number of pages . Exhibit Index appears on page ____.

CALCULATION OF REGISTRATION FEE
UNDER THE SECURITIES ACT OF 1933 (1)

Title of Securities
Being Registered

Amount Being
Registered
Proposed
Maximum
Offering

Price Per
Unit (2)
Proposed
Maximum
Aggregate
Offering Price
(3)

Amount of
Registrati
on Fee

Class A Shares of
Partnership Interest, no
par value per share, of
The Advisors Fund L.P.

32,113.45

\$27.65

\$320,000

\$100

(1) The shares being registered as set forth in this table are in addition to the indefinite number of shares of partnership interest which Registrant has registered under the Securities Act of 1933, as amended ("1933 Act"), pursuant to Rule 24f-2 under the Investment Company Act of 1940, as amended ("1940 Act"). Registrant's Rule 24f-2 Notice for its fiscal year ended December 31, 1993 was filed on February 28, 1994.

(2) Based on the Registrant's closing price of \$27.65 on February 18, 1994 pursuant to Rule 457 (d) under the 1933 Act and Rule 24e-2(a) under the 1940 Act.

(3) In response to Rule 24e-2(b) under the 1940 Act: (1) the calculation of the maximum aggregate offering price is made pursuant to Rule 24e-2; (2) 1,154,680 shares of common stock were redeemed by the Registrant during the fiscal year ended December 31, 1992; (3) 266,743 shares have been used for reductions pursuant to Rule 24f-2 during the current fiscal year and (4) 887,937 shares are being used for reduction in this amendment pursuant to Rule 24e-2(a).

THE ADVISORS FUND L.P.

FORM N-1A

Cross-Reference Sheet

Pursuant to Rule 485(a)

Part A.

Item No.	Prospectus Caption
1.	Cover Page
2.	Synopsis
3.	Condensed Financial Information
4.	General Description of Registrant

Policies;Additional Information

5.	Management of the Fund	Cover Page; Prospectus Summary; Management of the Fund; Allocation of the Fund's Assets; Additional Information
6.	Management Discussion of Fund's Performance	Not Applicable
7.	Capital Stock and Other Securities Redemption of Shares; Exchange Privilege; Allocations and Distributions; Taxation; Additional Information	Prospectus Summary;
8.	Purchase of Securities Being Offered	Purchase of Shares; Net Asset Value
9.	Redemption or Repurchase Value	Redemption of Shares; Net Asset
10.	Pending Legal Proceedings	Not Applicable

Part B Caption in Statement of Additional Information
Item No.

10.	Cover Page	Cover Page
11.	Table of Contents	Table of Contents
12.	General Information and History	Management of the Fund
13.	Investment Objectives and Policies	Policies
14.	Management of the Registrant	Management of the Fund
15.	Control Persons and Principal Holders of Securities	Management of the Fund
16.	Investment Advisory	Management of the Fund; and Other Services; Custodian and Transfer Agent
17.	Brokerage Allocation	The Fund's Portfolio Transactions and Brokerage
18.	Capital Stock and Other Securities	Taxation; Appendix B - Text of Amended and Restated Agreement of Limited Partnership
19.	Purchase, Redemption and Pricing of Securities Being Offered	Purchase of Shares; Redemption of Shares; Net Asset Value
20.	Tax Status	Taxation
21.	Underwriters	Purchase of Shares
22.	Calculation of Performance	Determination of Performance Data
23.	Financial Statements	Financial Statements

MARCH 1, 1994

THE
ADVISORS
FUND L.P.
PROSPECTUS BEGINS
ON PAGE ONE.
NOTE: THE ADVISORS FUND L.P. HAS
CLAIMED THE EXEMPTION PROVIDED BY
COMMODITY EXCHANGE ACT REGULATION
SECTION 4.12 (B) (2) (I).
[LOGO]

THE ADVISORS FUND L.P.

PROSPECTUS

March 1, 1994

Two World Trade Center
New York, New York 10048
(212) 720-9218

The Advisors Fund L.P. (the "Fund") is a limited partnership that is an open-end, non-diversified management investment company (mutual fund). The investment objective of the Fund is to maximize total return. Under normal circumstances, the Fund seeks to achieve its objective by investing at least 70% of its assets in long and short positions in domestic equity securities and options on such securities, options on certain stock indexes, and stock index futures contracts and options thereon. Equity securities for purposes of this requirement are defined as common stocks and warrants of domestic issuers. In addition, the Fund may invest on an aggregate basis no more than 10% of its total assets in debt securities (other than money market instruments), preferred stocks, convertible securities, interest rate futures and options on interest rate futures. The Fund also may invest in equity securities of foreign issuers and money market instruments. The Fund may hedge its securities investments by entering into transactions involving financial futures and options on financial futures. The Fund may also enter into transactions involving certain financial futures and options thereon for purposes other than hedging.

In seeking to maximize total return, the Fund employs an investment management approach whereby the Fund's assets are allocated among several portfolio managers. Each of the portfolio managers manages a portion of the Fund's assets which are allocated to it in accordance with the Fund's investment objective and policies. The Fund's objective and policies allow the portfolio managers to engage in a greater number of transactions and strategies than those in which a typical mutual fund may engage. Accordingly, investment in the Fund may expose an investor to a higher rate of risk (and a potentially higher rate of return) than most other mutual funds. See "Risk Considerations." Smith Barney Shearson Strategy Advisers Inc. ("Strategy Advisers"), a wholly owned subsidiary of Smith, Barney Advisers, Inc. ("SBA") allocates the Fund's assets among the portfolio managers listed below (some of whom also act as commodity trading advisors for the Fund). Strategy Advisers, with the assistance of Tremont Partners, Inc. ("Tremont"), monitors and evaluates the performance of the portfolio managers and on the basis of such evaluations allocates the Fund's assets. The Boston Company Advisors, Inc. ("Boston Advisors") serves as the Fund's administrator.

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THE ADVISORS FUND L.P.

This Prospectus, which also serves as a disclosure document under the Commodity Exchange Act (the "CEA"), describes concisely certain information about the Fund, including sales charges, distribution fee and expenses, that prospective investors should know before investing. Investors are encouraged to read this Prospectus carefully and to retain it for future reference.

Additional information about the Fund is contained in a Statement of Additional Information dated March 1, 1994, as amended or supplemented from time to time, which is available upon request without charge by calling or writing

the Fund at the telephone number or address set forth above or by contacting any Smith Barney Shearson Financial Consultant. The Statement of Additional Information has been filed with the Securities and Exchange Commission (the "SEC") and is incorporated by reference into this Prospectus in its entirety.

The minimum initial investment is \$25,000 and subsequent investments must be at least \$1,000. Investors in the Fund are required to have a minimum net worth, exclusive of home, home furnishings and automobiles, of \$250,000.

The Fund is designed for investors who do not require regular current income and who can accept a high degree of risk in their investments and, therefore, the Fund can be regarded as speculative. Shares of the Fund are not offered to certain foreign persons and tax-exempt organizations. See "Purchase of Shares."

SMITH BARNEY SHEARSON STRATEGY ADVISERS INC.
Investment Adviser

ARDSLEY ADVISORY PARTNERS
HELLMAN, JORDAN MANAGEMENT CO., INC.
MARK ASSET MANAGEMENT CORPORATION
WOODWARD & ASSOCIATES INC.
Portfolio Managers

SMITH BARNEY SHEARSON INC.

Distributor

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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THE ADVISORS FUND L.P.

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS POOL NOR HAS THE COMMISSION PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

THE FUND IS A COMMODITY POOL AS DEFINED BY COMMODITY FUTURES TRADING COMMISSION REGULATIONS. CONSEQUENTLY, THE FOLLOWING RISK DISCLOSURE STATEMENTS MUST BE INCLUDED IN THIS PROSPECTUS AND DISCLOSURE DOCUMENT.

RISK DISCLOSURE STATEMENT
YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. YOU MAY LOSE A SUBSTANTIAL PORTION OR EVEN ALL OF THE MONEY YOU PLACE IN THE POOL.

IN CONSIDERING WHETHER TO PARTICIPATE IN A COMMODITY POOL, YOU SHOULD BE AWARE THAT TRADING COMMODITIES CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. ALSO, MARKET CONDITIONS MAY

MAKE IT DIFFICULT OR IMPOSSIBLE FOR THE POOL TO LIQUIDATE A POSITION.

IN SOME CASES, COMMODITY POOLS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED TO THIS POOL.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF PARTICIPATING IN A COMMODITY POOL. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU DECIDE TO PARTICIPATE IN A COMMODITY POOL.

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FOREIGN FUTURES AND FOREIGN OPTIONS RISK DISCLOSURE STATEMENT
THE RISK OF LOSS IN TRADING FOREIGN FUTURES AND FOREIGN OPTIONS CAN BE SUBSTANTIAL. THEREFORE, YOU SHOULD CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE FOREIGN FUTURES OR FOREIGN OPTIONS, YOU SHOULD BE AWARE OF THE FOLLOWING:

(1) PARTICIPATION IN FOREIGN FUTURES AND FOREIGN OPTIONS TRANSACTIONS INVOLVES THE EXECUTION AND CLEARING OF TRADES ON OR SUBJECT TO THE RULES OF A FOREIGN BOARD OF TRADE.

(2) NEITHER THE COMMODITY FUTURES TRADING COMMISSION, THE NATIONAL FUTURES ASSOCIATION NOR ANY DOMESTIC EXCHANGE REGULATES ACTIVITIES OF ANY FOREIGN BOARDS OF TRADE, INCLUDING THE EXECUTION, DELIVERY AND CLEARING OF TRANSACTIONS, OR HAS THE POWER TO COMPEL ENFORCEMENT OF THE RULES OF A FOREIGN BOARD OF TRADE OR ANY APPLICABLE FOREIGN LAWS. GENERALLY, THE FOREIGN TRANSACTION WILL BE GOVERNED BY APPLICABLE FOREIGN LAW. THIS IS TRUE EVEN IF THE EXCHANGE IS FORMALLY LINKED TO A DOMESTIC MARKET SO THAT A POSITION TAKEN ON THE MARKET MAY BE LIQUIDATED BY A TRANSACTION ON ANOTHER MARKET. MOREOVER, SUCH LAWS OR REGULATIONS WILL VARY DEPENDING ON THE FOREIGN COUNTRY IN WHICH THE FOREIGN FUTURES OR FOREIGN OPTIONS TRANSACTION OCCURS.

(3) FOR THESE REASONS, CUSTOMERS WHO TRADE FOREIGN FUTURES OR FOREIGN OPTIONS CONTRACTS MAY NOT BE AFFORDED CERTAIN OF THE PROTECTIVE MEASURES PROVIDED BY THE COMMODITY EXCHANGE ACT, THE COMMISSION'S REGULATIONS AND THE RULES OF THE NATIONAL FUTURES ASSOCIATION AND ANY DOMESTIC EXCHANGE, INCLUDING THE RIGHT TO USE REPARATIONS PROCEEDINGS BEFORE THE COMMISSION AND ARBITRATION PROCEEDINGS PROVIDED BY THE NATIONAL FUTURES

ASSOCIATION OR ANY
 DOMESTIC FUTURES EXCHANGE. IN PARTICULAR, FUNDS RECEIVED FROM
 CUSTOMERS FOR
 FOREIGN FUTURES OR FOREIGN OPTIONS TRANSACTIONS MAY NOT BE
 PROVIDED THE SAME
 PROTECTIONS AS FUNDS RECEIVED IN RESPECT OF TRANSACTIONS ON
 UNITED STATES
 FUTURES EXCHANGES. THEREFORE, YOU SHOULD OBTAIN AS MUCH
 INFORMATION AS
 POSSIBLE FROM YOUR FINANCIAL CONSULTANT CONCERNING THE FOREIGN
 RULES WHICH
 WILL APPLY TO YOUR PARTICULAR TRANSACTIONS.

(4) YOU SHOULD ALSO BE AWARE THAT THE PRICE OF ANY FOREIGN
 FUTURES OR
 FOREIGN OPTIONS CONTRACT AND, THEREFORE, THE POTENTIAL PROFIT
 AND LOSS
 THEREON, MAY BE AFFECTED BY ANY VARIANCE IN THE FOREIGN
 EXCHANGE RATE BETWEEN
 THE TIME YOUR ORDER IS PLACED AND THE TIME IT IS LIQUIDATED, OFFSET
 OR
 EXERCISED.

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THE ADVISORS FUND L.P.

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 PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE
 DETAILED
 INFORMATION INCLUDED ELSEWHERE IN THIS PROSPECTUS AND IN THE
 STATEMENT OF
 ADDITIONAL INFORMATION.

THE FUND The Fund is an open-end, non-diversified management investment company formed as a limited partnership under Delaware law. The investment objective of the Fund is to maximize total return. The Fund seeks to achieve its objective by utilizing several portfolio managers to manage the Fund's assets. Under normal circumstances the Fund invests at least 70% of its assets in long and short positions in domestic equity securities and options on such securities, options on certain stock indexes and stock index futures and options thereon. Equity securities for purposes of this requirement are defined as common stocks and warrants of domestic issuers. In addition, the Fund may invest on an aggregate basis no more than 10% of its total assets in debt securities (other than money market instruments), preferred stocks, convertible securities, interest rate futures and options on interest rate futures. The Fund also may invest in equity securities of foreign issuers, various types of options and money market instruments. The Fund may hedge its securities investments by entering into transactions involving financial futures and options on financial futures. The Fund also may engage in transactions involving certain financial futures and options on financial futures for purposes other than hedging. See "Investment Objective and Policies."

PURCHASE OF SHARES The Fund offers the general public one class of shares representing limited partnership interests of the Fund (Class A Shares). Class A shares are sold at a price equal to the next determined net asset value per share subject to payment of a maximum initial sales charge of 5.0% imposed at the time of purchase. The Fund pays its distributor an annual service fee of 0.25% of the value of the average daily net assets of this Class. See "Purchase of Shares."

During the period from June 1, 1993 through September 16, 1993, the Fund offered a second class of shares subject to a contingent deferred sales charge ("CDSC"). Shares of this second class (Class B shares) remain outstanding and the Fund pays its distributor an annual service fee of 0.25% and an annual distribution fee of 0.75% of the value of average daily net assets of Class B

shares. Class B shares are eligible for conversion to Class A shares following the eighth anniversary of their purchase.

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THE ADVISORS FUND L.P.

PROSPECTUS SUMMARY (CONTINUED)

Upon conversion, these shares will no longer be subject to an annual distribution fee, but will be subject to a service fee applicable to Class A shares. See "Redemption of Shares."

The minimum initial investment in the Fund is \$25,000, and subsequent investments must be at least \$1,000, although the minimum initial investment is \$10,000 for officers and directors of Smith Barney Shearson Inc. ("Smith Barney Shearson"), Tremont and each of the portfolio managers and for Smith Barney Shearson Financial Consultants. Each investor in the Fund is required to have a minimum net worth, exclusive of home, home furnishings, and automobiles, of at least \$250,000, although officers and directors of Smith Barney Shearson, Tremont and each of the portfolio managers and Smith Barney Shearson Financial Consultants may invest in the Fund without meeting this requirement. Purchases of shares must be made through a brokerage account maintained with Smith Barney Shearson, or a broker that clears securities transactions through Smith Barney Shearson on a fully disclosed basis (an "Introducing Broker"), and payment must be made directly to Smith Barney Shearson or an Introducing Broker. See "Purchase of Shares."

ALLOCATIONS AND DISTRIBUTIONS It is anticipated that the Fund will be treated as a partnership for Federal income tax purposes through 1997. During the period in which the Fund qualifies for tax treatment as a partnership, holders of shares ("Shareholders") in the Fund will be required to take into account on their Federal income tax returns (and possibly on other tax returns) their share of the Fund's income, gains, losses, deductions and credits, regardless of whether distributions are made by the Fund.

REDEMPTIONS Shares may be redeemed on any day on which the Fund calculates its net asset value. Class A shares are redeemable at net asset value and Class B shares are redeemable at net asset value less any applicable CDSC. Shares may be redeemed automatically by the Fund in certain instances. See "Redemption of Shares."

MANAGEMENT SERVICES Strategy Advisers serves as the Fund's investment adviser and in that capacity allocates the Fund's assets among various portfolio managers and monitors and evaluates the performance of the

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THE ADVISORS FUND L.P.

PROSPECTUS SUMMARY (CONTINUED)

portfolio managers. The Fund's portfolio managers (collectively, the "Portfolio Managers") are: Ardsley Advisory Partners; Hellman, Jordan Management Co., Inc.; Mark Asset Management Corporation; and Woodward & Associates Inc. The Portfolio Managers invest the assets allocated to them in accordance with the Fund's investment objective and policies.

The Fund pays Strategy Advisers a monthly advisory fee that is adjusted to

reflect the Fund's performance. The monthly performance adjustment is based upon the extent to which the investment performance of the Class B shares of the Fund, after deducting all expenses allocable to Class B shares, exceeds or is exceeded by the percentage change in the investment record of the Standard & Poor's 500 Composite Stock Price Index ("S&P 500") for the immediately preceding twelve calendar months on a rolling basis.

The maximum monthly advisory fee after the monthly performance adjustment is 4.0% per annum of the value of the Fund's average daily net assets if the Class B shares of the Fund outperform (after payment of all expenses allocable to Class B shares) the S&P 500 by 5.25 percentage points or more and the absolute performance of the Class B shares of the Fund is positive. If the Fund underperforms the S&P 500 by 4.75 percentage points or more (after payment of all expenses allocable to Class B shares), the monthly advisory fee would be 0% per annum of the value of the Fund's average daily net assets. Further, the advisory fee is structured so that if the absolute performance (after payment of all expenses allocable to Class B shares) of the Class B shares of the Fund is negative, the monthly advisory fee may be reduced to a fee lower than that called for under the performance fee schedule.

Strategy Advisers retains 10% of the advisory fee and allocates the remaining 90% of the fee to the Portfolio Managers. Strategy Advisers pays each Portfolio Manager a monthly management fee based upon the Portfolio Manager's absolute performance (net of expenses charged to the Class B shares) compared to the performance of the S&P 500 on a rolling twelve calendar month basis. The Fund does not pay a direct advisory fee to the Portfolio Managers.

Tremont assists Strategy Advisers in monitoring and evaluating the performance of the Portfolio Managers and provides Strategy Advisers with research services and reports relating to the allocation of assets among the

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THE ADVISORS FUND L.P.

PROSPECTUS SUMMARY (CONTINUED)

Portfolio Managers. Strategy Advisers pays Tremont a fee for its services, which equals 20% of the value of any advisory fees retained by Strategy Advisers.

Boston Advisors serves as administrator to the Fund. In this capacity, Boston Advisors calculates the net asset value of the Fund's shares, and generally assists in all aspects of the Fund's administration and operations. The Fund pays Boston Advisors a fee at an annual rate of 0.25% of the value of the Fund's average daily net assets.

The aggregate amount of fees paid by the Fund for advisory and administrative services, depending on the performance of the Class B shares of the Fund (net of expenses allocable to such Class B shares) relative to the S&P 500, are higher than fees paid by most other investment companies for such services; however, if the Class B shares of the Fund underperform the S&P 500 on a rolling twelve calendar month basis, the advisory and administrative fees paid by the Fund may be less than those paid by other investment companies.

ALLOCATION OF THE FUND'S ASSETS The Fund's assets are allocated among the Portfolio Managers at the discretion of Strategy Advisers. Strategy Advisers bases its allocation of the Fund's assets on various factors including the size of the Fund, the performance of the Portfolio Managers, the investment philosophy of the Portfolio Managers, economic and market conditions, the

Portfolio Managers' ability to take on additional assets for management, and purchases and redemptions of the Fund's shares. Additionally, Strategy Advisers is free to allocate the Fund's assets to the Portfolio Managers such that, at any point in time, one or more of the Portfolio Managers may not be managing any of the Fund's assets. While the asset allocation is reviewed periodically, reallocations may be made at any time by Strategy Advisers. Subject to each Portfolio Manager's ability to take on additional assets for management, new monies generally are allocated according to the proportion of the Fund's assets under management by that Portfolio Manager. Similarly, assets withdrawn from the Fund through redemptions generally are withdrawn from the Portfolio Managers according to this proportion. In certain instances, Strategy Advisers may maintain some amount of the Fund's assets in cash or money market instruments in order to minimize the disruption caused by daily inflows to and outflows from the Fund. Tremont assists Strategy Advisers in monitoring and evaluating the

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THE ADVISORS FUND L.P.

PROSPECTUS SUMMARY (CONTINUED)

Portfolio Managers and provides Strategy Advisers with research services and reports relating to the allocation of assets among the Fund's Portfolio Managers.

RISK FACTORS AND SPECIAL CONSIDERATIONS Investment in the Fund involves a high degree of risk and can be regarded as speculative. The Fund is designed for investors who do not require regular current income and who can accept a high degree of risk in their investments. A predominant component of the Fund's total return is appreciation (or depreciation) in the value of the Fund's assets. In seeking to achieve its investment objective, the Fund may experience portfolio turnover and transaction costs significantly exceeding those of other equity or fixed-income mutual funds.

Foreign securities in which the Fund may invest involve certain considerations not typically associated with securities of domestic issuers. The Fund may invest in options, which involve certain risks. The Fund has the authority to trade and to speculate in financial futures (rather than a limited ability to use financial futures for hedging purposes), which will subject the Fund to substantial risks. The Fund may also use investment techniques, including entry into short sales and repurchase agreements, that involve certain risks. The Fund also may borrow money for investment purposes, which will have the effect of leveraging the Fund's portfolio.

Investment in the Fund, which is classified as a non-diversified investment company, may present a greater risk than an investment in a diversified company. In any given year, the taxes payable by a Shareholder on his portion of the Fund's income may exceed the cash distributions received by the Shareholder from the Fund. See "Risk Factors and Special Considerations."

THE FUND'S EXPENSES

The following table lists the costs and expenses that an investor will incur directly or indirectly as a Shareholder in the Fund, based upon the

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THE ADVISORS FUND L.P.

THE FUND'S EXPENSES (CONTINUED)

maximum sales charge and maximum CDSC that may be incurred at the time of purchase or redemption, respectively, and an estimate of the Fund's operating

expenses:

<TABLE>
<CAPTION>

<S>	CLASS A <C>	CLASS B <C>

SHAREHOLDER TRANSACTION EXPENSES		
Maximum sales charge imposed on purchases (as a percentage of original purchase price)	5.00%	--
Maximum CDSC (as a percentage of redemption proceeds)	--	5.00%

ANNUAL FUND EXPENSES (as a percentage of average net assets)		
Management fees	2.38%	2.38%
Service fee	0.25%	0.25%
Distribution fees**	--	0.75%
Other expenses+	1.91%	1.91%

TOTAL FUND EXPENSES	4.54%	5.29%

<FN>

*The fee payable by the Fund to Strategy Advisers is adjusted with reference to the performance of the Class B shares (less expenses allocable to the Class B shares) as compared to that of the S&P 500. This incentive fee may increase or decrease the fee payable to Strategy Advisers by up to 2.0% per annum of the value of the Fund's average daily net assets, resulting in a fee from 0.0% to 4.0% per annum. See "Management of the Fund -- Investment Adviser and Advisory Fees."

**Upon conversion, Class B shares will no longer be subject to a distribution fee.

+All expenses are based on data for the Fund's fiscal year ended December 31, 1993. For Class B shares, "Other Expenses" have been annualized.

</TABLE>

The sales charge and CDSC set forth in the above table are the maximum charges imposed on purchases and redemptions of Fund shares, and Shareholders may pay actual charges less than 5.0% depending on the amount purchased, and in the case of Class B shares, the length of time the shares are held. See "Purchase of Shares" and "Redemption of Shares." Management fees paid by the Fund include investment advisory fees paid to Strategy Advisers in an amount up to 4.0% per annum of the value of the Fund's average daily net assets (fees paid to the Portfolio Managers are paid by Strategy Advisers) and an administration fee paid to Boston Advisors in an amount equal to 0.25% of the value of the Fund's average daily net assets on an annual basis. Each Class of shares pays Smith Barney Shearson an annual service fee of 0.25% of the value of the average daily net assets of the respective Class. Class B also pays Smith Barney Shearson an annual

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THE ADVISORS FUND L.P.

THE FUND'S EXPENSES (CONTINUED)

distribution fee of 0.75% of the average daily net assets of the Class. The nature of the services for which the Fund pays management fees is described under "Management of the Fund." "Other expenses" in the above table include fees for shareholder services, custodial fees, legal and accounting fees, organization expenses, printing costs and registration fees. Because of the Fund's unique structure and operating policies, the Fund incurred organization expenses that a typical mutual fund would not incur. See "Additional Information."

EXAMPLE*

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical \$1000 investment in the Fund. These amounts are based upon (a) assumption of a 5% total return and (b) payment by the Fund of operating expenses at the levels set forth in the table above:

<TABLE>
<CAPTION>

<S>	1 YEAR <C>	3 YEARS <C>	5 YEARS <C>	10 YEARS+ <C>
Class A shares**	\$ 93	\$ 180	\$ 268	\$ 491
Class B shares:				
Assumes complete redemption at end of each time period***	103	188	273	521
Assumes no redemption	53	158	263	521

<FN>

*This example assumes payment by the Fund of operating expenses at the levels set forth in the above table. This example should not be considered a representation of past or future expenses and actual expenses may be greater or less than those shown. Moreover, while this example assumes a 5% annual return, the Fund's actual performance will vary and may result in an actual return greater or less than 5%.

**Assumes deduction at the time of purchase of the maximum 5% sales charge.

***Assumes deduction at the time of redemption of the maximum CDSC applicable for that time period.

+Ten-year figures assume conversion of Class B shares to Class A shares at the end of the eighth year following the date of purchase.

</TABLE>

THE ADVISORS FUND L.P.

FINANCIAL HIGHLIGHTS

THE FOLLOWING TABLE OF INFORMATION FOR THE FISCAL YEAR ENDED DECEMBER 31, 1993, HAS BEEN EXAMINED BY COOPERS & LYBRAND, INDEPENDENT ACCOUNTANTS, WHOSE REPORT THEREON APPEARS IN THE FUND'S ANNUAL REPORT DATED DECEMBER 31, 1993. THIS INFORMATION SHOULD BE READ IN CONJUNCTION WITH THE FINANCIAL STATEMENTS AND RELATED NOTES THERETO ALSO INCLUDED IN THE FUND'S ANNUAL REPORT, WHICH IS INCORPORATED BY REFERENCE INTO THE STATEMENT OF ADDITIONAL INFORMATION.

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT EACH PERIOD:

<TABLE>
<CAPTION>

<S>	YEAR ENDED 12/31/93++ <C>	YEAR ENDED 12/31/92++ <C>	YEAR ENDED 12/31/91 <C>	PERIOD ENDED 12/31/90* <C>
Net Asset Value, beginning of period	\$ 26.63	\$ 24.04	\$ 17.51	\$ 18.90
Investment income from operations:				

Net investment loss	(0.66)	(0.24)	(0.37)	(0.03)
Net realized and unrealized gain/(loss) on investments	1.94	2.83	6.90	(1.36)

Total from investment operations	1.28	2.59	6.53	(1.39)
Net Asset Value, end of period	\$ 27.91	\$ 26.63	\$ 24.04	\$ 17.51

Total return+++ (a)	4.81%	10.77%	37.29%	(7.35)%

Ratio to average net assets/supplemental data:				
Net assets, end of period (000's)	\$ 126,428	\$144,235	\$158,522	\$140,447
Ratio of expenses to average net assets**	4.54%	3.12%	3.86%	
3.27%+				
Ratio of net investment loss to average net assets	(2.45)%	(1.00)%	(1.60)%	(0.31)%+
Portfolio turnover rate	247%	312%	304%	149%

<FN>

*The Fund commenced operations on June 28, 1990.

**The annualized expense ratio includes interest expense. The annualized ratio excluding interest

expense was 3.54%, 2.28%, 3.60% and 2.99% for the fiscal years ended December 31, 1993, 1992 and

1991 and for the period ended December 31, 1990, respectively.

+Annualized.

++Per share amounts have been calculated using the monthly average share method which more

appropriately presents the per share data as the undistributed income method does not accord with

results of operations for these periods.

+++Total return represents aggregate total return for the periods indicated and does not reflect any

applicable sales charge.

</TABLE>

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FINANCIAL HIGHLIGHTS (CONTINUED)

FOR A CLASS B SHARE OUTSTANDING THROUGHOUT THE PERIOD:

<TABLE>
<CAPTION>

	PERIOD ENDED 12/31/93***
<S>	<C>
Net Asset Value, beginning of period	\$ 27.01

Income from investment operations:	
Net investment loss	(0.53)
Net realized and unrealized gain on investments	1.32

Total from investment operations	0.79
Net Asset Value, end of period	\$ 27.80

Total return+++	2.92%

Ratios to average net assets/supplemental data:	
Net assets, end of period (000's)	\$ 4,147
Ratio of expenses to average net assets**	5.29%+
Ratio of net investment loss to	

average net assets	(3.20)%+
Portfolio turnover rate	247%

<FN>

*The Fund commenced selling Class B shares on June 1, 1993. The Fund ceased all sales of Class B shares on September 16, 1993.

**The annualized expense ratio includes interest expense. The annualized ratio excluding interest expense was 4.29% for the fiscal year ended December 31, 1993.

+Annualized.

++Per share amounts have been calculated using the monthly average share method which more appropriately presents the per share data as the undistributed income method does not accord with results of operations for this period.

+++Total return represents aggregate total return for the period indicated and does not reflect any applicable sales charge.

</TABLE>

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THE ADVISORS FUND L.P.

ALLOCATION OF THE FUND'S ASSETS

In seeking to achieve the Fund's investment objective, the Fund employs an investment management approach whereby the Fund's assets are allocated among the Portfolio Managers at the discretion of Strategy Advisers. Strategy Advisers bases its allocation of the Fund's assets on various factors, including the size of the Fund, performance of the Portfolio Managers, investment philosophy of the Portfolio Managers, economic and market conditions, the Portfolio Managers' ability to take on additional assets for management, and purchases and redemptions of Fund shares. Strategy Advisers is free to allocate the Fund's assets among the Portfolio Managers in any amount such that, at any point in time, one or more of the Portfolio Managers may not be managing any of the Fund's assets. On a formal basis, Strategy Advisers reviews the allocation of the Fund's assets at least quarterly, although reallocations may be made at any time by Strategy Advisers. Although the Portfolio Managers are subject to general oversight by Strategy Advisers, Strategy Advisers does not evaluate the investment merits of the Portfolio Managers' individual investment decisions.

Subject to each Portfolio Manager's ability to take on additional assets, new money invested in the Fund generally is allocated according to the proportion of the Fund's assets under management by that Portfolio Manager. Similarly, assets withdrawn from the Fund through redemptions generally are withdrawn from the Portfolio Managers according to this proportion.

The Portfolio Managers may be required to invest some part of the Fund's assets in cash or money market instruments so as to meet the Fund's obligations with respect to daily redemptions of Fund shares and to cover expenses for day-to-day operating purposes.

Each of the Portfolio Managers has its own investment philosophy and investment style. The Portfolio Managers may employ various analytical tools, including, among others, relative valuation techniques, evaluation of fundamental company and industry attributes and of technical security and market characteristics, macroeconomic estimates and risk analysis. The segment of the Fund managed by a Portfolio Manager may differ from the segments managed by the Fund's other Portfolio Managers with respect to portfolio concentrations, turnover, company capitalization, company financial condition and allocations of assets among types of securities or other investments. Strategy Advisers believes that using several portfolio managers

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 ALLOCATION OF THE FUND'S ASSETS (CONTINUED)

to manage segments of the Fund's portfolio, thereby blending the investment styles of various portfolio managers, has the potential for obtaining consistently higher returns over longer time periods than employing a single portfolio manager.

 INVESTMENT OBJECTIVE AND POLICIES

The Fund seeks to maximize total return. Total return consists of interest and dividends from underlying securities, capital appreciation realized from the purchase and sale of securities and income from futures and options. This investment objective may be changed only with the approval of the holders of a majority of the Fund's outstanding shares. No assurance can be given that the Fund will be able to achieve its objective.

In seeking to maximize total return, the Portfolio Managers will, under normal conditions, invest at least 70% of the Fund's total assets in long and short positions in domestic equity securities and options on such securities, options on certain stock indexes and in stock index futures contracts and options thereon. Equity securities for purposes of this requirement are defined as common stocks and warrants of domestic issuers. The Portfolio Managers also have the ability to invest the Fund's assets in the following other types of investments: preferred stocks, convertible securities, bonds, debentures and notes of domestic and foreign issuers; other financial futures and options on such financial futures; forward foreign currency contracts; and repurchase agreements and domestic money market instruments. Certain Portfolio Managers noted below currently do not anticipate engaging in transactions involving futures contracts or options thereon. The Fund may invest on an aggregate basis no more than 10% of its total assets in debt securities (other than money market instruments), preferred stocks, convertible securities, interest rate futures and options on interest rate futures. The Fund also limits, to 10% of total assets on an aggregate basis, its investments in equity securities of foreign issuers; debt securities of foreign issuers; options on foreign stocks and foreign securities indexes; financial futures on and options on financial futures on foreign securities indexes, foreign government securities and foreign currencies; forward contracts for the purchase or sale of foreign currencies; and foreign money market instruments. To the extent that fixed income securities produce a higher total

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 INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

return than equity securities during certain periods, the Fund's policy of investing at least 70% of its total assets in equity securities and equity-related options and futures could limit the Fund's ability to maximize total return.

EQUITY SECURITIES

The Portfolio Managers will invest the Fund's assets in common stocks, preferred stocks or securities convertible into or exchangeable for common stocks, I.E., convertible preferred stock, convertible debentures or warrants which are believed to have above-average potential for total return. A Portfolio Manager's investment decision may be based on the fundamental value of a particular security, technical considerations or market momentum. Along with investments in large, well-capitalized companies, the Fund may invest in

secondary companies that have yet to reach a fully mature state of earnings growth, I.E., emerging growth companies. Such secondary companies consist of small to medium-sized companies that generally have market capitalizations under \$500 million.

The Fund generally invests in U.S. equity securities that are listed on securities exchanges or in unlisted securities that are quoted on the National Market System of the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ"). Foreign securities in which the Fund may invest may be listed on foreign securities exchanges or traded in the over-the-counter markets. Additionally, the Fund may purchase American Depositary Receipts ("ADRs"), which are dollar-denominated receipts issued generally by domestic banks and representing the deposit with the bank of a security of a foreign issuer. ADRs are publicly traded on exchanges or over-the-counter in the United States.

DEBT SECURITIES

The Fund typically will purchase a debt security if a Portfolio Manager believes that the yield and potential for capital appreciation of the security are sufficiently attractive in light of the risks of ownership of the security. In determining whether the Fund should invest in particular debt securities, a Portfolio Manager considers factors such as the price, coupon and yield to maturity; credit quality of the issuer; the issuer's available cash flow and the related coverage ratios; the property, if any, securing the obligation; and the

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

terms of the debt securities, including the subordination, default, sinking fund and early redemption provisions. The Portfolio Manager also reviews the ratings, if any, assigned to the securities by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Corporation ("S&P"), or other recognized rating agencies. The Portfolio Manager's judgment as to credit quality of a debt security may differ, however, from that suggested by the ratings published by a rating service. A complete description of Moody's and S&P's ratings is set out as Appendix A to the Statement of Additional Information.

The Fund will invest no more than 5% of its assets in debt securities rated less than Baa by Moody's or BBB by S&P or, if unrated, of equivalent quality in the view of the Portfolio Manager. This percentage limitation applies only at the time of purchase and the Fund is not required to dispose of a debt security if down-graded by a rating service. Debt securities which are rated Baa by Moody's are considered medium grade obligations, I.E., they are neither highly protected nor poorly secured. Such bonds lack outstanding investment characteristics and have speculative characteristics as well, according to Moody's. Debt securities rated BBB by S&P are regarded as having adequate capacity to pay interest and repay principal. According to S&P, while these debt securities normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal. The Fund does not invest in debt securities rated less than Caa by Moody's or CCC by S&P, or if unrated, of equivalent quality in the view of the Portfolio Manager.

SHORT SALES. The Fund from time to time may sell securities short. A short sale is a transaction in which the Fund sells securities it does not own (but has borrowed) in anticipation of a decline in the market price of the securities. Risks associated with short sales of securities are described below under "Risk Factors and Special Considerations."

To complete a short sale, the Fund must arrange through a broker to borrow the securities to be delivered to the buyer. The proceeds received by the Fund from the short sale are retained by the broker until the Fund replaces the borrowed securities. In borrowing the securities to be delivered to the buyer, the Fund becomes obligated to replace the securities borrowed at their market price at the time of replacement, whatever that price may be.

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 INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

The Fund may have to pay a premium to borrow the securities and must pay any dividends or interest payable on the securities until they are replaced.

The Fund's obligation to replace the securities borrowed in connection with a short sale will be secured by collateral deposited with the broker that consists of cash or obligations of the U.S. government, its agencies and instrumentalities ("U.S. Government Securities"). In addition, the Fund will place in a segregated account with its custodian an amount of cash or U.S. Government Securities equal to the difference, if any, between (a) the market value of the securities sold at the time they were sold short, and (b) any cash or U.S. Government Securities deposited as collateral with the broker in connection with the short sale (not including the proceeds of the short sale). Until it replaces the borrowed securities, the Fund will maintain the segregated account daily at a level so that (a) the amount deposited in the account plus the amount deposited with the broker (not including the proceeds from the short sale) will equal the current market value of the securities sold short, and (b) the amount deposited in the account plus the amount deposited with the broker (not including the proceeds from the short sale) will not be less than the market value of the securities at the time they were sold short. The Fund may enter into short sales without limit to the extent that it is able to cover its short positions as described above.

U.S. Government Securities include U.S. Treasury bills, notes and bonds, which are supported by the full faith and credit of the United States; other obligations, such as those of the Federal Home Loan Banks, which are supported by the right of the issuer to borrow from the Treasury; others, such as those of the Federal National Mortgage Association, which are supported by the discretionary authority of the U.S. government to purchase the agency's obligations; and still others, such as those of the Student Loan Marketing Association, which are supported only by the credit of the instrumentality.

SHORT SALES AGAINST THE BOX. The Fund may, in addition to engaging in short sales as described above, enter into a short sale of common stock such that when the short position is open, the Fund owns an equal amount of preferred stock or debt securities, convertible or exchangeable without payment of further consideration, into an equal number of shares of the common stock sold short. This kind of short sale, which is described as one

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 INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

"against the box," will be entered into by the Fund for the purpose of receiving a portion of the interest earned by the executing broker from the proceeds of the sale. The proceeds of the sale will be held by the broker until the settlement date, when the Fund delivers the convertible securities to close out its short position. Although, prior to delivery, the Fund will have to pay an amount equal to any dividends paid on the common stock sold short, the Fund will receive the dividends from the preferred stock or interest from the debt securities convertible into the stock sold short, plus a portion of the interest earned from the proceeds of the short sale. The Fund will deposit, in a segregated account with its custodian, convertible preferred stocks or convertible debt securities in connection with short sales against the box.

SHORT-TERM TRADING. Because the Fund is formed as a limited partnership and currently does not intend to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), it is not subject to the 30% limit on gains from the sale or other disposition of securities, options, futures contracts, and certain other assets held for less than three months, which limitation applies to regulated investment companies. Thus, a Portfolio Manager may trade portfolio securities on a short-term basis

to take advantage of fluctuating market conditions and price changes in individual securities to a greater extent than a regulated investment company.

Short-term trading may result in increased portfolio turnover, higher than normal brokerage commissions and other expenses. Portfolio turnover is not a limiting factor in managing the Fund's portfolio and, depending on market conditions, the Fund is likely to experience a greater portfolio turnover (and, consequently, higher brokerage and portfolio transaction costs) than most other mutual funds with a similar investment objective. For additional information about portfolio turnover and brokerage, see "The Fund's Portfolio Transactions and Brokerage."

OPTIONS ON SECURITIES AND INDEXES. The Fund may purchase and write put and call options on stocks that are traded on domestic or foreign securities exchanges. A call option is a short-term contract pursuant to which the purchaser, in return for the premium paid, has the right to buy the security underlying the option at the specified exercise price at any time during the term of the option. The writer of the call option, who receives the premium,

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

has the obligation, upon exercise of the option, to deliver the underlying security against payment of the exercise price. A put option is a similar contract which gives the purchaser, in return for a premium paid, the right to sell the underlying security at the specified exercise price during the term of the option. The writer of the put, who receives the premium, has the obligation to buy the underlying security, upon exercise, at the exercise price. The premium paid by the purchaser of an option will reflect, among other things, the relationship of the exercise price to the market price and volatility of the underlying security, the time remaining to expiration of the option, supply and demand, and interest rates.

The Fund may write put and call options on stocks only if they are covered, and such options must remain covered so long as the Fund is obligated as a writer. A call option written by the Fund is "covered" if the Fund owns the underlying security or holds on a share-for-share basis a call on the same security as the call written, where the exercise price of the call held is equal to or less than the exercise price of the call written, or greater than the exercise price of the call written if the difference is maintained by the Fund in cash or U.S. Treasury bills in a segregated account with its custodian. A put option written by the Fund is "covered" if the Fund maintains cash or U.S. Treasury bills with a value equal to the exercise price in a segregated account with its custodian. A put option is also "covered" if the Fund holds on a share-for-share basis a put on the same security as the put written where the exercise price of the put held is equal to or greater than the exercise price of the put written, or less than the exercise price of the put written if the difference is maintained by the Fund in cash or U.S. Treasury bills in a segregated account with its custodian.

If the writer of an option wishes to terminate the obligation, he or she may effect a "closing purchase transaction." This is accomplished by buying an option of the same series as the option previously written. The effect of the purchase is that the writer's position will be cancelled by the Options Clearing Corporation. However, a writer may not effect a closing purchase transaction after it has been notified of the exercise of an option. Likewise, an investor who is the holder of an option may liquidate his or her position by effecting a "closing sale transaction." This is accomplished by selling an option of the same series as the option previously purchased. There is no

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guarantee that either a closing purchase or a closing sale transaction can be effected. If any call or put is not exercised or sold, it will become worthless on its expiration date.

The Fund will realize a gain (or a loss) on a closing purchase transaction with respect to a call or a put previously written by the Fund if the premium, plus commission costs, paid by the Fund to purchase the call or put is less (or greater) than the premium, less commission costs, received by the Fund on the sale of the call or the put. A gain also will be realized if a call or put which the Fund has written lapses unexercised, because the Fund would retain the premium.

A gain (or a loss) will be realized by the Fund on a closing sale transaction with respect to a call or a put previously purchased by the Fund if the premium, less commission costs, received by the Fund on the sale of the call or the put is greater (or less) than the premium, plus commission costs, paid by the Fund to purchase the call or the put. If a put or a call expires unexercised, it will become worthless on the expiration date, and the Fund will realize a loss in the amount of the premium paid, plus commission costs.

Although certain securities exchanges attempt to provide continuously liquid markets in which holders and writers of options can close out their positions at any time prior to the expiration of the option, no assurance can be given that a market will exist at all times for all outstanding options purchased or sold by the Fund. If an options market were to become unavailable, the Fund would be unable to realize its profits or limit its losses until it could exercise options it holds, and the Fund would remain obligated until options it wrote were exercised or expired.

Because option premiums paid or received by the Fund are small in relation to the market value of the investments underlying the options, buying and selling put and call options can be more speculative than investing directly in common stocks.

The Fund may purchase and sell put and call options on certain stock indexes that are traded on domestic or foreign securities exchanges. Options on stock indexes are similar to options on stock except that, rather than the right to take or make delivery of stock at the specified exercise price, an option on a stock index gives the holder the right to receive, upon exercise

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

of the option, an amount of cash if the closing level of the stock index upon which the option is based is "in the money." This amount of cash is equal to the difference between the closing level of the index and the exercise price of the option, expressed in dollars times a specified multiple (the "multiplier"). The writer of the option is obligated, in return for the premium received, to make delivery of this amount. Unlike stock options, all settlements are in cash, and gain or loss depends on price movements in the stock market generally rather than price movements in individual stocks.

The multiplier for an index option performs a function similar to the unit of trading for a stock option. It determines the total dollar value per contract of each point in the difference between the exercise price of an option and the current level of the underlying index. A multiplier of 100 means that a one-point difference will yield \$100. Options on different indexes may have different multipliers.

Currently, index options are traded in the United States on: the Standard & Poor's Index of 100 Stocks and the S&P 500 on the Chicago Board Options Exchange; the Major Market Index and the AMEX Institutional Index on the American Stock Exchange; the NYSE Composite Index and the NYSE Beta Index on the New York Stock Exchange; the Value Line Index and the National OTC Index on the Philadelphia Stock Exchange; and the Financial News Composite Index on the Pacific Coast Stock Exchange. The Fund may invest in options on each of these,

and in options on any similar index on which options are traded in the future which include stocks that are not limited to any particular industry or segment of the market (a "broadly based stock index").

As in the case of options on stocks, the Fund may only write put and call options on stock indices if they are covered. A written call option on a stock index is "covered" if the Fund holds a call on the same index as the call written where the exercise price of the call held is equal to or less than the exercise price of the call written, or greater than the exercise price of the call written if the difference is maintained by the Fund in cash or U.S. Treasury bills in a segregated account with its custodian. A written put option on an index is "covered" if the Fund holds a put on the same index as the put written, provided that the exercise price of the put held is equal to or

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

greater than the exercise price of the put written, or less than the exercise price of the put written if the difference is maintained by the Fund in cash or U.S. Treasury bills in a segregated account with its custodian.

The effectiveness of purchasing and writing puts and calls on stock index options depends to a large extent on the ability of the Portfolio Managers to predict the price movement of the stock index selected. Therefore, whether the Fund realizes a gain or loss from the purchase of options on an index depends upon movements in the level of stock prices in the stock market generally.

The Fund's purchase and sale of options on indexes are subject to the risks described above regarding options on securities. In addition, the distinctive characteristics of options on indexes create certain risks that are not present with stock options. Because exercises of index options are settled in cash, a call writer such as the Fund cannot determine the amount of its settlement obligations in advance and it cannot provide in advance for, or cover, its potential settlement obligations by acquiring and holding the underlying securities.

When the Fund has written a call, there is also a risk that the market may decline between the time the Fund has a call exercised against it, at a price which is fixed as of the closing level of the index on the date of exercise, and the time the Fund is able to exercise or effect a closing transaction with respect to the long call position it holds.

The Fund will not (a) sell listed put or call options to the extent that immediately after a sale, the aggregate value of the securities underlying the calls or obligations securing the puts would exceed 25% of the Fund's net assets or (b) purchase listed put or call options if immediately after a purchase, the premiums for all of the options owned at that time would exceed 10% of the Fund's net assets.

FOREIGN STOCK OPTIONS. The Fund may purchase or sell options on stocks that are traded on foreign securities exchanges. Some options traded on foreign exchanges may be exercisable only during specified periods, rather than at any time during the life of the option, as is the case with options traded on U.S. securities exchanges, and such features may be regarded as involving greater risk to the Fund. However, the Fund intends to enter into options traded on foreign securities exchanges only where a liquid market

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

for such options exists such as would normally permit the Fund to close out its options positions when it desires to do so. The Fund may write foreign put and call options only if they are covered as described above for domestic options.

As with all investments in foreign securities, the use of foreign options traded by the Fund involves special risks. See "Risk Factors and Special Considerations."

LOANS OF FUND SECURITIES. The Fund may lend its portfolio securities provided: (a) the loan is secured continuously by collateral consisting of U.S. Government Securities or cash or cash equivalents maintained on a daily marked-to-market basis in an amount at least equal to the current market value of the securities loaned; (b) the Fund may at any time call the loan and obtain the return of the securities loaned; (c) the Fund will receive any interest or dividends paid on the loaned securities; and (d) the aggregate market value of the securities loaned will not at any time exceed one-third of the total assets of the Fund. By lending its securities, the Fund seeks to generate income by continuing to receive interest and dividends on the loaned securities, by investing the cash collateral in short-term instruments or by obtaining the interest paid to the borrower when U.S. Government Securities are used as collateral.

FOREIGN CURRENCY OPTIONS. The Fund may buy or sell put and call options on foreign currencies. A put option on a foreign currency gives the purchaser of the option the right to sell a foreign currency at the exercise price until the option expires. A call option on a foreign currency gives the purchaser of the option the right to purchase the currency at the exercise price until the option expires. Currency options traded on U.S. or other exchanges may be subject to position limits which may limit the ability of the Fund to reduce foreign currency risk using such options. Over-the-counter options differ from exchange-traded options in that they are two-party contracts with price and other terms negotiated between buyer and seller and generally do not have as much market liquidity as exchange-traded options.

FUTURES CONTRACTS AND OPTIONS ON FUTURES CONTRACTS. The Fund also has the authority to engage in a number of transactions and strategies involving financial futures contracts and options thereon ("related options"). Among the financial futures contracts in which the Fund may trade are futures contracts on domestic and foreign stock indexes, domestic and foreign

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

government securities, and foreign currencies. All of such instruments are currently traded on U.S.-regulated futures exchanges, although the Fund also may enter into such instruments on foreign futures exchanges. The Fund's use of these financial futures contracts and related options will result in its being deemed a "commodity pool," the operators of which are subject to regulation by the Commodity Futures Trading Commission ("CFTC") under the CEA. (See "Financial Futures and Related Options" in the Statement of Additional Information.) The Fund may not enter into financial futures and related options for which the aggregate initial margin and premiums exceed 10 percent of the fair market value of the Fund's assets after taking into account unrealized profits and unrealized losses on any such contracts it has entered into. The Fund may trade such commodity interests in a manner solely incidental to its securities trading activities.

The Fund intends to qualify as a partnership for Federal income tax purposes until its first taxable year beginning after December 31, 1997; thereafter, under current law, the Fund expects to be treated as a corporation for such purposes. Although the Fund has the authority to invest in financial futures contracts and related options, it does not intend to do so for purposes other than hedging except to the extent permitted pursuant to a ruling received from the Internal Revenue Service ("IRS") or based upon such other assurances as deemed appropriate by the individual general partners of the Fund (the "Individual General Partners") to the effect that investing in a particular type of financial futures contract or related option will not adversely affect the Federal income tax status of the Fund as a partnership during the period in which it can otherwise qualify as such. The IRS ruling received by the Fund permits it to invest in various types of financial futures contracts and related options for purposes other than hedging, including certain futures contracts and related options on stock indexes, bond indexes and debt instruments, but not

including futures contracts (and options on futures contracts) on foreign currency.

Financial futures contracts in the United States, which are regulated by the CFTC, are made on commodity exchanges (called contract markets) and provide for the future delivery of various financial instruments at a specified date, time and place. The contractual obligations may be satisfied either by taking or making physical delivery of an approved grade of the underlying commodity (or cash settlement, in the case of most financial futures contracts) or by making an offsetting sale or purchase of an equivalent

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

futures contract on the same exchange (or through a linked exchange) prior to the designated date of delivery. No secondary market exists for futures contracts. Among the financial instruments for which futures contracts are currently available are: U.S. Treasury bills, Treasury bonds and other U.S. Governmental Securities; mortgage-backed securities; foreign currencies; securities indexes; Japanese yen-denominated government bonds; and German mark-denominated government bonds. The Fund intends to use cash and U.S. Government Securities or other assets accepted by its commodity brokers as margin for its financial futures contracts. Any interest earned on assets used as margin will accrue to the Fund.

The CFTC has designated certain contract markets for trading commodity options, including options on U.S. Treasury bond futures and stock index futures. The Fund may trade in any commodity options that are established on domestic exchanges, and in certain options traded on foreign exchanges to the extent permitted by the CFTC. Trading of commodity futures and option contracts involves substantial risks, which are described below under "Risk Factors and Special Considerations."

Smith Barney Shearson, which may serve as one of the Fund's commodity brokers, is subject to regulation by and registration with the CFTC as a futures commission merchant ("FCM"). The CEA requires all futures commission merchants, in connection with domestic futures and options, to meet and maintain specified fitness and financial requirements, to account separately for all customers' funds, property and positions, and to maintain specified books and records on customer transactions open to inspection by the staff of the CFTC. The CEA authorizes the CFTC to regulate trading by commodity brokerage firms and their employees, permits the CFTC to require exchange action in the event of market emergencies, and establishes an administrative procedure under which commodity traders may institute complaints for damages arising from alleged violations of the CEA. Under this procedure, a limited partner of the Fund (a "Shareholder") may be afforded certain rights under the CEA by filing a complaint for a reparations award with the CFTC against a commodity trading advisor, commodity pool operator or FCM.

During the fiscal year ended December 31, 1993, Ardsley Advisory Partners ("Ardsley") used Goldman Sachs & Co. as an FCM. Hellman,

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INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

Jordan Management Co., Inc. ("Hellman, Jordan") during the same time period used Revco, Inc., Salomon Brothers Inc., Goldman Sachs & Co. and Prudential Securities.

In connection with its futures and forward positions, and commodity options that it writes, the Fund will segregate assets or "cover" its positions in accordance with the Investment Company Act of 1940, as amended (the "1940 Act"). See "Investment Objective and Policies -- Financial Futures -- Segregation of Assets or Covering Positions" in the Statement of Additional Information.

MONEY MARKET INSTRUMENTS. The Fund may invest in any of the following money market instruments: certificates of deposit, time deposits, commercial paper, bankers' acceptances, U.S. Government Securities, corporate bonds having less than one year remaining to maturity and repurchase agreements. For temporary defensive purposes, the Fund may invest up to 100% of its total assets in money market instruments, but at no time will the Fund's investments in bank obligations, including time deposits, exceed 25% of its total assets. The Fund will limit to 10% of total assets its investment in time deposits with more than seven days to maturity.

When the Fund acquires a security from a domestic bank or a registered broker-dealer, it may simultaneously enter into a repurchase agreement, wherein the seller agrees to repurchase the security at a specified time (generally within seven days) and price. The Fund may enter into repurchase agreements with certain member banks of the Federal Reserve System with total assets in excess of \$1 billion, or if the bank is examined by the Comptroller of the Currency, or if its deposits are insured by the Federal Deposit Insurance Corporation. A repurchase agreement may be considered to be a loan collateralized by the security that is subject to the agreement to repurchase. The value of the underlying securities will be at least equal at all times to the total amount of the repurchase obligation, including interest. Repurchase agreements will be fully collateralized and the collateral segregated.

The repurchase price is in excess of the purchase price by an amount which reflects an agreed-upon rate of return, which is not tied to the coupon rate on the underlying security. However, if the seller should default on its obligation to repurchase the underlying security, the Fund may experience delay or difficulty in exercising its rights to realize upon the security and

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THE ADVISORS FUND L.P.

INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

might incur a loss if the value of the security should decline, as well as perhaps incurring disposition costs in liquidating the security. The Portfolio Managers monitor the value of the underlying securities at the time the repurchase agreement is entered into and on a daily basis during the term of the agreement to ensure that its value equals or exceeds the agreed-upon repurchase price to be repaid to the Fund. The Individual General Partners have adopted procedures to evaluate the creditworthiness of the parties with whom the Fund will enter into repurchase agreements.

LEVERAGE. The Fund may leverage its investments by purchasing securities with borrowed money. In leveraging its investments, the Fund will borrow money only from banks and in amounts not to exceed in the aggregate 33 1/3% of the value of the Fund's assets less liabilities. Maintenance of this percentage limitation may result in the sale of the Fund's portfolio securities at a time when investment considerations otherwise indicate that it would be disadvantageous to do so. The Portfolio Managers may use leverage when it is expected that potential returns on available investments will exceed interest rates and other expenses of leveraging, or, when market conditions make it advantageous for the Fund to increase its investment capacity.

STATUS AS "NON-DIVERSIFIED". The Fund is classified as a "non-diversified" investment company under the 1940 Act, which means that the Fund is not limited by the 1940 Act in the amount of its assets that it may invest in the securities of a single issuer. In light of the Fund's ability to invest large portions of its assets in the securities of a small number of issuers (I.E., as few as four), investment in the Fund may present a greater risk than an investment in a diversified company. In no event, however, will the Fund invest more than 25% of its assets at any one time in any industry. In addition, the Fund will not be

subject to the diversification requirements imposed by the Code since the Fund currently does not intend to qualify as a regulated investment company under the Code. Accordingly, investment in the Fund may present substantially greater risk than investment in a non-diversified company that is subject to the diversification requirements of the Code.

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THE ADVISORS FUND L.P.

INVESTMENT OBJECTIVE AND POLICIES (CONTINUED)

INVESTMENT RESTRICTIONS

The Fund has adopted certain fundamental investment restrictions which are discussed in the Statement of Additional Information that may not be changed without approval of a majority of the outstanding shares representing partnership interests in the Fund. Included among those fundamental restrictions are the following:

1. The Fund will not invest more than 25% of its assets in the securities of issuers in any single industry group, except that this restriction does not apply to investments in U.S. Government Securities and repurchase agreements backed by U.S. Government Securities.
2. The Fund will not make investments to exercise control or management of any company.
3. The Fund will not invest more than 10% of its assets in companies that have been in existence less than three years (including predecessors).

THE FUND'S PORTFOLIO TRANSACTIONS AND BROKERAGE

Securities and financial futures transactions on behalf of the Fund are executed by a number of brokers and dealers selected by the Portfolio Managers (or from time to time by Strategy Advisers). The Fund may use Smith Barney Shearson or a Smith Barney Shearson-affiliated broker in connection with a purchase or sale of securities when a Portfolio Manager (or Strategy Advisers) believes that the charge for the transaction does not exceed usual and customary levels.

The Fund may also use Smith Barney Shearson or a Smith Barney Shearson-affiliated broker as a commodities broker in connection with entering into futures contracts and related options, provided that the charge for the transaction does not exceed usual and customary levels. Smith Barney Shearson has agreed to charge the Fund futures commissions at rates comparable to those charged by Smith Barney Shearson to its most favored clients for comparable trades in comparable accounts.

Smith Barney Shearson, Strategy Advisers, the Portfolio Managers and their principals may trade securities or commodity interests for their own

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THE ADVISORS FUND L.P.

THE FUND'S PORTFOLIO TRANSACTIONS AND BROKERAGE (CONTINUED)

account or the account of others, including Smith Barney Shearson. Consequently, they may have duties to those other accounts or interests that may not always be consistent with their responsibilities to the Fund.

Since the Portfolio Managers may make frequent shifts in the Fund's investments, the Fund may experience portfolio turnover and transaction costs significantly exceeding those of more conventional equity or fixed-income mutual funds. The Fund's annual portfolio turnover rate is not expected to exceed 300%, although there is no limit on this rate. The Fund is not subject to limitations contained in Subchapter M of the Code that are applicable to most registered investment companies organized as corporations or business trusts, regarding the amount of income that may be derived from gains realized on the sale of securities and certain other assets held for less than three months. Because the Fund seeks to maximize total return, Strategy Advisers cannot predict the portion of the Fund's return that will be attributable to capital appreciation or to current income.

RISK FACTORS AND SPECIAL CONSIDERATIONS

Investment in the Fund involves special considerations described below:

GENERAL. The Fund is designed for investors who do not require regular current income and who can accept a high degree of risk in their investments. A predominant component of the Fund's total return is appreciation in the value of the Fund's assets.

Each Portfolio Manager normally makes investment decisions independent of the Fund's other Portfolio Managers. Consequently, the possibility exists that a particular Portfolio Manager may purchase a given investment on or about the same time another Portfolio Manager decides to sell it. This may result in the Fund paying more in brokerage commissions than other investment companies. In addition, the possibility exists that the Fund may have, at one time, long and short positions in the same investment. These situations may result in the deferral or disallowance of losses realized by the Fund on the disposition of an investment and may result in treating certain gains realized by the Fund as short-term capital gain rather than long-term capital gain. See "Taxation" in the Statement of Additional Information.

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THE ADVISORS FUND L.P.

RISK FACTORS AND SPECIAL CONSIDERATIONS (CONTINUED)

FOREIGN SECURITIES. The Fund's investing in foreign securities involves considerations not typically associated with investing in securities of domestic companies. Investing in securities of foreign issuers, for example, could cause the Fund to be affected favorably or unfavorably by changes in currency exchange rates and revaluations of currencies. In addition, less information may be available about foreign companies than about domestic companies, and foreign companies generally are not subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements comparable to those applicable to domestic companies. Foreign securities and their markets may not be as liquid as U.S. securities and their markets. Securities of some foreign companies may involve greater market risk than securities of U.S. companies and it may be more difficult to obtain and enforce a judgment against a foreign issuer. Investment in foreign securities may result in higher expenses than investing in domestic securities because of the cost of converting foreign currencies to U.S. dollars, expenses relating to foreign custody, payment of fixed brokerage commissions on foreign exchanges, which generally are higher than commissions on U.S. exchanges, and the imposition of transfer taxes or transaction charges associated with foreign exchanges. Investment in foreign securities may also be subject to local economic or political risks, including instability of some foreign governments, the possibility of currency blockage or the imposition of withholding taxes on dividend or interest payments and imposition of other foreign taxes, and the potential for expropriation, nationalization or confiscatory taxation and limitations on the use or removal of funds or other assets.

Among the foreign securities in which the Fund may invest are those issued by companies located in developing countries, which are countries in the initial

stages of their industrialization cycles. Investing in the equity and debt markets of developing countries involves exposure to economic structures that are generally less diverse and less mature, and to political systems that can be expected to have less stability, than those of developed countries. The markets of developing countries historically have been more volatile than the markets of the more mature economies of developed countries, but often have provided higher rates of return to investors.

SHORT SALES. The Fund will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the Fund replaces the borrowed security. Possible losses from short

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THE ADVISORS FUND L.P.

RISK FACTORS AND SPECIAL CONSIDERATIONS (CONTINUED)

sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases of a security can equal only the total amount invested.

OPTIONS. Because option premiums paid or received by the Fund are small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. Thus, the leverage offered by trading in options could cause the Fund's net asset value to be subject to more frequent and wider fluctuations than would be the case if the Fund did not invest in options.

Upon the exercise of a put option written by the Fund, the Fund may suffer a loss equal to the difference between the price at which the Fund is required to purchase the underlying security and its market value at the time of the option exercise, less the premium received for writing the option. Upon the exercise of a call option written by the Fund, the Fund may suffer a loss equal to the excess of the security's market value at the time of the option exercise over the Fund's acquisition cost of the security, less the premium received for writing the option.

No assurance can be given that the Fund will be able to effect closing transactions at a time when it wishes to do so. If the Fund cannot enter into a closing transaction, the Fund may be required to hold a security that it might otherwise have sold, in which case it would continue to be at market risk on the security and could face higher transaction costs, including brokerage commissions.

FUTURES CONTRACTS (DOMESTIC). The financial futures contracts markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in interest rates. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Moreover, futures positions are marked-to-market each day and variation margin payments must be paid to or by a trader. Futures trading may also be illiquid. Certain futures exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits -- which

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THE ADVISORS FUND L.P.

RISK FACTORS AND SPECIAL CONSIDERATIONS (CONTINUED)

conditions have in the past sometimes lasted for several days in certain contracts -- the Fund could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses. In addition, the CFTC and

various exchanges impose speculative position limits on the number of positions a person or group may hold or control in particular commodities. For purposes of complying with speculative position limits, the Fund's outright positions (I.E., those that are not bona fide hedge positions or spread positions specifically exempted from speculative limits) may be required to be aggregated with any positions owned or controlled by Strategy Advisers, the Portfolio Managers, any principal of Strategy Advisers or the Portfolio Managers, and any other individual making trading decisions for the Fund and may be combined with Smith Barney Shearson's proprietary positions. As a result, the Fund may be unable to take positions in particular futures contracts or may be forced to liquidate positions in particular futures contracts.

FUTURES OPTIONS (DOMESTIC). Futures options, like futures contracts, are speculative, and their use involves risk. In addition, specific market movements of the cash commodity or futures contract underlying an option cannot be predicted. No assurance can be given that a liquid offset market will exist for any particular futures option or at any particular time. If no liquid offset market exists, the Fund might not be able to effect an offsetting transaction in a particular option. To realize any profit in the case of an option on a future, therefore, the option holder would need to exercise the option and comply with margin requirements for the underlying futures contract. A writer could not terminate the obligation until the option expired or the writer was assigned an exercise notice. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract underlying the option that the writer must purchase or deliver upon exercise of the option.

FOREIGN FUTURES EXCHANGES. Unlike trading on domestic futures exchanges, trading on foreign futures exchanges is not regulated by the CFTC and may be subject to greater risks than trading on domestic exchanges. For example, some foreign exchanges are principal markets so that no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless the Fund hedges

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THE ADVISORS FUND L.P.

RISK FACTORS AND SPECIAL CONSIDERATIONS (CONTINUED)

against fluctuations in the exchange rate between the U.S. dollar and the currencies in which trading is done on foreign exchanges, any profits that the Fund might realize in trading could be eliminated by adverse changes in the exchange rate, or the Fund could incur losses as a result of those changes.

FOREIGN CURRENCY. Although the foreign currency market may not necessarily be more volatile than the market in other commodities, the foreign currency market offers less protection against defaults in the forward trading of currencies than is available when trading in currencies on an exchange. Because a forward currency contract is not guaranteed by an exchange or clearinghouse, a default on the contract would deprive the Fund of unrealized profits or force the Fund to cover its commitments for purchase or resale, if any, at the current market price.

REPURCHASE AGREEMENTS. The Fund bears a risk of loss in the event that the other party to a repurchase agreement defaults on its obligations and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities, including the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its rights to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or part of the income from the agreement. The Portfolio Managers (or, from time to time, Strategy Advisers) acting under the supervision of the Individual General Partners, review on an ongoing basis the creditworthiness and collateral of those banks and dealers with which the Fund enters into repurchase agreements to evaluate these risks.

NON-DIVERSIFIED CLASSIFICATION. Investment in the Fund, which, as noted above,

is classified as a non-diversified investment company, may present a greater risk than an investment in a diversified company. The Fund's ability to invest a greater percentage of its assets in the securities of a single issuer (or to purchase a greater percentage of an issuer's outstanding voting securities) may make it more vulnerable to changes associated with a single economic, political or regulatory occurrence than a diversified fund might be.

LEVERAGE. Borrowing money to purchase securities will provide the Fund with the opportunity for greater income and capital appreciation but, at the same time, will increase the Fund's exposure to capital risk and higher

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THE ADVISORS FUND L.P.

RISK FACTORS AND SPECIAL CONSIDERATIONS (CONTINUED)

current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds the interest paid on the amount borrowed would cause the Fund's net asset value per share to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Fund's net asset value per share to decrease faster than would otherwise be the case. The Fund may also be required to pay a commitment or other fee to maintain a line of credit, which would increase the cost of borrowing over the stated interest rate. Moreover, if loans to the Fund are collateralized with portfolio securities which decrease in value relative to the Fund's outstanding loan balance owed to a particular lender or lenders, the Fund may have to pledge additional collateral in the form of cash or securities to avoid liquidation of the portfolio securities.

CONFLICTS OF INTEREST. Conflicts of interest may exist in the structure and operation of the Fund's business. Smith Barney Shearson, as the Fund's distributor, Strategy Advisers, and certain of the Portfolio Managers have sponsored other commodity pools, all of which may compete with the Fund. Smith Barney Shearson acts as investment adviser and distributor, and Strategy Advisers and the Portfolio Managers serve as investment advisers for other investment vehicles and advisory accounts that also may compete with the Fund for certain investments. In addition, Smith Barney Shearson, Strategy Advisers and its principals, the Portfolio Managers and their principals and those individuals who are the Fund's commodity pool operators may trade securities or commodity interests for their own accounts or the accounts of others, including Smith Barney Shearson. Consequently, they may have duties to those other accounts or personal interests that may not always be consistent with their responsibilities to the Fund. The records of trading by Smith Barney Shearson, Strategy Advisers and its principals, certain of the Portfolio Managers and their principals, and the Fund's individual commodity pool operator will not be available for inspection by Shareholders. See Appendices I-III for specific information concerning the foregoing.

Strategy Advisers is a subsidiary of SBA, and all of the principals of Strategy Advisers are employees of Smith Barney Shearson, or its affiliates. Smith Barney Shearson, or a broker-dealer affiliate of Smith Barney Shearson, may be selected as one of the brokers for the Fund by one or more of the Portfolio Managers. Strategy Advisers will allocate assets of the

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THE ADVISORS FUND L.P.

RISK FACTORS AND SPECIAL CONSIDERATIONS (CONTINUED)

Fund among the Portfolio Managers and review on an ongoing basis the operation of the Fund, including the performance of the Portfolio Managers. Strategy Advisers and its principals may experience a conflict of interest between the

duties owed to the Fund and any interests they may have in generating brokerage commissions for Smith Barney Shearson. One of the individuals who serves as an Individual General Partner is an employee of Smith Barney Shearson. Consequently, he may have conflicts of interest between his obligations to act in the best interest of the Fund and any interest he may have in generating commissions for Smith Barney Shearson.

PARTNERSHIP TAX CONSEQUENCES. A Shareholder, like an investor in any partnership, is required to report on a tax return the Shareholder's portion of the Fund's income regardless of the extent to which the Shareholder receives actual distributions from the Fund. Thus, in any given year, a Shareholder's tax liability with respect to his or her share of the Fund's income could exceed the amount of cash distributed to the Shareholder by the Fund in that year.

The Fund's classification as a partnership for Federal income tax purposes will, under current law, terminate no later than the Fund's first taxable year beginning after December 31, 1997, after which it is expected that the Fund will be classified as a corporation for such purposes. As a result, the Individual General Partners may, in their discretion, take such actions as they deem appropriate in response to the reclassification of the Fund from partnership to corporate status for Federal income tax purposes. See "Taxation" in this Prospectus and in the Statement of Additional Information for further information.

MANAGEMENT OF THE FUND

INDIVIDUAL GENERAL PARTNERS

Under the Fund's Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), the overall responsibility for management and supervision of the Fund rests with the Individual General Partners. The Individual General Partners approve all significant agreements between the Fund and the persons and companies that furnish services to the Fund,

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MANAGEMENT OF THE FUND (CONTINUED)

including the Fund's agreements with Strategy Advisers, the Portfolio Managers, Boston Advisors, Smith Barney Shearson, the Fund's custodian and the Fund's transfer agent.

Set forth below are the names of the Individual General Partners together with information as to their business backgrounds. An asterisk precedes the name of each Individual General Partner who is an "interested person" of the Fund as defined in the 1940 Act. Each Individual General Partner serves as a director, trustee or general partner of investment companies, other than the Fund, for which Smith Barney Shearson acts as distributor.

Walter E. Auch, Sr., Individual General Partner. Consultant to companies in the financial services industry. His address is 6001 N. 62nd Place, Paradise Valley, Arizona 85253.

Martin Brody, Individual General Partner. Former Vice Chairman of the Board of Restaurant Associates Industries, Inc.; a Director of Jaclyn, Inc. His address is c/o HMK Associates, Three ADP Boulevard, Roseland, New Jersey 07068.

Stephen E. Kaufman, Individual General Partner. Attorney. His address is 277 Park Avenue, New York, New York 10017.

*Heath B. McLendon, Individual General Partner, Executive Vice President of Smith Barney Shearson; Chairman of Strategy Advisers; Prior to July 1993, Senior Executive Vice President of Shearson Lehman Brothers Inc. ("Shearson Lehman Brothers"); Vice Chairman of Shearson Asset Management. His address is Two World Trade Center, New York, New York 10048.

Madelon DeVoe Talley, Individual General Partner. Author. Since February 19, 1993, Governor-at-Large of National Association of Securities Dealers, Inc. Her address is 876 Park Avenue, New York, New York 10021.

Mr. McLendon and Strategy Advisers serve as commodity pool operators with respect to the Fund. Mr. McLendon and Strategy Advisers are each registered as commodity pool operators with the CFTC and are members of the National Futures Association ("NFA"). During the last five years, no material administrative, civil or criminal actions have been brought against Mr. McLendon, Strategy Advisers or any of its principals that the Fund's commodity pool operators deem to be material to an investor's decision to purchase Fund shares. Mr. Auch, Mr. Brody, Mr. Kaufman, and Ms. Talley,

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MANAGEMENT OF THE FUND (CONTINUED)

the other Individual General Partners of the Fund, have been exempted from registration as commodity pool operators for the Fund pursuant to a no-action position granted by the CFTC in a letter dated March 29, 1990.

CORPORATE GENERAL PARTNER

Strategy Advisers acts as the Fund's corporate general partner (the "Corporate General Partner"), but in that capacity generally takes no part in the supervision of the Fund's business. See "Additional Information" and Appendix IV, "Summary of the Partnership Agreement." Pursuant to the Partnership Agreement, the Individual General Partners together with the Corporate General Partner (collectively, the "General Partners") are required to own, as a group, a certain minimum number of the outstanding shares of the Fund in order to comply with certain guidelines established by the IRS relating to the Fund's classification as a partnership for Federal income tax purposes. The Corporate General Partner, in turn, has undertaken to maintain an investment in the Fund which will enable the General Partners, as a group, to maintain the required interest in the Fund. However, complying with such IRS guidelines does not in itself ensure that the Fund will be classified as a partnership for Federal income tax purposes. As of January 31, 1994, the Individual General Partners and the Corporate General Partner together owned 1.69% of the Fund's outstanding shares. See "Taxation" in this Prospectus and in the Statement of Additional Information for further information.

Smith Barney Shearson Holdings Inc. ("Holdings"), the parent company of SBA and Strategy Advisers, has agreed to indemnify each Individual General Partner against certain liabilities and expenses. Under this agreement, which is in addition to the indemnification provisions of the Partnership Agreement, the Individual General Partners are indemnified against liabilities and expenses to which they may be subject in their capacity as Individual General Partners only so long as they have not engaged in willful misfeasance, bad faith, gross negligence or reckless disregard of their duties. For a discussion of the provisions of the Partnership Agreement relating to indemnification and liability of Individual General Partners, see Appendix IV, "Summary of the Partnership Agreement."

THE ADVISORS FUND L.P.

 MANAGEMENT OF THE FUND (CONTINUED)

INVESTMENT ADVISER AND ADVISORY FEES

Strategy Advisers, located at Two World Trade Center, New York, New York 10048, serves as the Fund's investment adviser. Strategy Advisers is a wholly owned subsidiary of SBA. SBA is a wholly owned subsidiary of Holdings, which is in turn a wholly owned subsidiary of The Travelers Inc. ("Travelers") formerly known as Primerica Corporation. Strategy Advisers renders investment advice to investment companies (including the Fund) with total assets under management, as of December 31, 1993, in excess of \$692 million. Strategy Advisers is registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act") as an investment adviser, is registered with the CFTC as a commodity pool operator, and is a member of the NFA. Certain information required by CFTC rules to be included in this Prospectus regarding the Fund, Strategy Advisers as a commodity pool operator of the Fund and each principal of Strategy Advisers appears in Appendix I to this Prospectus.

Subject to the supervision and direction of the Individual General Partners, Strategy Advisers determines the allocation of assets among the Portfolio Managers and evaluates and monitors the performance of the Portfolio Managers. Strategy Advisers is also authorized to select and place portfolio investments on behalf of the Fund. Tremont assists Strategy Advisers in monitoring and evaluating the Portfolio Managers and will provide Strategy Advisers with research services and reports relating to the allocation of assets among the Fund's Portfolio Managers.

The Fund pays Strategy Advisers a monthly advisory fee for its services based upon the performance of the Class B shares of the Fund (after expenses allocable to such Class B shares) compared to the percentage change in the investment record of the S&P 500 for the immediately preceding twelve calendar months on a rolling basis. Strategy Advisers retains 10% of the monthly investment advisory fee and the remaining 90% (the "Portfolio Managers' Amount") is available for payment to the Portfolio Managers. Strategy Advisers also has responsibility for paying the fee of Tremont, which equals 20% of any investment advisory fee retained by Strategy Advisers. In determining the amount retained by Strategy Advisers for purposes of calculating Tremont's fee, the balance, if any, maintained by Strategy Advisers in a reserve fund ("Portfolio Managers Reserve") is excluded. For the fiscal year ended December 31, 1993, the Fund paid

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THE ADVISORS FUND L.P.

 MANAGEMENT OF THE FUND (CONTINUED)

2.38% of the value of its average daily net assets of its Class A shares in investment advisory fees. For the period from June 1, 1993 (Class B Commencement of Operations) to December 31, 1993, the Fund paid 2.42% of the value of the average daily net assets of its Class B shares in advisory fees.

The Fund pays Strategy Advisers an investment advisory fee ("Basic Fee") adjusted monthly (the "Monthly Performance Adjustment") depending on the extent to which the investment performance of the Class B shares, after expenses, exceeded or was exceeded by the percentage change in the investment record of the S&P 500 for the immediately preceding twelve months on a rolling basis. The

Monthly Performance Adjustment is calculated based on the extent to which the investment performance of the Class B shares (net of expenses allocable to such Class B shares) exceeds or is exceeded by the percentage change in the investment record of the S&P 500 for the immediately preceding twelve calendar months on a rolling basis. The rate of the Monthly Performance Adjustment may increase or decrease the fee payable to Strategy Advisers by up to 2.0% per annum of the value of the Fund's average daily net assets.

The performance of the Class B shares during a performance period is calculated by first determining the change in the net asset value per share of the Class B shares during the period, assuming the reinvestment of distributions during that period, and then expressing this amount as a percentage of the net asset value per share of the Class B shares at the beginning of the period. The performance of the S&P 500 during a performance period is calculated as the sum of the change in the level of the index during the period, plus the value of any dividends or distributions made by the companies whose securities comprise the index accumulated to the end of the period.

The total investment advisory fee payable by the Fund to Strategy Advisers at the end of each calendar month is equal to the Basic Fee for the month adjusted upward or downward by the Monthly Performance Adjustment. The monthly investment advisory fee is calculated as follows: (a) one-twelfth of the 2.0% annual Basic Fee rate (0.167%) is applied to the Fund's average daily net assets over the most recent calendar month, giving a dollar amount which is the Basic Fee for that month; (b) one-twelfth of the applicable adjustment rate from the table below is applied to the Fund's

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THE ADVISORS FUND L.P.

 MANAGEMENT OF THE FUND (CONTINUED)

average daily net assets over the most recent calendar month, giving a dollar amount which is the Monthly Performance Adjustment; and (c) the Monthly Performance Adjustment is then added to or subtracted from the Basic Fee and the result is the amount payable by the Fund to Strategy Advisers as the total investment advisory fee for that month.

The full range of permitted investment advisory fees on an annualized basis is as follows:

<TABLE>
 <CAPTION>
 PERCENTAGE POINT DIFFERENCE BETWEEN PERFORMANCE OF THE CLASS B PERFORMANCE SHARES (NET OF THE EXPENSE RATIO ALLOCABLE TO THE CLASS B SHARES)

BASIC FEE AND PERCENTAGE CHANGE IN S&P 500	ADJUSTMENT	TOTAL FEE	(%)	RATE	<C>
(%)	(%)				
<S>			<C>	<C>	<C>

+ 5.25 percentage points or more			2.0%	2.0%	
4.0%					
+ 3.75 percentage points or more but less than + 5.25 percentage points			2.0	1.5	3.5
+ 2.25 percentage points or more but less than + 3.75 percentage points			2.0	1.0	3.0
+ 0.75 percentage points or more but less than + 2.25 percentage points			2.0	0.5	2.5
Less than + 0.75 percentage points but more than - 1.75 percentage points			2.0	0.0	2.0
- - 1.75 percentage points or less but more than - 2.75 percentage points			2.0	-0.5	1.5
- - 2.75 percentage points or less but more than - 3.75 percentage points			2.0	-1.0	1.0

- - 3.75 percentage points or less but more than				
- 4.75 percentage points	2.0	-1.5	0.5	
- - 4.75 percentage points or less	2.0	-2.0	0.0	

</TABLE>

The period over which performance is measured is a rolling twelve-month period.

Notwithstanding the above schedule, if the absolute performance of the Class B shares of the Fund (after payment of all expenses allocable to such Class B shares) is negative for any previous rolling twelve-month period, the monthly investment advisory fee for the current month will be the lesser of the fee calculated pursuant to the above schedule or the alternative monthly investment advisory fee described below, which under certain circumstances results in the Fund paying a lower monthly investment advisory fee than under the performance fee schedule above. If the performance of the Class B shares (after payment of all expenses allocable to such Class B shares) does not exceed the S&P 500 by twelve percentage points for the previous rolling

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THE ADVISORS FUND L.P.

MANAGEMENT OF THE FUND (CONTINUED)

twelve-month period and the absolute performance of the Class B shares (after payment of all expenses allocable to such Class B shares) is negative for that same period, the alternative monthly investment advisory fee will be 1.0% of the value of the Fund's average daily net assets on an annual basis. If, on the other hand, the performance of the Class B shares (after payment of all expenses allocable to such Class B shares) exceeds the S&P 500 by twelve percentage points or more for the previous rolling twelve-month period and the absolute performance of the Class B shares (after payment of all expenses allocable to such Class B shares) is negative for that same period, the alternative monthly investment advisory fee will be 2.0% of the value of the Fund's average daily net assets on an annual basis.

Accordingly, the Basic Fee payable by the Fund will be at a rate higher than the investment advisory fees paid by most other investment companies, if the Class B shares (net of expenses allocable to such Class B shares) outperform the S&P 500. On the other hand, if the Class B shares (net of expenses allocable to such Class B shares) underperform the S&P 500, the investment advisory fee paid by the Fund will be at a rate less than those paid by many other investment companies. If, during the applicable performance period, the Fund underperforms the S&P 500 by 4.75 or more percentage points, the Fund will not pay any investment advisory fee, although Strategy Advisers and the Portfolio Managers will remain obligated to provide the Fund with the services contemplated by the Fund's investment management agreement and portfolio management agreements as long as they are in effect. The Fund's Individual General Partners, including a majority of the Independent General Partners, as well as the Fund's shareholders, have approved the foregoing calculations of the Basic Fee and the Alternative Fee. In April 1972, the SEC issued Release No. 7113 under the 1940 Act to focus attention of mutual fund directors and investment advisers on certain factors which must be considered in connection with investment company performance fee arrangements. One of these factors is to "avoid basing significant fee adjustments upon random or insignificant differences" between the investment performance of a fund and that of a particular index which is being compared. The Release concludes that the directors of a fund "should satisfy themselves that the maximum performance adjustment will be made only for performance differences that can reasonably be considered significant." In approving the advisory fee structure, the Individual General Partners considered that the performance fee was structured so that only the Basic Fee would be paid in the event of

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MANAGEMENT OF THE FUND (CONTINUED)

small changes in performance and that any significant incentive payments or penalties would be attributable to the Portfolio Manager's skill or lack of skill rather than random fluctuations in performance. Additionally, the Individual General Partners considered the Fund's past performance and the nature of its investment objectives in determining to continue the performance fee structure set forth above.

As discussed above, Strategy Advisers will retain 10% of the monthly investment advisory fee paid by the Fund and allocate the remaining 90% of the investment advisory fee received during the month to the Portfolio Managers. Accordingly, the "Portfolio Managers' Amount" is 90% of the investment advisory fee paid to Strategy Advisers during the month pursuant to the performance fee table above or the alternative monthly investment advisory fee, whichever is applicable for the month.

Strategy Advisers determines each Portfolio Manager's monthly "tentative" portfolio management fee after the end of each month. Such fee equals the average daily net assets allocated to the Portfolio Manager multiplied by one-twelfth of the percentage determined with reference to the performance table shown above (or the alternative monthly investment advisory fee described in the third preceding paragraph) using the Portfolio Manager's performance for the immediately preceding twelve calendar month period on a rolling basis. For the year ended December 31, 1993, the Portfolio Managers received Portfolio management fees of 2.14% for Class A shares and 2.18% for Class B shares of the value of the Fund's average monthly net assets based on the performance table contained in the Fund's previous investment advisory agreement.

If the Portfolio Managers' Amount plus any balance of the Portfolio Managers' Reserve equals or exceeds the total Portfolio Managers' monthly tentative fees payable to all the Portfolio Managers, each Portfolio Manager's monthly final portfolio management fee will equal its monthly tentative portfolio management fee. In any month in which the Portfolio Managers' Amount exceeds the total Portfolio Managers' monthly tentative portfolio management fees, the excess will be added to a Portfolio Managers' Reserve maintained by Strategy Advisers. If, on the other hand, the total Portfolio Managers' monthly tentative portfolio management fees exceed the sum of the Portfolio Managers' Amount and any balance in the

MANAGEMENT OF THE FUND (CONTINUED)

Portfolio Managers' Reserve, each Portfolio Managers' monthly final management fee will be adjusted downward proportionately from its monthly tentative portfolio management fee.

CONSULTANT TO INVESTMENT ADVISER

Tremont, located at One Corporate Center at Rye, 555 Theodore Fremd Avenue, Rye, New York 10580, has been engaged in the business of rendering portfolio adviser evaluation selection and supervisory services to consulting clients since 1984. Tremont is wholly owned by Tremont Advisors, Inc. (formerly Lynch Asset Management Corporation). Tremont Advisors, Inc. is a public corporation. On August 29, 1991, the Board of Directors of Lynch Asset Management Corporation approved a restructuring of the outstanding debt and equity securities of Lynch Asset Management Corporation which was subsequently approved by shareholders on October 7, 1991. As of December 31, 1993, Mario J. Gabelli, Chairman of Lynch

Corporation and Chairman and Chief Executive Officer of Gabelli Funds, Inc., a registered investment adviser under the Advisers Act and the ultimate parent company of a variety of operating companies engaged in various aspects of the securities business, together with certain affiliated entities, controls 40.9% of the voting stock of Tremont Advisors, Inc. (as defined by Rule 13d-3 under the Securities Exchange Act of 1934). The principals and staff of Tremont are experienced in acting as investment consultants and in developing, implementing and managing multiple portfolio adviser programs. Tremont provides asset management consulting services to various institutional and individual clients and provides Strategy Advisers with investment consulting services with respect to the development, implementation and management of the Fund's multiple portfolio managers program. Tremont is paid by Strategy Advisers (not the Fund). As consultant, Tremont provides research concerning registered investment advisers to be retained by the Fund as Portfolio Managers, monitors and assists Strategy Advisers with the periodic reevaluation of existing Portfolio Managers and makes periodic reports to Strategy Advisers and the Fund.

PORTFOLIO MANAGERS

Subject to the supervision of Strategy Advisers and the Individual General Partners, the Portfolio Managers manage the Fund's assets in accordance with the Fund's investment objective and stated investment policies, make

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THE ADVISORS FUND L.P.

MANAGEMENT OF THE FUND (CONTINUED)

investment decisions for the Fund, place orders to purchase and sell securities and futures interests for the Fund, and employ professional portfolio managers and securities and futures analysts who provide research services to the Fund. The Fund pays no direct fee to any of the Portfolio Managers. Certain of the Portfolio Managers, noted below, do not currently intend to employ futures contracts or options on futures contracts in managing the Fund's assets allocated to them.

Selection and retention criteria for Portfolio Managers include: (a) their historical performance records; (b) an investment approach that is distinct in relation to the approaches of each of the Fund's other Portfolio Managers; (c) consistent performance in the context of the markets and preservation of capital in declining markets; (d) organizational stability and reputation; (e) the quality and depth of investment personnel; and (f) the ability of the Portfolio Managers to apply their approaches consistently. Each Portfolio Manager will not necessarily exhibit all of the criteria to the same degree. It should be noted, moreover, that there can be no certainty that any Portfolio Manager or the Fund will obtain favorable results at any given time.

Portfolio Managers are employed by Strategy Advisers subject to prior approval by the Individual General Partners of the Fund. Each Portfolio Manager's Portfolio Management Agreement provides that the Portfolio Manager may be terminated by Strategy Advisers at any time. Strategy Advisers recommends Portfolio Managers to the Individual General Partners based upon its continuing quantitative and qualitative evaluation of the Portfolio Manager's skills in managing assets pursuant to specific investment approaches and strategies. Short-term investment performance, by itself, is not a significant factor in selecting or terminating a Portfolio Manager, and Strategy Advisers does not expect to recommend frequent changes of Portfolio Managers.

Each Portfolio Manager has personnel who significantly contribute to the investment advice relied on to manage the Fund's assets. The death, disability or departure of such key personnel could adversely affect a Portfolio Manager's ability to manage the Fund's assets and there can be no assurance that suitable replacements may be retained. Strategy Advisers will evaluate any such death, disability or departure of key personnel in making retention and asset

THE ADVISORS FUND L.P.

MANAGEMENT OF THE FUND (CONTINUED)

Below is a brief description of each of the Portfolio Managers. The management discussion and analysis of the Fund's performance during the fiscal year ended December 31, 1993 (including a line graph comparing the Fund's performance to the S&P 500, an index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange and over-the-counter market) is included in the Fund's Annual Report to Shareholders dated December 31, 1993. The Fund's Annual Report may be obtained upon request and without charge from any Smith Barney Shearson Financial Consultant or by writing or calling the Fund at the address or phone number listed on page 1 of this Prospectus.

ARDSLEY ADVISORY PARTNERS

Ardsley, located at 646 Steamboat Road, Greenwich, Connecticut 06830, is a general partnership which, since 1986, has provided investment management services to pension and profit-sharing plans through a group trust, and to individual accounts and corporate and other business entities. Ardsley is registered with the SEC as an investment adviser and with the CFTC as a commodity trading advisor and is a member of the NFA. Philip J. Hempleman and Douglas C. Floren together own 74% of Ardsley. Ardsley has not managed the assets of a registered investment company other than the Fund. As of December 31, 1993, Ardsley had in excess of \$3.6 billion under management. Philip Hempleman has been a Managing Partner of Ardsley since the firm's inception in 1986 and has been responsible for the day-to-day management of those assets of the Fund allocated to Ardsley for management since the Fund's inception in June 1990.

Ardsley focuses primarily on growth stocks (shares of companies whose earnings are expected to increase significantly in the near term). Ardsley prefers to identify reported earnings growth and to determine its probable continuity, instead of forecasting macro-economic variables, although it utilizes a variety of investment strategies including the use of leverage and short sales.

HELLMAN, JORDAN MANAGEMENT CO., INC.

Hellman Jordan, located at 75 State Street, Boston, Massachusetts 02109, is a wholly owned subsidiary of United Asset Management Holdings Inc., a wholly owned subsidiary of United Asset Management Corporation, which

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THE ADVISORS FUND L.P.

MANAGEMENT OF THE FUND (CONTINUED)

is in turn a publicly-held corporation owned 4.3% by Norton H. Reamer, a principal of Hellman, Jordan. Hellman, Jordan is registered with the SEC as an investment adviser and with the CFTC as a commodity trading advisor and a commodity pool operator and is a member of the NFA. Hellman, Jordan has not managed the assets of a registered investment company other than the Fund. As of December 31, 1993, Hellman, Jordan had in excess of \$2.3 billion under management. Gerald Jordan has been President of Hellman, Jordan since the firm's inception in 1978 and has been responsible for the day-to-day management of those assets of the Fund allocated to Hellman, Jordan since the Fund's inception

in June 1990.

In managing assets allocated to it, Hellman, Jordan emphasizes investment in equity securities exhibiting high rates of earnings growth. Hellman, Jordan identifies the industry groups, or sectors, that will respond best to emerging economic trends and invests in companies within those industries that exhibit high rates of earnings growth, favorable relative value and a strong technical pattern. Hellman, Jordan's determination of favored industry groups and companies may shift rapidly in accordance with market or financial cycles. During periods of uncertainty, defensive measures are employed to reduce portfolio risk.

MARK ASSET MANAGEMENT CORPORATION

Mark Asset Management Corporation ("MAMC"), an investment adviser registered under the Advisers Act and located at 767 Fifth Avenue, New York, New York 10153, follows an investment philosophy contemplating disciplined, fundamental, research-oriented value investing in common stocks and other equity securities. Typically, the firm focuses on companies that it believes have substantially undervalued assets, or undervalued earnings growth potential, or, preferably, both. In determining whether a company's assets are undervalued, MAMC calculates the value at which it believes the company's individual businesses and other assets could be sold in the private market place. In determining whether a company has substantial unrealized growth potential, MAMC attempts to measure the company's long-term cash flow and earnings outlook by analyzing the quality of the company's management, business franchise and operating and financial characteristics.

Although strongly committed to equity investing, MAMC, in seeking to maximize investment opportunities and conserve capital for its clients, may

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THE ADVISORS FUND L.P.

MANAGEMENT OF THE FUND (CONTINUED)

invest in fixed income securities and/or hold cash and cash equivalents. On occasion, MAMC employs option strategies on behalf of clients, particularly to hedge portfolio investments, and may use specialized investment techniques such as leverage and short sales. In investing assets of the Fund, MAMC will not engage in any commodity futures or options on futures transactions.

MAMC, which was organized under the laws of the State of New York, has not managed the assets of an investment company registered under the 1940 Act other than the Fund. However, Morris Mark, MAMC's principal shareholder and President, has over twenty-five years of experience in the securities and investment businesses. MAMC manages, as of December 31, 1993 over \$397 million in equity accounts. Mr. Mark has primary investment responsibility for two investment partnerships generally unavailable to the investing public in the United States with aggregate assets as of December 31, 1993 in excess of \$415 million. Morris Mark has been President of MAMC since the firm's inception in 1987 and has been responsible for the day-to-day management of those assets of the Fund allocated to MAMC since the Fund's inception in June 1990.

WOODWARD & ASSOCIATES INC.

Woodward & Associates Inc. ("Woodward"), located at 17 State Street, New York, New York 10153, is a New York corporation organized in 1986 to provide investment management services to professional investors. Since 1987, John E. Woodward III, who owns 100% of Woodward, has served as the general partner of four private investment limited partnerships comprised of professional investors, individuals, and pension and profit-sharing plans. Woodward has not managed the assets of a registered investment company other than the Fund. As of December 31, 1993, Woodward has in excess of \$100 million under management. John Woodward, III has been President of Woodward since the firm's inception in 1986 and has been responsible for the day-to-day management of those assets of the

Fund allocated to Woodward since the Fund retained Woodward's services in July 1991.

In managing assets allocated to it, Woodward seeks to minimize risk by investing primarily in equity securities selling at prices which, in the opinion of Woodward, are within 20% of their industrial and/or intrinsic value.

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THE ADVISORS FUND L.P.

MANAGEMENT OF THE FUND (CONTINUED)

Woodward defines industrial and/or intrinsic value as that value which a buyer would be willing to pay to acquire the underlying assets and/or earnings stream of the security for long-term financial gains.

ADMINISTRATOR

Boston Advisors, located at One Boston Place, Boston, Massachusetts 02108, subject to the review and supervision of Strategy Advisers, serves as the Fund's administrator. Boston Advisors is a wholly owned subsidiary of The Boston Company, Inc. ("TBC") a financial services holding company, which is in turn a wholly owned subsidiary of Mellon Bank Corporation ("Mellon"). Boston Advisors provides investment management, investment advisory and/or administrative services to investment companies with total assets, as of December 31, 1993, in excess of \$86 billion. Boston Advisors calculates the net asset value of the Fund's shares and generally manages all aspects of the Fund's administration and operation. For these services, Boston Advisors receives from the Fund a fee computed and paid monthly at an annual rate of 0.25% of the value of the Fund's average daily net assets.

Prior to the close of business on May 21, 1993, TBC was an affiliate of Shearson Lehman Brothers and, in connection with its sale to Mellon, Shearson Lehman Brothers conditionally agreed (with certain exceptions) that neither it nor its subsidiaries would provide custody services (other than to investment companies) or master trust services for a period of three years, and that neither it nor its subsidiaries would provide custody or administration services to certain investment companies and/or clients of TBC and its subsidiaries for a period of one to seven years. In addition, Shearson Lehman Brothers conditionally agreed (with certain exceptions) that, for a period of seven years (a) with respect to each investment company for which both (i) TBC or its subsidiary provided custody services, administration services or investment advisory services (not subadvisory services) on September 14, 1992 and (ii) Shearson Lehman Brothers or its subsidiaries serve as investment adviser or principal underwriter, Shearson Lehman Brothers would to the extent consistent with its fiduciary duties and other applicable law recommend TBC or its subsidiary as a provider of such services, and (b) it would recommend TBC or its subsidiary as the provider of custody services and administration services for any investment company for which Shearson Lehman Brothers or its subsidiaries become an investment adviser or principal underwriter.

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THE ADVISORS FUND L.P.

MANAGEMENT OF THE FUND (CONTINUED)

On July 30, 1993, Travelers and Smith Barney, Harris Upham & Co. Incorporated ("Smith Barney") purchased certain assets and assumed certain liabilities of Shearson Lehman Brothers and Smith Barney was renamed "Smith Barney Shearson Inc." Under the asset purchase agreement between Smith Barney and Shearson Lehman Brothers, Smith Barney agreed with American Express Company that Smith

Barney and its pertinent affiliates would be bound by the provisions described in the preceding paragraph to the extent that Shearson Lehman Brothers and its pertinent affiliates would have been bound if the sale to Smith Barney had not occurred.

EXPENSES OF THE FUND

Strategy Advisers and the Portfolio Managers bear all expenses in connection with the performance of their services under the investment advisory agreement and portfolio management agreements, respectively. The Fund bears certain other expenses including: organizational costs, taxes, interest, brokerage fees and commissions, if any, fees of Individual General Partners who are not officers, directors, employees or shareholders holding 5% or more of the outstanding shares of Smith Barney Shearson, Strategy Advisers, the Portfolio Managers, Boston Advisors or any of their affiliates; SEC and state Blue Sky qualification fees; charges of custodians and transfer and distribution disbursing agents' fees; certain insurance premiums; outside auditing and legal expenses; costs of any independent pricing services; costs of maintaining the Fund's existence; costs attributable to investor services (including allocated telephone and personnel expenses); costs of investors' reports and meetings; and any extraordinary expenses.

PURCHASE OF SHARES

Purchases of Fund shares must be made through a brokerage account maintained with Smith Barney Shearson or with an Introducing Broker. No maintenance fee will be charged in connection with any Smith Barney Shearson brokerage account through which an investor purchases or holds

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THE ADVISORS FUND L.P.

PURCHASE OF SHARES (CONTINUED)

shares. Shares may be purchased only by investors who have a minimum net worth, exclusive of home, home furnishings, and automobiles, of \$250,000, although officers and directors of Smith Barney Shearson, Tremont and each of the Portfolio Managers, and Smith Barney Shearson Financial Consultants may invest in the Fund without meeting this requirement.

Shares of the Fund are not offered to entities exempt from Federal income tax including, but not limited to, qualified employee benefit plans, individual retirement accounts, and tax-exempt organizations. In addition, shares of the Fund are not offered to: (a) individuals who are classified as nonresident aliens for U.S. Federal income tax purposes; (b) corporations and partnerships organized under laws other than those of the United States, a state of the United States, or the District of Columbia; and (c) entities that are classified as foreign estates or foreign trusts for U.S. Federal income tax purposes.

The Fund does not issue certificates evidencing Fund shares unless specifically requested by an investor who is a Shareholder of record. For those Shareholders who hold certificates, additional steps must be taken by them, which need not be taken by Shareholders who do not hold certificates, before they can redeem their shares. See "Redemption of Shares."

A Shareholder may not transfer or assign shares to any other person, but may pledge them as collateral. See Appendix IV, "Summary of the Partnership Agreement."

The minimum initial investment in the Fund is \$25,000, except that officers or

directors of Smith Barney Shearson, Tremont and each of the Portfolio Managers and Smith Barney Shearson Financial Consultants are subject to a minimum purchase requirement of \$10,000. The minimum subsequent investment for all Shareholders is \$1,000. The Fund reserves the right to vary at any time the initial and subsequent investment minimums. There is no maximum number or dollar value of shares that may be outstanding at any time.

Purchase orders for shares received by Smith Barney Shearson (or an Introducing Broker) prior to 4:00 p.m., New York time, on any day that the Fund calculates its net asset value, are priced according to the net asset value determined on that day. Purchase orders received after 4:00 p.m. are priced as of the time the net asset value is next determined. See "Net Asset Value."

THE ADVISORS FUND L.P.

PURCHASE OF SHARES (CONTINUED)

Payment for shares is due to Smith Barney Shearson or an Introducing Broker no later than the fifth business day after an order for shares is placed and accepted (the "Settlement Date") at the appropriate net asset value plus the applicable sales charge. The Fund and Smith Barney Shearson, the Fund's distributor (the "Distributor"), reserve the right in their sole discretion to (a) suspend the offering of the Fund's shares or (b) reject purchase orders when, in the judgment of the Fund's management, such rejection is in the best interest of the Fund.

For the period from June 1, 1993 through September 16, 1993, the Fund offered individual investors two methods of purchasing shares: Class A shares, which are offered subject to an initial sales charge; and Class B shares, which were offered subject to a CDSC. As of September 16, 1993, the Fund ceased offering Class B shares to the public, although Class B shares remain outstanding.

CLASS A SHARES. Class A shares are sold at their net asset value next determined after a purchase order is received as discussed above, plus a sales charge, which is imposed in accordance with the following schedule:

<TABLE>
<CAPTION>

% AMOUNT OF INVESTMENT NET ASSET VALUE <S>	SALES CHARGE AS % OF OFFERING PRICE <C>	SALES CHARGE AS OF <C>
Up to \$49,999	5.00%	5.26%
\$50,000 to \$99,999	4.00%	4.17%
\$100,000 to \$249,000	3.25%	3.36%
\$250,000 to \$499,999	2.50%	2.56%
\$500,000 to \$999,999	2.00%	2.04%
\$1,000,000 and over*	0.00%	0.00%

<FN>

*The sales charge on all purchases of \$1 million or more is waived; however a CDSC of 0.75% is imposed

for the first year after purchase. This fee is payable to Smith Barney Shearson which, with Boston

Advisors, compensates Financial Consultants upon the sale of these shares.

</TABLE>

CLASS B SHARES. For the period from June 1, 1993 through September 16, 1993, Class B shares were sold at their net asset value next determined after a purchase order was received. No initial sales charge was imposed at the time of purchase. A CDSC is imposed, however, on certain redemptions of outstanding Class B shares. See "Redemption of Shares" which describes the CDSC in greater detail. Class B shares are no longer available for purchase, although current Class B shareholders will have the ability to invest distributions if any, in additional Class B shares. See "Allocations and

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THE ADVISORS FUND L.P.

PURCHASE OF SHARES (CONTINUED)

Distributions." The Individual General Partners of the Fund reserve the right, in their sole discretion, to offer Class B shares of the Fund for purchase in the future.

REDUCED SALES CHARGES

Reduced sales charges are available to investors who are eligible to combine their purchases of Fund shares to receive volume discounts. Investors eligible to receive volume discounts are individuals and their immediate families, and a trustee or other fiduciary purchasing shares for a single trust estate or single fiduciary account even though more than one beneficiary is involved. Investors interested in an explanation of volume discounts should contact their Smith Barney Shearson Financial Consultant. Reduced sales charges on Class A shares are also available under a combined right of accumulation, under which an investor may combine the value of Class A shares already held in the Fund along with the value of the Fund's Class A shares being purchased, to qualify for a reduced sales charge. For example, if an investor owns Class A shares of the Fund that have an aggregate value of \$100,000 and makes an additional investment in Class A shares of the Fund of \$50,000, the sales charge applicable to the additional investment would be 3.25%, rather than the 4.00% normally charged on a \$50,000 purchase.

Class A shares of the Fund may be offered without any applicable sales charge to (a) employees of Travelers and its subsidiaries, including Smith Barney Shearson and Strategy Advisers, and the spouses and minor children of such employees when orders on their behalf are placed by such employees; (b) accounts managed by registered investment advisory subsidiaries of Travelers; (c) directors, trustees or general partners of any investment company for which Smith Barney Shearson serves as Distributor; (d) any other investment company in connection with the combination of such company with the Fund by merger, acquisition of assets or otherwise; (e) Shareholders who have redeemed shares in the Fund and who wish to reinvest their redemption proceeds in the Fund, provided the reinvestment is made within 30 days of the redemption; (f) any client of a newly employed Smith Barney Shearson Financial Consultant (up to a period of 90 days from the commencement of the Financial Consultant's employment with Smith Barney Shearson), on the condition that the purchase is made with the proceeds of redemption of shares of a mutual fund that (i) was sponsored by

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THE ADVISORS FUND L.P.

PURCHASE OF SHARES (CONTINUED)

the Financial Consultant's prior employer, (ii) was sold to the client by the

Financial Consultant, and (iii) when purchased, such shares were sold with a sales charge or subject to a charge upon redemption; or (g) to the officers and directors of Tremont and each of the Portfolio Managers.

OTHER INFORMATION

Purchasers of shares are required to execute a Subscription Agreement, in the form of Exhibit A to this Prospectus, which includes a special power of attorney, and deliver the Signature Page to the purchaser's Smith Barney Shearson Financial Consultant who will forward it to the Fund. A Subscription Agreement and Signature Page is enclosed with the Prospectus and should be used for this purpose. An investor will become a Shareholder of the Fund upon the Fund's acceptance of the investor's Subscription Agreement and the investor's being listed as a limited partner on the books and records of the Fund.

The Fund issues certificates, without charge, for full shares only, upon request made to the Fund's transfer agent, The Shareholder Services Group, Inc. ("TSSG"), a subsidiary of First Data Corporation.

When payment is made to the Distributor by an investor before the Settlement Date, unless otherwise directed by an investor, the monies may be held as a free credit balance in the investor's brokerage account and the Distributor may benefit from the temporary use of these monies. The investor may designate another use for the monies prior to the Settlement Date, such as investment in a money market fund. The Individual General Partners of the Fund are advised of the benefits to the Distributor resulting from five-day settlement procedures and will take such benefits into consideration when reviewing the distribution agreement (the "Distribution Agreement") for continuance.

REDEMPTION OF SHARES

GENERAL INFORMATION

Shares of either Class may be redeemed on any day on which the Fund's net asset value is calculated. See "Net Asset Value" below. Redemption

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THE ADVISORS FUND L.P.

REDEMPTION OF SHARES (CONTINUED)

requests received in proper form prior to 4:00 p.m., New York time, will be effected at the net asset value per share determined on that day. Redemption requests received after 4:00 p.m., New York time, will be effected at the net asset value as next determined. If a shareholder holds shares in more than one Class of the Fund, any request for redemption must specify the Class of shares being redeemed. In the event of a failure to specify which Class or if the investor owns fewer shares of the Class than specified, the redemption request will be delayed until the Fund's transfer agent receives further instructions from Smith Barney Shearson, or if the shareholder's account is not with Smith Barney Shearson, from the shareholder directly. Payment for shares redeemed (less any applicable CDSC) typically will be made the day after receipt of a redemption request, but in no event will payment be made later than seven days after receipt of a redemption request. Redemption proceeds will not be available, however, until all checks used to purchase the shares being redeemed have been collected, which may take up to 15 days or more. A Shareholder who anticipates the need for more immediate access to his or her investment should purchase shares by Federal funds, by bank wire or by a certified or cashier's check.

Redemption requests may be given to Smith Barney Shearson or an Introducing Broker. A Shareholder desiring to redeem shares represented by certificates must present the certificates to Smith Barney Shearson or the Introducing Broker endorsed for transfer or accompanied by an endorsed stock power, signed exactly as the shares are registered. Smith Barney Shearson or the Introducing Broker will transmit all properly received redemption requests to TSSG. A redemption request will not be deemed to have been submitted until Smith Barney Shearson or the Introducing Broker receives all required documents in proper form. A redemption request received by Smith Barney Shearson will be deemed to have been received by TSSG for purposes of determining the time as of which the redemption becomes effective, except that a redemption request for shares represented by certificates will not be deemed received until TSSG has received the certificates in proper form. The proceeds of the redemption will be credited to the Shareholder's account at Smith Barney Shearson or the Introducing Broker. Generally, these funds will not be invested for the Shareholder's benefit without specific instructions, and Smith Barney Shearson or the Introducing Broker will benefit from the use of temporarily uninvested funds.

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THE ADVISORS FUND L.P.

REDEMPTION OF SHARES (CONTINUED)

Under Delaware law, the Fund shall not make any distribution to a Shareholder if it would result in a violation of Section 17-607(a) of the Delaware Revised Uniform Limited Partnership Act. Section 17-607(a) limits the ability of the Fund to make any distributions to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Fund, other than liabilities to partners on account of their interests in the Fund and liabilities for which the recourse of creditors is limited to specified property of the Fund, exceed the fair value of the assets of the Fund. For purposes of this limitation, the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the Fund only to the extent that the fair value of the property exceeds that liability.

Any Shareholder who receives a distribution from the Fund and who knows that the receipt of the distribution is in violation of Section 17-607(a) will be liable to the Fund for the amount of the distribution for a period of three years. Any Shareholder who receives a distribution in violation of Section 17-607(a) and who did not know at the time of the distribution that the distribution violated Section 17-607(a) will not be liable for the amount of the distribution.

CONTINGENT DEFERRED SALES CHARGE -- CLASS B SHARES

A CDSC payable to Smith Barney Shearson is imposed on any redemption of outstanding Class B shares, however effected, that causes the current value of a shareholder's account to fall below the dollar amount of all payments by the shareholder for the purchase of Class B shares ("purchase payments") during the preceding five years. No charge is imposed to the extent the net asset value of the Class B shares redeemed does not exceed (a) the current net asset value of Class B shares purchased through reinvestment of dividends or capital gains distributions, plus (b) the current net asset value of Class B shares purchased more than five years prior to the redemption, plus (c) increases in the net asset value of the shareholder's Class B shares above the purchase payments made during the preceding five years.

In circumstances in which the CDSC is imposed, the amount of the charge will depend on the number of years since the shareholder made the purchase payment from which the amount is being redeemed. Solely for

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THE ADVISORS FUND L.P.

REDEMPTION OF SHARES (CONTINUED)

purposes of determining the number of years since a purchase payment, all purchase payments during a month will be aggregated and deemed to have been made on the last day of the preceding Smith Barney Shearson statement month. The following table sets forth the rates of the charge for redemptions of Class B shares.

<TABLE>
<CAPTION>
YEAR SINCE PURCHASE
PAYMENT WAS MADE
<S> CDSC
<C>

-----	-----
First	5.00%
Second	4.00%
Third	3.00%
Fourth	2.00%
Fifth	1.00%
Sixth	0.00%
Seventh	0.00%
Eighth	0.00%
-----	-----

</TABLE>

Following the eighth anniversary of their purchase date, outstanding Class B shares generally will be eligible to convert automatically to Class A shares, based on the relative net asset value for shares of each of the Classes, and thereafter will no longer be subject to any distribution fee. Class B shares that were acquired through reinvestment of distributions will be converted on a pro-rata basis together with other Class B shares in the proportion that a Shareholder's Class B shares converting to Class A shares bears to the total Class B shares not acquired through the reinvestment of dividends.

Under present law, the Fund's status as partnership for Federal tax purposes will terminate no later than December 31, 1997. As a result, the Fund may be terminated by that time or may be converted into another type of entity, such as a regulated investment company. Thus, by the time any Class B shares are eligible for conversion into Class A shares, it is possible that the Fund will have been terminated or converted to another form of organization. Such other form of organization may or may not offer the conversion privilege. The conversion of Class B shares into Class A shares is subject to the continuing availability of an opinion of counsel to the effect that such conversions will not constitute taxable events for Federal tax purposes.

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THE ADVISORS FUND L.P.

REDEMPTION OF SHARES (CONTINUED)

With respect to Class B redemptions only, the purchase payment from which a redemption is made is assumed to be the earliest purchase payment from which a full redemption has not already been effected.

WAIVERS OF CDSC. The Class B CDSC will be waived on (a) involuntary redemptions; (b) redemption proceeds from other funds in the Smith Barney Shearson Group of Funds that are reinvested within 30 days of the redemption; and (c) redemptions of shares in connection with a combination of any investment company with the Fund by merger, acquisition of assets or otherwise.

Shares may be redeemed in one of the following ways:

REDEMPTION THROUGH SMITH BARNEY SHEARSON

Redemption requests may be made through Smith Barney Shearson or an Introducing Broker. A Shareholder desiring to redeem shares of either Class represented by certificates must also present such certificates to Smith Barney Shearson or the Introducing Broker endorsed for transfer (or accompanied by an endorsed stock power), signed exactly as the shares are registered. Redemption requests involving shares represented by certificates will not be deemed received until such certificates are received by the Fund's transfer agent in proper form.

REDEMPTION BY MAIL

Shares held by Smith Barney Shearson as custodian must be redeemed by submitting a written request to a Smith Barney Shearson Financial Consultant. All other shares may be redeemed by submitting a written request for redemption to:

The Advisors Fund L.P.
Class A or B (please specify)
c/o TSSG
P.O. Box 9134
Boston, Massachusetts 02205-9134

A written redemption request to TSSG or a Smith Barney Shearson Financial Consultant must (a) state the Class and number or dollar amount of shares to be redeemed, (b) identify the Shareholder's account number and

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THE ADVISORS FUND L.P.

REDEMPTION OF SHARES (CONTINUED)

(c) be signed by each registered owner exactly as the shares are registered. If the shares to be redeemed were issued in certificate form, the certificates must be endorsed for transfer (or be accompanied by an endorsed stock power) and must be submitted to TSSG together with the redemption request. Any signature appearing on a redemption request, share certificate or stock power must be guaranteed by a domestic bank, savings and loan institution, domestic credit union, member bank of the Federal Reserve System or member firm of a national securities exchange. TSSG may require additional supporting documents for redemptions made by corporations, executors, administrators, trustees or guardians. A redemption request will not be deemed properly received until TSSG receives all required documents in proper form.

INVOLUNTARY REDEMPTION

A Fund account that is reduced by a Shareholder to a value of \$5,000 or less may be redeemed by the Fund, but only after the Shareholder has been given at least 30 days in which to increase the account balance to more than \$5,000. In addition, shares of a particular Shareholder may be redeemed by the Individual General Partners in certain limited circumstances relating to (a) the failure of such Shareholder to furnish tax-related information or certifications, and (b) the payment of withholding taxes and certain related amounts. Any such involuntary redemptions will be made at the net asset value per share at the time of the redemption and will not be subject to any otherwise applicable CDSC. The Fund will, however, retain the redemption proceeds to the extent it deems necessary in order to satisfy withholding obligations and related costs which the Fund estimates it will incur with respect to the shares being redeemed. To prevent certain treatment of the Fund's account under the CEA, Shareholders who

are affiliated with Smith Barney Shearson, including employees of Smith Barney Shearson, may be required to redeem their shares at any time. See "Appendix I: Information Regarding Smith Barney Shearson Strategy Advisers Inc."

DISTRIBUTOR

Smith Barney Shearson, located at 388 Greenwich Street, New York, New York 10285, serves as Distributor for the Fund's shares pursuant to a distribution agreement with the Fund. Smith Barney Shearson is paid an annual service fee by Class A and outstanding Class B shares of the Fund at

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THE ADVISORS FUND L.P.

REDEMPTION OF SHARES (CONTINUED)

the rate of 0.25% of the value of the average daily net assets of the respective class. Smith Barney Shearson is also paid an annual distribution fee by Class B at the rate of 0.75% of the value of the average daily net assets attributable to that Class. The fees are authorized pursuant to a plan of distribution (the "Plan") adopted by the Fund pursuant to Rule 12b-1 under the 1940 Act. Fees assessed pursuant to the Plan are used by Smith Barney Shearson to pay its Financial Consultants for servicing shareholder accounts. In the case of Class B, such fees and any CDSC received by Smith Barney Shearson also cover expenses that are primarily attributable to the sale of Fund shares. These expenses include: costs of printing the Fund's Prospectus, Statement of Additional Information and sales literature for distribution to Shareholders; an allocation of overhead and other Smith Barney Shearson branch office distribution related expenses; payments to and expenses of persons who provide support services in connection with the distribution of shares; and accruals for interest on the amount of the foregoing expenses which exceed distribution fees. These payments are made by Smith Barney Shearson and not by the Fund, except to the extent that Smith Barney Shearson utilizes the 0.75% annual distribution fee under the Plan to cover these payments. The payments to Smith Barney Shearson Financial Consultants for selling shares include a commission paid at the time of sale and a continuing fee for servicing Shareholder accounts for as long as a Shareholder remains a holder of that Class of shares. The service fee will be paid at the rate of 0.25% of the value of the daily average net assets of the particular Class of shares which remain invested in the Fund. Smith Barney Shearson Financial Consultants and any other person entitled to receive compensation for selling shares of the Fund may receive different levels of compensation for selling different Classes of shares.

Payments under the Plan are not tied exclusively to the distribution and shareholder service expenses actually incurred by Smith Barney Shearson, and the payments may exceed distribution expenses actually incurred. The Fund's Individual General Partners evaluate the appropriateness of the Plan and its payment terms on a continuing basis and, in doing so, consider all relevant factors, including the expenses borne by Smith Barney Shearson, the amount received under the Plan and the proceeds of the CDSC and sales charges received.

Smith Barney Shearson is one of the leading full-line investment firms serving the U.S. and foreign securities and commodities markets. Travelers

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THE ADVISORS FUND L.P.

REDEMPTION OF SHARES (CONTINUED)

and its subsidiaries other than Smith Barney Shearson are principally engaged in the businesses of providing investment services, consumer finance and insurance services.

Except as noted below, during the past five years, no administrative, civil or criminal actions have been brought against Smith Barney Shearson or any of its principals, as defined by the CFTC, that the Fund's commodity pool operators deem to be material to an investor's decision to purchase shares.

On or about March 5, 1990, an amended complaint was filed in QUANTUM OVERSEAS, N.V. V. SHEARSON LEHMAN HUTTON INC. in the United States District Court for the Northern District of Illinois, Eastern Division, naming as defendants Shearson Lehman Hutton Inc., a predecessor to Smith Barney Shearson, and certain named and unnamed members of the Chicago Mercantile Exchange. The amended complaint alleges violations of Section 4b of the CEA, fraud and breach of fiduciary duty in connection with the handling of an order for S&P 500 futures contracts on the Chicago Mercantile Exchange on October 22, 1987. The complaint claims \$70,000,000 in compensatory damages and \$100,000,000 in punitive damages, plus litigation costs. Smith Barney Shearson denies the allegations of the amended complaint.

On September 25, 1990, the CFTC announced the filing and simultaneous settlement of an administrative complaint against Shearson Lehman Brothers, a predecessor to Smith Barney Shearson, the branch manager of Shearson Lehman Brothers' Winter Park, Florida office and an account executive employed at that office as well as others. The complaint, filed IN THE MATTER OF HORST J. HAPPEL, ET. AL., charged that Shearson Lehman Brothers (a) aided and abetted a customer's violation of the speculative position limits, (b) violated reporting and recordkeeping requirements as well as the prohibition against reporting wash sale transactions and (c) failed to supervise certain employees. Pursuant to Shearson Lehman Brothers' settlement offer and without admitting or denying any of the allegations of the complaint, Shearson Lehman Brothers consented to findings that it violated sections of the CEA and regulations promulgated thereunder, agreed to pay a civil penalty of \$220,000 and agreed to institute additional compliance procedures in the areas of recordkeeping and reporting.

THE ADVISORS FUND L.P.

EXCHANGE PRIVILEGE

Shares of each Class of the Fund may be exchanged for shares of the same class in the following funds in the Smith Barney Shearson Group of Funds, to the extent shares are offered for sale in the Shareholder's state of residence.

<TABLE>
<CAPTION>
EXCHANGEABLE
FOR SHARES
OF THE
FOLLOWING
CLASSES: FUND NAME AND INVESTMENT OBJECTIVE:
<S> <C>

A MUNICIPAL BOND FUNDS
an SMITH BARNEY SHEARSON LIMITED MATURITY MUNICIPALS FUND,

intermediate-term municipal bond fund investing in investment

	grade obligations.
A, B	SMITH BARNEY SHEARSON MANAGED MUNICIPALS FUND INC., an
	intermediate- and long-term municipal bond fund.
A, B	SMITH BARNEY SHEARSON TAX-EXEMPT INCOME FUND, an
intermediate-	
	and long-term municipal bond fund investing in medium- and
	lower-rated securities.
A, B	SMITH BARNEY SHEARSON ARIZONA MUNICIPALS FUND INC., an
	intermediate- and long-term municipal bond fund designed for
	Arizona investors.
A	SMITH BARNEY SHEARSON INTERMEDIATE MATURITY CALIFORNIA
	MUNICIPALS FUND, an intermediate-term municipal bond fund
	designed for California investors.
A, B	SMITH BARNEY SHEARSON CALIFORNIA MUNICIPALS FUND INC.,
an	
	intermediate- and long-term municipal bond fund designed for
	California investors.
A, B	SMITH BARNEY SHEARSON FLORIDA MUNICIPALS FUND, an
intermediate	
	and long-term municipal bond fund designed for Florida
	investors.
A, B	SMITH BARNEY SHEARSON MASSACHUSETTS MUNICIPALS FUND,
an	
	intermediate- and long-term municipal bond fund designed for
	Massachusetts investors.

</TABLE>

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THE ADVISORS FUND L.P.

EXCHANGE PRIVILEGE (CONTINUED)

<TABLE>
<CAPTION>
EXCHANGEABLE
FOR SHARES
OF THE
FOLLOWING
CLASSES:

FUND NAME AND INVESTMENT OBJECTIVE:

<S>	<C>
A, B	SMITH BARNEY SHEARSON NEW JERSEY MUNICIPALS FUND INC.,
an	
	intermediate- and long-term municipal bond fund designed for
	New Jersey investors.
A	SMITH BARNEY SHEARSON INTERMEDIATE MATURITY NEW YORK
	MUNICIPALS FUND, an intermediate-term bond fund designed for
	New York investors.
A, B	SMITH BARNEY SHEARSON NEW YORK MUNICIPALS FUND INC., an
	intermediate- and long-term municipal bond fund designed for
	New York investors.
	INCOME FUNDS
A, B	SMITH BARNEY SHEARSON ADJUSTABLE RATE GOVERNMENT
INCOME FUND,	
	seeks high current income while limiting the degree of
	fluctuation in net asset value resulting from movement in
	interest rates.
A, B	SMITH BARNEY SHEARSON WORLDWIDE PRIME ASSETS FUND,
invests in	
	a portfolio of high quality debt securities that may be
	denominated in U.S. dollars or selected foreign currencies and
	that have remaining maturities of not more than one year.
A, B	SMITH BARNEY SHEARSON SHORT-TERM WORLD INCOME FUND,
invests in	
	high quality, short-term debt securities denominated in U.S.
	dollars as well as a range of foreign currencies.
A	SMITH BARNEY SHEARSON LIMITED MATURITY TREASURY FUND,
invests	

exclusively in securities issued by the United States Treasury and other U.S. government securities.

SMITH BARNEY SHEARSON DIVERSIFIED STRATEGIC INCOME

A, B
FUND, seeks

high current income primarily by allocating its assets among various types of fixed-income securities.

</TABLE>

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THE ADVISORS FUND L.P.

EXCHANGE PRIVILEGE (CONTINUED)

<TABLE>
<CAPTION>
EXCHANGEABLE
FOR SHARES
OF THE
FOLLOWING
CLASSES:

FUND NAME AND INVESTMENT OBJECTIVE:

<S>	<C>
A, B invests	SMITH BARNEY SHEARSON MANAGED GOVERNMENTS FUND INC., in obligations issued or guaranteed by the United States government and its agencies and instrumentalities with emphasis on mortgage-backed government securities.
A, B a high	SMITH BARNEY SHEARSON GOVERNMENT SECURITIES FUND, seeks current return by investing in U.S. government securities.
A, B	SMITH BARNEY SHEARSON INVESTMENT GRADE BOND FUND, seeks maximum current income consistent with prudent investment management and preservation of capital by investing in corporate bonds.
A, B	SMITH BARNEY SHEARSON HIGH INCOME FUND, seeks high current income by investing in high-yielding corporate bonds, debentures and notes.
A, B income	SMITH BARNEY SHEARSON GLOBAL BOND FUND, seeks current and capital appreciation by investing in bonds, debentures and notes of foreign and domestic issuers.
A, B	GROWTH AND INCOME FUNDS SMITH BARNEY SHEARSON CONVERTIBLE FUND, seeks current income and capital appreciation by investing in convertible securities.
A, B	SMITH BARNEY SHEARSON UTILITIES FUND, seeks total return by investing in equity and debt securities of utilities companies.
A, B	SMITH BARNEY SHEARSON STRATEGIC INVESTORS FUND, seeks high total return consisting of current income and capital appreciation by investing in a combination of equity, fixed- income and money market securities.

</TABLE>

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THE ADVISORS FUND L.P.

EXCHANGE PRIVILEGE (CONTINUED)

<TABLE>
<CAPTION>
EXCHANGEABLE
FOR SHARES

OF THE
FOLLOWING
CLASSES:

FUND NAME AND INVESTMENT OBJECTIVE:

<S>	<C>
A, B total	SMITH BARNEY SHEARSON PREMIUM TOTAL RETURN FUND, seeks return by investing in dividend-paying common stocks.
A, B income and	SMITH BARNEY SHEARSON GROWTH AND INCOME FUND, seeks long-term capital growth by investing in income producing equity securities.
A, B term	GROWTH FUNDS SMITH BARNEY SHEARSON APPRECIATION FUND INC., seeks long- term appreciation of capital.
A, B seeks	SMITH BARNEY SHEARSON FUNDAMENTAL VALUE FUND INC., long-term capital growth with current income as a secondary objective.
A, B term	SMITH BARNEY SHEARSON DIRECTIONS VALUE FUND, seeks long- term capital appreciation by investing in equity securities believed to be undervalued.
A, B	SMITH BARNEY SHEARSON SECTOR ANALYSIS FUND, seeks capital appreciation by following a sector strategy.
A, B FUND, seeks	SMITH BARNEY SHEARSON TELECOMMUNICATIONS GROWTH capital appreciation, with income as a secondary consideration.
A, B	SMITH BARNEY SHEARSON AGGRESSIVE GROWTH FUND INC., seeks above-average capital growth.
A, B	SMITH BARNEY SHEARSON SPECIAL EQUITIES FUND, seeks long-term capital growth by investing principally in the common stocks of foreign and domestic issuers.
A, B	SMITH BARNEY SHEARSON GLOBAL OPPORTUNITIES FUND, seeks long-term capital growth by investing principally in the common stocks of foreign and domestic issuers.

</TABLE>

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THE ADVISORS FUND L.P.

EXCHANGE PRIVILEGE (CONTINUED)

<TABLE>
<CAPTION>
EXCHANGEABLE
FOR SHARES
OF THE
FOLLOWING
CLASSES:

FUND NAME AND INVESTMENT OBJECTIVE:

A, B	SMITH BARNEY SHEARSON EUROPEAN FUND, seeks long-term capital appreciation by investing primarily in securities of issuers based in European countries.
<S>	<C>
A, B FUND INC.,	SMITH BARNEY SHEARSON PRECIOUS METALS AND MINERALS seeks long-term capital appreciation by investing primarily in precious metal- and mineral-related companies and gold bullion.
*	MONEY MARKET FUNDS SMITH BARNEY SHEARSON MONEY MARKET FUND, invests in a diversified portfolio of high quality money market instruments.
**	SMITH BARNEY SHEARSON DAILY DIVIDEND FUND, invests in a variety of money market instruments.

** SMITH BARNEY SHEARSON GOVERNMENT AND AGENCIES FUND,
invests in short-term United States government and agency securities.

** SMITH BARNEY SHEARSON MUNICIPAL MONEY MARKET FUND,
invests in short-term high quality municipal obligations.

** SMITH BARNEY SHEARSON CALIFORNIA MUNICIPAL MONEY
MARKET FUND,
invests in short-term, high quality California municipal
obligations.

** SMITH BARNEY SHEARSON NEW YORK MUNICIPAL MONEY
MARKET FUND,
invests in short-term, high quality New York municipal
obligations.

<FN>
*Class B shares of the Fund may be exchanged for shares of this money market
fund.
**Class A shares of the Fund may be exchanged for shares of this money market
fund.
</TABLE>

TAX EFFECT. The exchange of shares of the Fund for shares of another fund is
treated for Federal income tax purposes as a sale of the shares given in
exchange by the shareholder. Therefore, an exchanging Shareholder may realize a
taxable gain or loss in connection with an exchange.

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THE ADVISORS FUND L.P.

EXCHANGE PRIVILEGE (CONTINUED)

CLASS B EXCHANGES. Smith Barney Shearson receives an annual service fee and an
annual distribution fee with respect to Class B shares of the Fund. Class B
shareholders of the Fund who wish to exchange all or a portion of their Class B
shares for Class B shares of any of the funds identified above may do so without
imposition of an exchange fee. Upon an exchange, the new Class B shares will be
deemed to have been purchased on the same date that the Class B shares of the
Fund were originally purchased. In the event Class B shareholders of the Fund
wish to exchange all or a portion of their shares for Class B shares in any of
the funds listed above imposing a CDSC higher than that imposed by the Fund, the
exchanged Class B shares will be subject to the higher applicable CDSC.

ADDITIONAL INFORMATION REGARDING THE EXCHANGE PRIVILEGE.
Shareholders
exercising the exchange privilege for any of the other funds in the Smith Barney
Shearson Group of Funds should review the prospectus of that fund carefully
prior to making an exchange. Smith Barney Shearson reserves the right to reject
any exchange request. The exchange privilege may be modified or terminated at
any time after notice to shareholders. For further information regarding the
exchange privilege or to obtain the current

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THE ADVISORS FUND L.P.

EXCHANGE PRIVILEGE (CONTINUED)

prospectuses of any of the Smith Barney Shearson Group of Funds, investors
should contact their Smith Barney Shearson Financial Consultants. Shareholders

should note that shares of all other funds in the Smith Barney Shearson Group of Funds may not be exchanged for shares of the Fund.

Although the exchange privilege is an important benefit, excessive exchange transactions can be detrimental to the Fund's performance and its Shareholders. The Fund's Portfolio Managers or Strategy Advisers may determine that a pattern of frequent exchanges is excessive and contrary to the best interests of the Fund's other Shareholders. In this event, the Fund's Portfolio Managers or Strategy Advisers will notify Smith Barney Shearson, and Smith Barney Shearson may, at its discretion, decide to limit additional purchases and/or exchanges by the Shareholder. Upon such a determination, Smith Barney Shearson will provide notice in writing or by telephone to the Shareholder at least 15 days prior to suspending the exchange privilege and during the 15-day period the Shareholder will be required to (a) redeem his or her shares in the Fund or (b) remain invested in the Fund or exchange into any of the Smith Barney Shearson funds ordinarily available, which position the Shareholder would expect to maintain for a significant period of time. All relevant factors will be considered in determining what constitutes an abusive pattern of exchanges.

NET ASSET VALUE

The net asset value per share of each Class of shares is calculated on each day, Monday through Friday, except on days when the New York Stock Exchange, Inc. ("NYSE") is closed. The NYSE is currently scheduled to be closed on New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas, and on the preceding Friday or subsequent Monday when one of these holidays falls on a Saturday or Sunday, respectively.

Net asset value per share of a given Class is determined as of 4:00 p.m., New York time, and is computed by dividing the value of the Fund's net assets by the total number of shares outstanding. The Fund's investments are valued at market value or, in the absence of a market value with respect to any investment, at fair market value as determined by or under the direction

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THE ADVISORS FUND L.P.

NET ASSET VALUE (CONTINUED)

of the Individual General Partners. Fund securities that are primarily traded on foreign exchanges are valued at the preceding closing values of the securities on their respective exchanges, except that when an occurrence subsequent to the time a value was so established is likely to have changed the value, the fair market value of those securities will be determined by consideration of other factors by or under the direction of the Individual General Partners or their agents. A security that is primarily traded on a U.S. or foreign stock exchange is valued by reference to the last sale price on the exchange or, if no sales occur during the day, at the current quoted bid price. Over-the-counter securities are valued on the basis of the bid price at the close of business on each day. Debt securities (other than U.S. Government Securities and short-term securities) are valued by Boston Advisors after consultation with independent valuation services approved by the Individual General Partners. Investments in U.S. Government Securities (other than short-term securities) are valued at the average of the quoted bid and asked prices in the over-the-counter market. Short-term investments that mature in 60 days or less are valued at amortized cost. Amortized cost valuation involves valuing an instrument at its cost initially, and, thereafter, assuming a constant amortization to maturity of any discount or premium, regardless of the effect of fluctuating interest rates on the market value of the instrument. Options are generally valued at the last sale price or, in the absence of a last sale price, the last bid price. The value of a futures contract equals the unrealized gain or loss on the contract that is determined by marking it to the current settlement price for a like contract acquired on the day on which the futures contract is being valued. A settlement price may not be used if the market makes a limit move with respect to a particular commodity. Forward contracts and futures contracts, when no market quote is available, will be valued at their fair market value as

determined by the Individual General Partners, upon consultation with their agents. Further information regarding the Fund's valuation policies is contained in the Statement of Additional Information.

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THE ADVISORS FUND L.P.

ALLOCATIONS AND DISTRIBUTIONS

ALLOCATIONS

The Fund's income, gains, losses, deductions and credits are allocated among the shares outstanding. Generally, these items are allocated to a particular Shareholder in accordance with his or her interest in the Fund although certain expenses such as distribution expenses, may be allocated specially in accordance with the variable pricing system. Each Shareholder will be required to take into account on a Federal income tax return (and possibly on other tax returns) his or her allocated share of the Fund's tax items. Further discussion of allocations and distributions by the Fund may be found under "Taxation" in this Prospectus and in the Statement of Additional Information.

DISTRIBUTIONS

The Fund makes distributions to Shareholders in such amounts and at such times as the Individual General Partners, in their sole discretion, determine. Accordingly, there can be no assurance that Shareholders will receive distributions at regular intervals. The per share distributions, if any, on Class A shares will be higher than the per share distributions, if any, on Class B shares as a result of lower distribution and transfer agency fees applicable to the Class A shares. For the convenience of Shareholders, all distributions on a particular Class of shares will be reinvested automatically in full and fractional shares of that class. Each purchase of shares is made upon the condition that TSSG is appointed by the Shareholder (by executing and delivering a Signature Page in the form of Exhibit A to this Prospectus) as the Shareholder's agent to receive all distributions on shares owned by the Shareholder and to invest the amounts of the distributions in shares at the net asset value per share at the close of business on the record date determined by the Individual General Partners. A Shareholder may terminate this agency at any time and may direct TSSG in writing to have subsequent distributions transmitted to him or her in cash rather than invested in shares. Distributions apparently are treated the same for tax purposes whether taken in cash or received in additional shares. A change request received by the transfer agent will be effective within one day of receipt. Any Shareholder who receives a cash payment representing a distribution may invest the distribution at net asset value by returning the check or the proceeds to the Fund's transfer agent, TSSG, P.O. Box 9134, Boston,

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THE ADVISORS FUND L.P.

ALLOCATIONS AND DISTRIBUTIONS (CONTINUED)

Massachusetts 02205, within 30 days after the payment date. If the Shareholder returns the proceeds of a distribution, the funds must be accompanied by a signed statement indicating that the proceeds constitute a distribution to be invested. An investment will be made at the net asset value per share next determined after receipt of the check or proceeds by TSSG.

TAXATION

The following discussion summarizes certain Federal income tax considerations incident to an investment in the Fund. A more complete discussion of tax matters is included in the Statement of Additional Information.

The Fund has been advised by its counsel that, in counsel's opinion, the Fund will be treated as a partnership and not as an association taxable as a corporation for Federal income tax purposes for the period preceding the date on which Code Section 7704 (discussed below) becomes applicable to the Fund. This opinion is based upon, among other things, representations by the Individual General Partners and the Corporate General Partner and is qualified by reference to the law and administrative interpretations thereof, as in effect on the date of the opinion, assumed anticipated facts and circumstances (the existence of which cannot be, and is not hereby, assured) and the organization and operation of the Fund in accordance with the Partnership Agreement, and any notices, regulations, rulings or other pronouncements of the IRS regarding the requirements for taxation as a partnership.

Under Code Section 7704, publicly traded partnerships are treated as corporations for Federal income tax purposes. It is expected that the Fund will be classified as a publicly traded partnership under Code Section 7704. Under certain transition rules, however, Code Section 7704 is not expected to apply to the Fund until 1998. The Fund has obtained a ruling (the "Ruling") from the IRS to the effect that Code Section 7704 will not apply to the Fund before 1998 provided that certain conditions are met. Accordingly, the Individual General Partners believe that Code Section 7704 will not require the Fund to be classified as a corporation for Federal income tax purposes until its first taxable year beginning after 1997, if those conditions are met. The Fund intends to fulfill the relevant conditions, but

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THE ADVISORS FUND L.P.

TAXATION (CONTINUED)

absolute assurance that the Fund would be able to do so and that they will be deemed to have been fulfilled cannot be given. If the conditions in the Ruling are not satisfied or if the Fund is otherwise deemed to be a corporation for tax purposes, adverse tax consequences, both retroactive and prospective, could ensue, which could include, among other things, subjecting the Fund itself to income tax on its earnings and subjecting the Shareholders to income tax adjustments (which could involve interest and penalty charges). For further information about Code Section 7704, see the Statement of Additional Information.

The discussion below is based upon the assumption that the Fund will be classified as a partnership for Federal income tax purposes and applies only to that period before it is classified under Code Section 7704 as a corporation. Information regarding the tax consequences of treating the Fund as a corporation for tax purposes is set forth in the Statement of Additional Information.

During the period in which the Fund is classified as a partnership for tax purposes, the Fund will not be subject to Federal income tax and each Shareholder will be required to report on a Federal income tax return the Shareholder's distributive share of the Fund's income, losses, deductions and any other tax items for each taxable year of the Fund ending with or within the Shareholder's taxable year, regardless of the amount of cash or other property distributed to the Shareholder. **THUS, IT IS POSSIBLE THAT THE TAX LIABILITY OF A SHAREHOLDER WITH RESPECT TO HIS OR HER INVESTMENT IN THE FUND MAY EXCEED AMOUNTS**

DISTRIBUTED TO HIM OR HER BY THE FUND. In this connection, Shareholders should in particular be aware that their taxable income from the Fund (and the tax thereon) could exceed distributions made to them in cases where the Fund utilizes taxable income earned by it to reduce indebtedness of the Fund. Cash distributions from the Fund generally will not be includable in a Shareholder's taxable income to the extent that the distributions do not exceed a Shareholder's tax basis in his shares. The Fund furnishes each Shareholder annually with tax information regarding his or her distributive share of the Fund's tax items.

The Fund is not designed to be a vehicle for producing net tax losses or credits that will reduce a Shareholder's tax liability in a given taxable year and, in fact, based upon the Fund's investment policies and its investment

THE ADVISORS FUND L.P.

TAXATION (CONTINUED)

objective to maximize total return, the Individual General Partners seek to manage the Fund in a manner so that, if the Fund's investment objectives are fulfilled, it can be expected that Shareholders will be required to report on their income tax returns net taxable income from the Fund. However, no assurance can be given that the Fund will, in fact, generate net taxable income or that it will not generate net tax losses or excess credits.

With certain exceptions, gains or losses recognized by the Fund on the taxable disposition of investments generally will be characterized as capital gains and losses, which generally will be short-term or long-term, depending upon the Fund's holding period for such investments. Interest and dividends earned by the Fund are treated as ordinary income.

In the case of a taxpayer that computes its tax under rules applicable to individuals, miscellaneous itemized deductions (such as investment expenses) are allowable only to the extent those amounts exceed 2% of the taxpayer's adjusted gross income. An individual Shareholder's distributive share of the Fund's investment expenses may be subject to this limitation.

The Fund's tax items (income, gain, loss, deductions, and credits) are generally allocated among the Shareholders in a manner reflecting their interests in the Fund although certain expenses, such as distribution expenses, may be allocated specially in accordance with the variable pricing system. The Fund intends to comply with applicable requirements in this regard. However, since the tax law in this area is evolving and does not specifically address allocations of tax items by entities such as the Fund, a possibility exists that the IRS could seek to reallocate items among Shareholders, which could result in additional tax liability (including interest and penalties).

The Individual General Partners believe that the Fund should not be treated as a passive activity. Accordingly, the income and losses generated by the Fund should not be classified as passive, but instead should be treated as portfolio income and losses. Portfolio income earned by the Fund generally may not be offset by any passive losses a Shareholder may have.

Shareholders who are subject to withholding of tax by the Fund should be aware that the Partnership Agreement permits the Fund to obtain amounts determined by the Fund to be sufficient to satisfy withholding obligations in various ways, including: (a) making deductions from income

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THE ADVISORS FUND L.P.

TAXATION (CONTINUED)

or assets of the Fund which are allocable to a Shareholder or from redemption proceeds of the Shareholder; (b) requiring a Shareholder or a former Shareholder to remit amounts requested by the Fund in connection with withholding obligations; and (c) redeeming shares of a Shareholder and retaining the proceeds.

The Fund is required to report to the IRS each Shareholder's distributive share of the Fund's tax items as well as the gross proceeds from the redemption of Fund shares (except in the case of certain exempt Shareholders).

Shareholders may be subject to taxes other than Federal income taxes, including, but not limited to, state, local, and foreign income taxes, estate taxes, inheritance taxes, and intangible property taxes that may be imposed in various jurisdictions. As one example, a Shareholder may be subject to tax in a jurisdiction on income derived from the Fund if the Fund is regarded as doing business in, or deriving income from, that jurisdiction.

SINCE THE FOREGOING IS A GENERAL SUMMARY OF THE TAX CONSEQUENCES OF INVESTING IN THE FUND, SHAREHOLDERS AND PROSPECTIVE SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS ABOUT SPECIFIC TAX CONSEQUENCES TO THEM FROM OWNERSHIP OF FUND SHARES.

THE FUND'S PERFORMANCE

From time to time the Fund may advertise its "average annual total return" over various periods of time for each Class of shares. Such total return figures show the average percentage change in value of an investment in the Class from the beginning date of the measuring period to the end of the measuring period. These figures reflect changes in the price of the shares and assume that any distributions of earnings made by the Fund during the period were reinvested in shares of the same class. Class A total return figures include the maximum initial 5% sales charge and Class B total return figures include any applicable CDSC. The figures also take into account the service and distribution fees, if any, payable by the respective Class.

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THE FUND'S PERFORMANCE (CONTINUED)

Figures will be given for recent one-, five- and ten-year periods (if applicable), and may be given for other periods as well (such as from commencement of the Fund's operations or on a year-by-year basis). When considering "average" annual total return figures for periods longer than one year, it is important to note that the annual total return for any one year in the period might have been greater or less than the average for the entire period. The Fund may also use "aggregate" total return figures for various periods, representing cumulative changes in value of an investment in the Fund for the specific period (again reflecting changes in Fund share prices and assuming reinvestment of distributions). Aggregate total return may be calculated either with or without the effect of the maximum 5.0% sales charge for the Class A shares or any applicable CDSC for Class B shares, and may be shown by means of schedules, charts or graphs, and may indicate subtotals of the various components of total return (I.E., changes in value of initial investment, earnings, and distributions). Because of the differences in sales charges and distribution fees, the total return for each of the Classes will differ.

In reports or other communications to Shareholders and in advertising material, performance of the respective Classes may be compared with that of other mutual funds or Classes of shares of other Funds as listed in the rankings prepared by Lipper Analytical Services, Inc. or with similar independent services that monitor the performance of mutual funds, or with the S&P 500 or other appropriate indexes of investment securities, or financial publications such as BUSINESS WEEK, INSTITUTIONAL INVESTOR, MORNINGSTAR MUTUAL FUND VALUES, MONEY, FORBES, BARRON'S, KIPLINGER'S PERSONAL FINANCE MAGAZINE, THE WALL STREET JOURNAL, FORTUNE, USA TODAY, CDA, INVESTMENT TECHNOLOGIES INC., and THE NEW YORK TIMES. It is important to note that performance information is based on historical earnings and is not intended to indicate future performance. For a further description of the method used to determine the Fund's total return, see the Statement of Additional Information -- "Determination of Performance."

CUSTODIAN AND TRANSFER AGENT

Boston Safe Deposit and Trust Company ("Boston Safe") is located at One Boston Place, Boston Massachusetts 02108, and serves as custodian of

THE ADVISORS FUND L.P.

CUSTODIAN AND TRANSFER AGENT (CONTINUED)

the Fund's investments. Boston Safe is a wholly owned subsidiary of TBC. Under its custody agreement with the Fund, Boston Safe is authorized to appoint one or more subcustodians that may hold assets owned by the Fund. All subcustodians of the Fund's assets, whether located within or outside the United States, will be selected and appointed in accordance with, and will fulfill their obligations under, the 1940 Act and the rules and regulations promulgated under the 1940 Act.

TSSG is located at Exchange Place, Boston, Massachusetts 02109, and serves as the Fund's transfer agent.

ADDITIONAL INFORMATION

The Fund is a limited partnership that was formed on November 16, 1987 under the laws of the State of Delaware. Under the Partnership Agreement, which is summarized in Appendix IV to this Prospectus and is set out in full in Appendix B to the Statement of Additional Information, the Fund's partners (the "Partners"), including General Partners and Shareholders, are entitled to vote on certain matters. When matters are submitted to the Partners for a vote, General Partners and Shareholders, will have one vote for each full share owned and proportionate, fractional votes for fractional shares held. At an initial meeting of the Partners, held in July 1991, the Partners voted upon the election of five Individual General Partners, the approval of the Fund's various advisory agreements, and the ratification of the selection of the Fund's auditors. At a subsequent meeting of the Partners held in October 1992, the Partners elected Martin Brody an Individual General Partner of the Fund, approved amendments to the Fund's Partnership Agreement and advisory agreements and ratified the selection of the Fund's auditors. No further meetings of Partners will be required for the purpose of approving and electing Individual General Partners, unless and until less than a majority of the Individual General Partners holding office have been approved and elected by the Partners. Partners of record of no less than two-thirds of the outstanding shares may remove an Individual General Partner through an approval in writing or by an approving vote cast in person or by proxy at a meeting called for the purpose of removing the

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THE ADVISORS FUND L.P.

ADDITIONAL INFORMATION (CONTINUED)

Individual General Partner. A meeting will be called for the purpose of voting on the removal of an Individual General Partner at the written request of holders of 10% of the Fund's outstanding shares.

The Fund sends its Shareholders Quarterly Reports and an audited Annual Report, each of which includes a list of the investments held by the Fund at the end of the period covered. In addition, after each taxable year, the Fund sends each Shareholder a Federal K-1 tax form that summarizes the Shareholder's share of the Fund's income, losses, deductions and other tax items for the period during which he or she was a Shareholder.

Shareholders may make inquiries regarding the Fund, including its performance, to their Smith Barney Shearson Financial Consultant. The Fund's books and records regarding its transactions in futures will be kept at the Fund's offices located at Two World Trade Center, New York, New York 10048.

DEFERRED ORGANIZATION EXPENSES

Because of the Fund's unique structure and operating policies, the Fund incurred organization expenses that a typical mutual fund would not incur. These organization expenses have been deferred and will be amortized over a five year period using the straight-line method from June 28, 1990, (commencement of operations). During such period, the Fund's expenses may be higher than a typical mutual fund that incurred lower organization costs.

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THE ADVISORS FUND L.P.

ADDITIONAL INFORMATION (CONTINUED)

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, THE STATEMENT OF ADDITIONAL INFORMATION AND/OR IN THE FUND'S OFFICIAL SALES LITERATURE IN CONNECTION WITH THE OFFERING OF THE FUND'S SHARES AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER IN ANY STATE IN WHICH, OR TO ANY PERSON TO WHOM, SUCH OFFER MAY NOT LAWFULLY BE MADE.

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THE ADVISORS FUND L.P.

APPENDIX I

INFORMATION REGARDING SMITH BARNEY SHEARSON STRATEGY ADVISERS INC.

This Appendix contains information required by the CFTC regarding Strategy Advisers as a commodity pool operator of the Fund. The phone number of Strategy Advisers is (212) 298-6266.

STRATEGY ADVISERS

Strategy Advisers, together with the Individual General Partners, will at all times own as a group a certain minimum number of the outstanding shares of the Fund in order to comply with certain guidelines established by the IRS relating to the Fund's classification as a partnership for Federal income tax purposes. During the past five years no administrative, civil or criminal actions have been brought against Strategy Advisers or any of its principals, as defined by the CFTC, that the Fund's commodity pool operators deem to be material to an investor's decision to purchase shares.

The principals of Strategy Advisers are set forth below. Except as noted, all of them have been employees of Smith Barney Shearson or Smith Barney for at

least the past five years.

Heath B. McLendon, 59, Chairman of Strategy Advisers. Mr. McLendon has been employed by Smith Barney Shearson since 1960 and is currently an Executive Vice President of Smith Barney Shearson.

Richard P. Roelofs, 40, President of Strategy Advisers. Mr. Roelofs has been with Smith Barney Shearson since 1985. Before 1985, Mr. Roelofs was associated with the New York law firm Simpson Thacher & Bartlett.

Stephen J. Treadway, 46, Director of Strategy Advisers. Mr. Treadway has been with Smith Barney since 1987 and is currently Executive Vice President of Smith Barney Shearson and Manager of its Unit Investment Trust and Smith Barney Mutual Fund Departments.

None of these individuals has controlled any customer's commodity futures or options accounts during the last three years, with the exception of the Fund and Shearson Lehman Brothers Multiple Opportunities Portfolio L.P. ("MLTP"). MLTP ceased operation on May 1, 1992. None of these individuals have operated any other commodity pools with the exception of

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THE ADVISORS FUND L.P.

APPENDIX I (CONTINUED)

Mr. McLendon who is a commodity pool operator of two investment companies organized in The Netherlands Antilles. Neither such investment company is offered to U.S. persons. In addition, Smith Barney Shearson serves as Distributor and Mr. McLendon is the commodity pool operator of certain companies organized outside the United States that may engage in the trading of commodity interests incidental to their securities trading. As of December 31, 1993, Strategy Advisers and its principals owned 0.59% of the Fund's outstanding Class A shares and 12.41% of the Fund's outstanding Class B shares. Any of them may acquire shares in the Fund, but in no event will affiliates of Smith Barney Shearson ever own more than 10% of the Fund's combined outstanding shares.

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THE ADVISORS FUND L.P.

APPENDIX II

INFORMATION REGARDING ARDSLEY ADVISORY PARTNERS

This Appendix contains certain information required by the CFTC regarding Ardsley as commodity trading advisor to the Fund. Ardsley is a New York general partnership, established December 1986, that provides investment management services to pension and profit sharing plans through a group trust, and to individual accounts and corporate and other business entities. Ardsley is located at 646 Steamboat Road, Greenwich, Connecticut 06830 and its telephone number is (203) 863-1430. Ardsley is registered with the SEC as an investment adviser and with the CFTC as a commodity trading advisor. Ardsley is also a member of the NFA. Neither Ardsley nor any of its principals currently have any ownership or beneficial interest in the Fund. During the last five years, no material administrative, civil or criminal actions have been brought against Ardsley or any of its principals that the Fund's commodity pool operators deem

to be material to an investor's decision to purchase Fund shares. There has been no payment of commissions or other fees by Ardsley or its principals to any person for purposes of soliciting funds for the Fund. Neither Ardsley nor its principals intend to trade in commodity interests for their own account.

Ardsley and its principals may advise other commodity clients concerning contracts which are the subject of advice from Ardsley to the Fund. The advice of Ardsley and its principals and positions taken by other clients may be contrary to the advice given by Ardsley to, or positions taken by, the Fund.

The principals of Ardsley are set forth below.

Philip J. Hempleman, 52, Managing General Partner and Portfolio Manager of Ardsley since December 1986. Mr. Hempleman was previously a Portfolio Manager with the Trust Co. of the West, an institutional money manager, from November 1982 to December 1986.

Donald B. Strand, 36, General Partner and Equity Trader of Ardsley since December 1986. Mr. Strand was previously a trader with Trust Co. of the West, an institutional money manager, from January 1984 to November 1986.

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THE ADVISORS FUND L.P.

APPENDIX II (CONTINUED)

Kevin M. McCormack, 45, General Partner and Financial Officer of Ardsley since December 1986. Mr. McCormack was previously self-employed as a consultant from October 1986 to November 1986 and was Treasurer of Dunlevy & Co., Inc. from September 1980 to October 1986.

Glenn R. Doshay, 35, General Partner and Portfolio Manager of Ardsley since December 1986. Mr. Doshay was an analyst/portfolio manager with Steinhardt Partners from December 1985 to January 1987 and with the Trust Co. of the West, an institutional money manager, from May 1982 to November 1985.

Douglas C. Floren, 52, General Partner and Portfolio Manager of Ardsley since April of 1988. Mr. Floren has also been the Managing General Partner of Coastal Capital Management, an investment advisory firm, since February 1986 and of Coastal Associates, an investment advisory firm, since April 1986. Mr. Floren was previously a registered representative for Smith Barney from October 1965 to February 1986.

David M. Gong, 44, General Partner and Portfolio Manager of Ardsley since February 1990. Mr. Gong was previously an Executive Vice President of Rowe Price-Fleming International, an international money management firm.

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THE ADVISORS FUND L.P.

APPENDIX III

INFORMATION REGARDING HELLMAN, JORDAN MANAGEMENT CO., INC.

This Appendix contains certain information required by the CFTC regarding Hellman, Jordan as commodity trading advisor to the Fund. Hellman, Jordan's telephone number is (617) 261-9800 and they are located at 75 State Street, Boston, Massachusetts 02109. Hellman, Jordan was incorporated in 1978 and has actively managed clients' funds since that time. Hellman, Jordan is a wholly owned subsidiary of United Asset Management Corporation, a publicly-held corporation. Norton Reamer, a principal of Hellman, Jordan, owns 4.3% of United Asset Management. Hellman, Jordan is registered with the SEC as an investment adviser and with the CFTC as a commodity trading advisor and commodity pool operator. Hellman, Jordan is also a member of the NFA. Neither Hellman, Jordan nor any of its principals currently have any ownership or beneficial interest in the Fund. During the last five years, no material administrative, civil or criminal actions have been brought against Hellman, Jordan or any of its principals that the Fund's commodity pool operator deems to be material to an investor's decision to purchase Fund shares. There has been no payment of commissions or other fees by Hellman, Jordan or its principals to any person for purposes of soliciting funds for the Fund.

Hellman, Jordan and its principals may take or hold positions in, or advise other commodity clients concerning, contracts which are the subject of advice from Hellman, Jordan to the Fund. The positions and advice of Hellman, Jordan and its principals and positions taken by other clients may be contrary to positions of, and the advice given by, Hellman, Jordan to the Fund.

In addition to the potential conflicts of interest with respect to contract positions taken by Hellman, Jordan, and its principals which are referred to above, the following may present potential conflicts of interest with the Fund: Hellman, Jordan may render advice or have discretionary investment authority with respect to other clients which is contrary to that rendered to the Fund. Hellman, Jordan and its principals and clients will be subject in the aggregate to various contract position limits which may from time to time place a limit on the number of contract positions taken by the client pursuant to the discretionary authority of Hellman, Jordan. For example, if Hellman, Jordan and all of the customer accounts under its investment

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THE ADVISORS FUND L.P.

APPENDIX III (CONTINUED)

discretion have reached a position limit with respect to a contract, a conflict of interest may arise which may result in a client under Hellman, Jordan's investment discretion receiving a smaller allocation of contracts than it would otherwise be entitled to. Potential conflicts of interest may arise from the fact that the FCMs selected by Hellman, Jordan or their affiliates have ongoing brokerage relationships (which include the provision by such FCMs or their affiliates of various services, including research) with Hellman, Jordan with respect to other accounts, including that of the Fund. Furthermore, Hellman, Jordan, its principals or other clients, may from time to time invest in the equity securities of the aforesaid FCMs and/or their affiliates.

Clients of Hellman, Jordan will be permitted to inspect the books and records maintained by Hellman, Jordan of commodity contract trades of Hellman, Jordan, its pension trust, or any of its principals.

The officers and directors of Hellman, Jordan are set forth below.

Gerald Jordan, Jr., 55, President, Director, Chief Investment Officer and Portfolio Manager for Hellman, Jordan since August 1978. Mr. Jordan was previously a securities analyst and investment manager with Putnam Management Company from May 1967 to August 1978.

Martin de M. Hale, 53, Executive Vice President, Director and Portfolio Manager for Hellman, Jordan since April 1983. Mr. Hale was previously the

President of Marsh & McLennan Asset Management Co. from September 1981 to March 1983.

Norton H. Reamer, 58, President, Chairman and Chief Executive Officer and Director of United Asset Management Corporation, the parent company of Hellman, Jordan, since December 1980.

Nicholas Gleysteen, 41, Senior Vice President and Portfolio Manager for Hellman, Jordan since February 1984. Mr. Gleysteen was previously a Tax Accountant with Coopers & Lybrand from February 1980 to February 1984.

David M. Driscoll, 53, Senior Vice President of Hellman, Jordan since August 1989. Mr. Driscoll was previously Senior Vice President of The Boston Company from January 1977 to March 1989.

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THE ADVISORS FUND L.P.

APPENDIX III (CONTINUED)

Susan G. Lynch, 35, Vice President of Compliance. Ms. Lynch has been employed by Hellman, Jordan since 1983. Before 1983, Ms. Lynch was a control supervisor at Bradford Trust Company.

Mr. Charles H. Ritt, III, 39, Vice President of Hellman, Jordan since December 1991. Mr. Ritt was previously Operations Manager for Hellman, Jordan since 1983, and a Master Trust Accountant with Boston Safe Deposit and Trust Company from August 1981 to August 1983.

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THE ADVISORS FUND L.P.

APPENDIX IV

SUMMARY OF THE PARTNERSHIP AGREEMENT

The full text of the Agreement appears as Appendix B to the Statement of Additional Information. The following discussion briefly summarizes and explains certain provisions of the Agreement and is qualified in its entirety by the terms of the Agreement. AS THE FOLLOWING IS A GENERAL DISCUSSION OF SOME OF THE PROVISIONS OF THE AGREEMENT, SHAREHOLDERS AND PROSPECTIVE SHAREHOLDERS ARE ADVISED TO READ THE AGREEMENT WHICH IS SET FORTH IN ITS ENTIRETY AS APPENDIX B TO THE STATEMENT OF ADDITIONAL INFORMATION.

VOTING RIGHT OF PARTNERS

The Partners have the rights required under the 1940 Act for voting security holders. Partners have one vote for each share of either Class held. Shares of all Classes shall vote together as a single voting group except to the extent voting by separate Class is required under the 1940 Act or the Delaware Revised Uniform Limited Partnership Act (the "Partnership Act"), or as to any matter which does not affect a particular Class, in which case only the Class affected will be entitled to vote. At a meeting of Partners held after the Fund commenced operations, the Partners voted to approve the election of General Partners, as

well as other matters determined by the Individual General Partners. Thereafter, no other meetings of the Partners will normally be held for the purpose of approving and electing General Partners, unless and until less than a majority of the Individual General Partners holding office have been approved and elected by the Partners. Partners of record of more than two-thirds of the outstanding shares may remove a General Partner through an approval in writing or by an approving vote cast in person or by proxy at a meeting called for the purpose of removing the General Partner. Partners holding more than 10% of the outstanding shares may require the calling of a meeting of the Partners for the purposes of voting on the removal of a General Partner. The Partners may vote in person or by proxy at any meeting of Partners. The presence in person or by proxy of more than 50% of the outstanding shares constitutes a quorum at any meeting of Partners. Actions of the Partners, other than the approval and election of General Partners and certain other matters specified in the Agreement, will require the vote of Partners holding the lesser of (1) a majority of the outstanding shares entitled to vote at the meeting or (2) 67% or more of the shares represented at a meeting at which

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THE ADVISORS FUND L.P.

APPENDIX IV (CONTINUED)

a quorum is present. In the approval and election of General Partners, those candidates receiving the highest number of votes cast, at a meeting at which a quorum is present, up to the number of General Partners to be approved and elected, shall be approved and elected to serve until their successors are duly approved, elected and qualified. Each Partner shall have the right to vote the number of shares standing of record in such Partner's name as of the record date set forth in the notice of meeting. Holders of shares who have not become substituted Limited Partners are not entitled to vote the shares they hold.

GENERAL PARTNERS

The Fund has two classes of Partners, General Partners and Limited Partners. The General Partners include a number of individuals, referred to in this Prospectus as Individual General Partners, and one corporate General Partner, Strategy Advisers, which is referred to in this Prospectus as the Corporate General Partner. Limited Partners are referred to throughout this Prospectus as Shareholders. The Individual General Partners have complete and exclusive control over the management, conduct and operation of the Fund's business, subject to the terms of the Agreement and the 1940 Act. Under the terms of the Agreement, Strategy Advisers, as the Corporate General Partner, is permitted to participate in the management of the Fund as a General Partner only in the event that there are no Individual General Partners, and then only for a limited period of time.

The Agreement provides that the General Partners are not personally liable to any Limited Partner or holder of shares for the repayment of any amount standing in the account of a Limited Partner or holder of shares. In addition, the General Partners are not personally liable to any Limited Partner or holder of shares (1) by reason of changes in income tax laws or interpretations thereof, or (2) by reason of any other matters, unless the result of willful misfeasance, bad faith, gross negligence or reckless disregard of their duties. Each General Partner, and certain other persons and entities specified in the Agreement, is entitled to indemnification from the Fund against certain liabilities and expenses to which a General Partner, and certain persons or entities, may be subject by reason of involvement with the Fund, except with respect to certain matters involving willful misfeasance, bad faith, gross negligence or reckless disregard of the duties on the part of such General Partner, person or entity.

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THE ADVISORS FUND L.P.

APPENDIX IV (CONTINUED)

LIABILITY OF LIMITED PARTNERS

The Agreement provides that no Limited Partner shall be liable for any obligations or debts of the Fund, except that the contribution of a Limited Partner to the Fund is subject to the risks of the business of the Fund and the claims of the Fund's creditors.

The Fund can not make any distribution to a Limited Partner if it would result in a violation of Section 17-607(a) of the Partnership Act. Section 17-607(a) limits the ability of the Fund to make any distributions to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Fund, other than liabilities to Partners on account of their interests in the Fund and liabilities for which the recourse of creditors is limited to specified property of the Fund, exceed the fair value of the assets of the Fund. For purposes of this limitation, the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the Fund only to the extent that the fair value of the property exceeds that liability.

Any Limited Partner who receives a distribution from the Fund and who knows that the receipt of the distribution is in violation of Section 17-607(a) will be liable to the Fund for the amount of the distribution for a period of three years. Any Limited Partner who receives a distribution in violation of Section 17-607(a) and who did not know at the time of the distribution that the distribution violated Section 17-607(a) will not be liable for the amount of the distribution.

The Agreement and the 1940 Act provide certain voting rights to the Limited Partners. In some jurisdictions other than Delaware, where the Fund is organized, uncertainty may exist regarding whether the exercise of such voting rights could cause the Limited Partners to be deemed to be General Partners, with a resulting loss of limited liability for the debts and obligations of the Fund.

ADMISSION OF LIMITED PARTNERS

The Individual General Partners may, in their sole discretion, admit a purchaser or other acquirer of shares as a Limited Partner upon (a) the execution and acknowledgement by the purchaser of any instrument or

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THE ADVISORS FUND L.P.

APPENDIX IV (CONTINUED)

instruments that the Individual General Partners may deem necessary or desirable to effectuate the admission, and (b) the purchaser's written acceptance and adoption of all the terms and provisions of the Agreement.

TRANSFER OR ASSIGNMENT OF SHARES

A Limited Partner does not have the right to transfer or assign his or her shares voluntarily to any other person without the unanimous consent of the Individual General Partners, but may pledge them as collateral. In the event that any person who is holding shares as collateral becomes the owner of the shares as a result of foreclosure or otherwise, the person shall not have the right to be substituted as a Limited Partner, but shall only have the right (upon presentation of satisfactory evidence of the right to succeed to the interests of the Limited Partner): (a) to redeem the shares pursuant to the redemption provisions of the Agreement and (b) to receive distributions with respect to the shares. In the event of the death or legal disability of a Limited Partner (or, in the case of a Limited Partner that is a corporation or other organization, the merger, dissolution or other termination of the existence of the Limited Partner), or under such other circumstances as the Individual General Partners may, in their discretion, determine, the successor in interest of the Limited Partner has the right (upon the presentation of satisfactory evidence of the right to succeed to the interests of the Limited Partner): (a) to redeem the shares of the Limited Partner pursuant to the redemption provisions of the Agreement, (b) to receive distributions with

respect to the shares, and (c) to be substituted as a Limited Partner, upon, among other things, the unanimous consent of the Individual General Partners.

TERM OF EXISTENCE -- DISSOLUTION

The Fund will continue until December 31, 2037, but may be dissolved before that date if and when: (a) Partners holding a majority of the Fund's outstanding voting securities vote to dissolve the Fund at a meeting called for that purpose; (b) the Fund disposes of all of its assets other than in the ordinary course of business; (c) a General Partner retires, dies, is adjudicated incompetent, is removed or not re-elected, assigns his or her interest, becomes bankrupt or otherwise ceases to be a Partner under the Partnership Act, unless all of the remaining Individual General Partners elect to continue the business; (d) all of the Limited Partners and the Corporate General

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THE ADVISORS FUND L.P.

APPENDIX IV (CONTINUED)

Partner, at a meeting called by the Corporate General Partner when no Individual General Partner remains to elect to continue the business of the Fund, fail to agree to continue the business or to appoint successor Individual General Partners; or (e) any other event causing dissolution of the Fund pursuant to the Partnership Act. In the event that a General Partner dies, retires, is adjudicated incompetent, assigns his or her interest, is removed or not re-elected, becomes bankrupt or otherwise ceases to be a Partner under the Partnership Act, the remaining Individual General Partners will decide within 90 days whether they wish to continue the Fund's business. If the decision is in the negative, the affairs of the Fund will be wound up and the Fund dissolved effective not earlier than 150 days from the date of the decision.

In the event that there are no remaining Individual General Partners to elect to continue the business or all of the General Partners die, retire, dissolve, are removed, are adjudicated incompetent, assign their interests, become bankrupt or otherwise cease to be Partners under the Partnership Act, the Fund will not dissolve if, within 90 days, all the remaining Partners agree in writing to continue the business of the Fund and to the appointment of one or more successor General Partners. If the remaining Partners decide not to continue the business of the Fund, they shall call a meeting to be held within 120 days after the expiration of the 90-day period to determine whether to form a new partnership.

Notwithstanding any other provision in the Agreement, the Individual General Partners are authorized, but not required, before or after Section 7704 of the Internal Revenue Code becomes applicable to the Fund (which will result in the Fund being classified as a corporation for Federal income tax purposes), to take such actions as they deem necessary or advisable, in their sole discretion, in connection with such reclassification. These actions may include, for example, the transfer of the Fund's assets to another entity.

Limited Partners have no right to the return of any part of their contributions from the Fund until dissolution of the Fund other than the right to redeem their shares as described under "Redemption of Shares" in the Prospectus.

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THE ADVISORS FUND L.P.

EXHIBIT A

Mr. Todd Miller
Money Funds Department
c/o Smith Barney Shearson Inc.

THE ADVISORS FUND L.P.
SUBSCRIPTION AGREEMENT AND SIGNATURE PAGE

1. SUBSCRIPTION FOR SHARES. The investor or investors named below (the "Investor") hereby subscribes for the dollar amount indicated on the Signature Page of Class A shares representing partnership interests ("Shares") of The Advisors Fund L.P. (the "Fund") and hereby seeks to be admitted as a limited partner ("Limited Partner") of the Fund.

2. RECEIPT OF PROSPECTUS. The Investor represents that he or she has received a Prospectus, any supplements thereto and the Fund's most recent quarterly report and Annual Report.

3. COMPLIANCE WITH PARTNERSHIP AGREEMENT. The Investor hereby accepts, adopts and agrees to be bound by and comply with all of the terms and conditions of, and hereby executes, the Fund's Amended and Restated Agreement of Limited Partnership, as further restated or amended from time to time (the "Partnership Agreement").

4. TAX-EXEMPT AND SIMILAR ORGANIZATIONS. The Investor represents that it is not an entity of the type to which the unrelated business income tax, imposed under Section 511 of the U.S. Internal Revenue Code, could apply. Such entities, for example, include but are not limited to qualified employee benefit plans, individual retirement accounts, state colleges and universities (and certain of their subsidiaries) and certain other tax-exempt organizations.

5. U.S. TAX STATUS OF INVESTORS. The Investor represents that he or she is (a) a citizen of the United States; (b) an individual who is or is treated as a resident alien of the United States for U.S. Federal income tax purposes; (c) a corporation or partnership organized under the laws of the United

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THE ADVISORS FUND L.P.

EXHIBIT A (CONTINUED)

States, a state of the United States, or the District of Columbia; or (d) an estate or trust which is a "United States Person" under the U.S. Internal Revenue Code.

6. POWER OF ATTORNEY. By executing the Signature Page in the space provided under the registration information and tax certification, the Investor irrevocably constitutes and appoints: (a) each Individual General Partner of the Fund, (b) each person who shall after the date of this Subscription Agreement become an Individual General Partner, and (c) any substitute that an Individual General Partner may appoint to act in such Individual General Partner's place (who need not be a Partner of the Fund), the true and lawful agent and attorney-in-fact of, and in the name, place and stead of, the Limited Partner, with the power from time to time to sign, execute, acknowledge, make, swear to, verify, deliver, file, record and/or publish with respect to the Fund such documents and instruments as may be necessary or appropriate to carry out the provisions or purposes of this Subscription Agreement and the Partnership Agreement, including, without limitation:

(i) any document required from time to time to admit the Limited Partner, to effect such Limited Partner's substitution as Limited Partner or to effect the substitution of the Limited Partner's assignee as a Limited Partner as to any or all Shares of the Limited Partner;

(ii) the Partnership Agreement, any amendment to the Partnership Agreement and any amendment to the Fund's Certificate of Limited Partnership

or any other document required to reflect any action of the Partners provided for in this Subscription Agreement or in the Partnership Agreement whether or not the Limited Partner voted in favor of or otherwise approved of the action; and

(iii) any other instrument, certificate or document as may be required by any regulatory agency, the laws of the United States, any state or any other jurisdiction in which the Fund is doing or intends to do business or that the Individual General Partners deem advisable to file or record, or that the Individual General Partners deem advisable for the conduct of the Fund's business, so long as the instrument, certificate or document is in accordance with or not inconsistent with the terms of this Subscription Agreement and the Partnership Agreement as then in effect.

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THE ADVISORS FUND L.P.

EXHIBIT A (CONTINUED)

The foregoing grant of authority is a special power of attorney coupled with an interest, shall be irrevocable and shall survive the subsequent death, bankruptcy, insolvency, incapacity, disability or insanity (or, in the case of a Limited Partner that is a corporation, association, partnership, joint venture or trust, shall survive the subsequent merger, dissolution, bankruptcy, insolvency, or other termination of the existence) of the Limited Partner. The special power of attorney may be exercised on behalf of a Limited Partner by a facsimile signature of any Individual General Partner (or substitute for an Individual General Partner) or by a single signature of any Individual General Partner (or substitute for an Individual General Partner) acting as attorney-in-fact for all of the Limited Partners. The special power of attorney shall survive the assignment by the Limited Partner of the whole or any portion of such Limited Partner's interest in the Fund, except that in a case in which the assignee of the whole interest of a Limited Partner has furnished a power of attorney and has been approved by the Individual General Partners for admission to the Fund as a substituted Limited Partner, this power of attorney shall survive the assignment for the sole purpose of enabling an Individual General Partner (or substitute for the Individual General Partner) to execute, acknowledge and file any instrument necessary to effect the substitution and shall thereafter terminate. In addition, the special power of attorney shall survive the redemption by a Limited Partner of the whole or any portion of his interest in the Fund so long as in a case in which all of the Limited Partner's interest is so redeemed the power of attorney shall survive the redemption for the sole purpose of enabling an Individual General Partner (or substitute for the Individual General Partner) to execute, acknowledge and file any instrument necessary to effect the deletion of the person as a Limited Partner.

7. TRANSFER AGENT. Unless otherwise directed in writing by the Investor, The Shareholder Services Group, Inc., a subsidiary of First Data Corporation, the Fund's transfer agent, is appointed as the Investor's agent to receive all income and capital gains distributions on Shares owned by the Investor and to invest the amounts of the distribution in Shares at the net asset value per Share at the close of business on the record date that is fixed by the Individual General Partner.

8. INVESTOR SUITABILITY. The Investor represents that he or she:

- has read the Prospectus and understands the nature of an investment in the Fund, including the risk factors and special considerations

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THE ADVISORS FUND L.P.

EXHIBIT A (CONTINUED)

described in the Prospectus, and understands the nature of the Fund's expenses and that the Fund will pay a fee substantially based on performance to its investment adviser;

- (1) has a minimum net worth, exclusive of home, home furnishings and automobiles, of at least \$250,000, and is investing at least \$25,000 in the Fund, OR (2) is an officer, director, or Financial Consultant of Smith Barney Shearson Inc. ("Smith Barney Shearson") or is an officer or director of Tremont Partners, Inc. or of the Portfolio Managers and is investing at least \$10,000 in the Fund.

9. The Investor represents that the information provided by him or her on the Signature Page of the Subscription Agreement is correct and complete as of the date hereof; and that if there should be any changes in such information prior to the purchase of his or her Shares in accordance with the Prospectus, the Investor will immediately notify the Fund of the correct information.

10. GOVERNING LAW. This Subscription Agreement shall be governed by and construed under the laws of the State of Delaware, and all rights and remedies with respect to this Subscription Agreement shall be governed by those laws.

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SUBSCRIPTION AGREEMENT SIGNATURE PAGE

SEND BY OVERNIGHT MAIL THE COMPLETED AND EXECUTED SUBSCRIPTION AGREEMENT SIGNATURE PAGE TO:

Mr. Todd Miller
 Money Funds Department
 c/o Smith Barney Shearson Inc.
 388 Greenwich Street,
 22nd Floor
 New York, New York 10013

 OFFICE ACCOUNT TYPE CK FC

SMITH BARNEY SHEARSON ACCOUNT NO.

 / / CHECK IF SMITH BARNEY SHEARSON EMPLOYEE

PURCHASE AMOUNT \$ _____
 (Minimum \$25,000)

Class A

TYPE OF ACCOUNT
 (PLEASE CHECK ONE)

<TABLE>

<S>	<C>	<C>
1	/ /	INDIVIDUAL OWNERSHIP (ONE SIGNATURE REQUIRED)
2	/ /	JOINT TENANTS WITH RIGHT OF SURVIVORSHIP (BOTH SIGNATURES REQUIRED)
3	/ /	COMMUNITY PROPERTY (BOTH SIGNATURES REQUIRED)
4	/ /	TENANTS IN COMMON (BOTH SIGNATURES REQUIRED)
5	/ /	CORPORATION (PROVIDE ORIGINAL EXECUTED CORPORATE RESOLUTION)

AUTHORIZING PURCHASE) OR
 PARTNERSHIP (PROVIDE COPY
 OF PARTNERSHIP AGREEMENT)
 TRUST (PROVIDE COPY OF
 TRUST AGREEMENT)
 AS CUSTODIAN FOR -----
 UNDER THE UNIFORM GIFT TO
 MINORS ACT OF THE STATE OF

 OTHER (BUT NOT TAX-EXEMPT
 ENTITIES SUCH AS IRAs OR
 QUALIFIED EMPLOYEE BENEFIT
 PLANS AND NOT FOREIGN
 PERSONS OR FOREIGN
 ENTITIES)

6 / /
 7 / /
 8 / /

</TABLE>

PLEASE TYPE OR PRINT

<TABLE>

<S>	<C>		
PLEASE PRINT NAME(S) AS SHOWN IN SBS ACCOUNT RECORD	FIRST NAME	INITIAL	LAST NAME
	FIRST NAME	INITIAL	LAST NAME
	FIRST NAME	INITIAL	LAST NAME

</TABLE>

I. ENTER YOUR TAXPAYER IDENTIFICATION NUMBER ON THE APPROPRIATE
 LINE BELOW. FOR
 INDIVIDUALS AND SOLE PROPRIETORS, THIS IS YOUR SOCIAL SECURITY
 NUMBER. FOR
 OTHER ENTITIES, IT IS YOUR EMPLOYER IDENTIFICATION NUMBER.

Employer identification number _____ or social security number _____

Under penalties of perjury, I certify that (1) the number shown on this form
 is my correct taxpayer identification number (or I am waiting for a number
 to be issued to me), and (2) I am not subject to backup withholding either
 because I have not been notified that I am subject to backup withholding as
 a result of failure to report all interest or dividends, or the Internal
 Revenue Service has notified me that I am no longer subject to backup
 withholding under section 3406(a)(1)(C) of the Internal Revenue Code.

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IF YOU HAVE BEEN NOTIFIED BY THE IRS THAT YOU ARE CURRENTLY
 SUBJECT TO
 BACKUP
 WITHHOLDING, STRIKE OUT THE LANGUAGE IN (2) ABOVE BEFORE SIGNING.

IF YOU DO NOT HAVE A TAXPAYER IDENTIFICATION NUMBER, WRITE
 "APPLIED FOR" IN
 THE SPACE ABOVE FOR YOUR TAXPAYER IDENTIFICATION NUMBER. IF YOU
 WROTE
 "APPLIED FOR" ABOVE, THEN YOU MUST MAKE THE FOLLOWING
 CERTIFICATION:

Under penalties of perjury, I certify that a taxpayer identification number
 has not been issued to me, and that I mailed or delivered an application to
 receive a taxpayer identification number to the appropriate Internal Revenue
 Service Center or Social Security Administration Office (or I intend to mail
 or deliver an application in the near future). I understand that if I do not
 provide a certified taxpayer identification number to the Fund, I may be
 subject to backup withholding at the rate of 31% on the redemption proceeds
 and other reportable payments with respect to my Shares. Furthermore, I
 understand that if I do not so provide a certified taxpayer identification

number, the Individual General Partners may, in their sole discretion, redeem my Shares as described in the Prospectus of the Fund.

II. YOU ARE REQUIRED TO MAKE THE FOLLOWING CERTIFICATION:

Under penalties of perjury, I certify that I am not a nonresident alien for purposes of U.S. income taxation, or a foreign partnership, foreign trust or estate, or foreign corporation (as those terms are defined in the U.S. Internal Revenue Code and regulations thereunder) and that I will notify the Fund in writing within 30 days of any change in such status.

III. / / CHECK HERE IF YOUR TAXABLE YEAR IS OTHER THAN THE CALENDAR YEAR, AND, IF SO, FILL IN BELOW THE MONTH IN WHICH YOUR FISCAL YEAR ENDS.

YOUR SIGNATURE BELOW WILL INDICATE YOUR ACKNOWLEDGEMENT THAT YOU HAVE READ, UNDERSTAND AND ACCEPT ALL OF THE TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT SET FORTH IN APPENDIX A TO THE PROSPECTUS OF THE ADVISORS FUND L.P. AND INCORPORATED BY REFERENCE HEREIN, INCLUDING THOSE APPEARING ON THE REVERSE SIDE OF THIS FORM, AND WILL CERTIFY THAT ALL INFORMATION PROVIDED HEREIN BY YOU IS CORRECT AND COMPLETE.

Investor Signature

Dated

Co-Investor Signature (if applicable)

Dated

Title:

(Title or capacity of signing party if the investor is a partnership, corporation, trust or other entity)

Address:

(For individuals, use home address; for others, use business address)

ACCEPTED:

THE ADVISORS FUND L.P.

By: _____
Individual General Partner

SEND BY OVERNIGHT MAIL THE COMPLETED AND EXECUTED SUBSCRIPTION AGREEMENT SIGNATURE PAGE TO:

Mr. Todd Miller
Money Funds Department
c/o Smith Barney Shearson Inc.
388 Greenwich Street
22nd Floor
New York, New York 10013

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THE ADVISORS FUND L.P.

EXHIBIT A (CONTINUED)

THE ADVISORS FUND L.P.
SUBSCRIPTION AGREEMENT AND SIGNATURE PAGE

1. SUBSCRIPTION FOR SHARES. The investor or investors named below (the "Investor") hereby subscribes for the dollar amount indicated on the Signature Page of Class A shares representing partnership interests ("Shares") of The Advisors Fund L.P. (the "Fund") and hereby seeks to be admitted as a limited partner ("Limited Partner") of the Fund.

2. RECEIPT OF PROSPECTUS. The Investor represents that he or she has received a Prospectus, any supplements thereto and the Fund's most recent quarterly report and Annual Report, if any.

3. COMPLIANCE WITH PARTNERSHIP AGREEMENT. The Investor hereby accepts, adopts and agrees to be bound by and comply with all of the terms and conditions of, and hereby executes, the Fund's Amended and Restated Agreement of Limited Partnership, as further restated or amended from time to time (the "Partnership Agreement").

4. TAX-EXEMPT AND SIMILAR ORGANIZATIONS. The Investor represents that it is not an entity of the type to which the unrelated business income tax, imposed under Section 511 of the U.S. Internal Revenue Code, could apply. Such entities, for example, include but are not limited to qualified employee benefit plans, individual retirement accounts, state colleges and universities (and certain of their subsidiaries) and certain other tax-exempt organizations.

5. U.S. TAX STATUS OF INVESTORS. The Investor represents that he or she is (a) a citizen of the United States; (b) an individual who is or is treated as a resident alien of the United States for U.S. Federal income tax purposes; (c) a corporation or partnership organized under the laws of the United States, a state of the United States, or the District of Columbia; or (d) an estate or trust which is a "United States Person" under the U.S. Internal Revenue Code.

6. POWER OF ATTORNEY. By executing the Signature Page in the space provided under the registration information and tax certification, the Investor irrevocably constitutes and appoints: (a) each Individual General Partner of the Fund, (b) each person who shall after the date of this Subscription Agreement become an Individual General Partner, and (c) any substitute that an Individual General Partner may appoint to act in such Individual General Partner's place (who need not be a Partner of the Fund),

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THE ADVISORS FUND L.P.

EXHIBIT A (CONTINUED)

the true and lawful agent and attorney-in-fact of, and in the name, place and stead of, the Limited Partner, with the power from time to time to sign, execute, acknowledge, make, swear to, verify, deliver, file, record and/or publish with respect to the Fund such documents and instruments as may be necessary or appropriate to carry out the provisions or purposes of this Subscription Agreement and the Partnership Agreement, including, without limitation:

(i) any document required from time to time to admit the Limited Partner, to effect such Limited Partner's substitution as Limited Partner or to effect the substitution of the Limited Partner's assignee as a Limited Partner as to any or all Shares of the Limited Partner;

(ii) the Partnership Agreement, any amendment to the Partnership Agreement and any amendment to the Fund's Certificate of Limited Partnership or any other document required to reflect any action of the Partners provided for in this Subscription Agreement or in the Partnership Agreement whether or not the Limited Partner voted in favor of or otherwise approved of the action; and

(iii) any other instrument, certificate or document as may be required by any regulatory agency, the laws of the United States, any state or any other jurisdiction in which the Fund is doing or intends to do business or

that the Individual General Partners deem advisable to file or record, or that the Individual General Partners deem advisable for the conduct of the Fund's business, so long as the instrument, certificate or document is in accordance with or not inconsistent with the terms of this Subscription Agreement and the Partnership Agreement as then in effect.

The foregoing grant of authority is a special power of attorney coupled with an interest, shall be irrevocable and shall survive the subsequent death, bankruptcy, insolvency, incapacity, disability or insanity (or, in the case of a Limited Partner that is a corporation, association, partnership, joint venture or trust, shall survive the subsequent merger, dissolution, bankruptcy, insolvency, or other termination of the existence) of the Limited Partner. The special power of attorney may be exercised on behalf of a Limited Partner by a facsimile signature of any Individual General Partner (or substitute for an Individual General Partner) or by a single signature of any Individual General Partner (or substitute for an Individual General Partner) acting as attorney-in-fact for all of the Limited Partners. The special power of

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THE ADVISORS FUND L.P.

EXHIBIT A (CONTINUED)

attorney shall survive the assignment by the Limited Partner of the whole or any portion of such Limited Partner's interest in the Fund, except that in a case in which the assignee of the whole interest of a Limited Partner has furnished a power of attorney and has been approved by the Individual General Partners for admission to the Fund as a substituted Limited Partner, this power of attorney shall survive the assignment for the sole purpose of enabling an Individual General Partner (or substitute for the Individual General Partner) to execute, acknowledge and file any instrument necessary to effect the substitution and shall thereafter terminate. In addition, the special power of attorney shall survive the redemption by a Limited Partner of the whole or any portion of his interest in the Fund so long as in a case in which all of the Limited Partner's interest is so redeemed the power of attorney shall survive the redemption for the sole purpose of enabling an Individual General Partner (or substitute for the Individual General Partner) to execute, acknowledge and file any instrument necessary to effect the deletion of the person as a Limited Partner.

7. TRANSFER AGENT. Unless otherwise directed in writing by the Investor, The Shareholder Services Group, Inc., subsidiary of First Data Corporation, the Fund's transfer agent, is appointed as the Investor's agent to receive all income and capital gains distributions on Shares owned by the Investor and to invest the amounts of the distribution in Shares at the net asset value per Share at the close of business on the record date that is fixed by the Individual General Partners.

8. INVESTOR SUITABILITY. The Investor represents that he or she:

- has read the Prospectus and understands the nature of an investment in the Fund, including the risk factors and special considerations described in the Prospectus, and understands the nature of the Fund's expenses and that the Fund will pay a performance fee to its investment adviser;

- (1) has a minimum net worth, exclusive of home, home furnishings and automobiles, of at least \$250,000, and is investing at least \$25,000 in the Fund, OR (2) is an officer, director, or Financial Consultant of Smith Barney Shearson, Inc. ("Smith Barney Shearson") or is an officer or director of Tremont Partners, Inc. or of the Portfolio Managers and is investing at least \$10,000 in the Fund.

9. The Investor represents that the information provided by him or her on the Signature Page of the Subscription Agreement is correct and complete

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EXHIBIT A (CONTINUED)

as of the date hereof; and that if there should be any changes in such information prior to the purchase of his or her Shares in accordance with the Prospectus, the Investor will immediately notify the Fund of the correct information.

10. GOVERNING LAW. This Subscription Agreement shall be governed by and construed under the laws of the State of Delaware, and all rights and remedies with respect to this Subscription Agreement shall be governed by those laws.

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SUBSCRIPTION AGREEMENT SIGNATURE PAGE

SEND BY OVERNIGHT MAIL THE COMPLETED AND EXECUTED SUBSCRIPTION AGREEMENT SIGNATURE PAGE TO:

Mr. Todd Miller
Money Funds Department
c/o Smith Barney Shearson Inc.
388 Greenwich Street
22nd Floor
New York, New York 10013

OFFICE ACCOUNT TYPE CK FC

SMITH BARNEY SHEARSON ACCOUNT NO.

/ / CHECK IF SMITH BARNEY SHEARSON EMPLOYEE

PURCHASE AMOUNT \$ _____
(Minimum \$25,000)

Class A

TYPE OF ACCOUNT
(PLEASE CHECK ONE)

<TABLE>		
<S>	<C>	<C>
1	/ /	INDIVIDUAL OWNERSHIP (ONE SIGNATURE REQUIRED)
2	/ /	JOINT TENANTS WITH RIGHT OF SURVIVORSHIP (BOTH SIGNATURES REQUIRED)
3	/ /	COMMUNITY PROPERTY (BOTH SIGNATURES REQUIRED)
4	/ /	TENANTS IN COMMON (BOTH SIGNATURES REQUIRED)
5	/ /	CORPORATION (PROVIDE ORIGINAL EXECUTED CORPORATE RESOLUTION AUTHORIZING PURCHASE) OR PARTNERSHIP (PROVIDE COPY OF PARTNERSHIP AGREEMENT)
6	/ /	TRUST (PROVIDE COPY OF TRUST AGREEMENT)
7	/ /	AS CUSTODIAN FOR ----- UNDER THE UNIFORM GIFT TO MINORS ACT OF THE STATE OF -----

OTHER (BUT NOT TAX-EXEMPT ENTITIES SUCH AS IRAS OR QUALIFIED EMPLOYEE BENEFIT PLANS AND NOT FOREIGN PERSONS OR FOREIGN ENTITIES)

</TABLE>

PLEASE TYPE OR PRINT

<TABLE>

<S>

<C>

PLEASE PRINT NAME(S) AS SHOWN IN SBS ACCOUNT RECORD

FIRST NAME INITIAL LAST NAME

FIRST NAME INITIAL LAST NAME

FIRST NAME INITIAL LAST NAME

</TABLE>

I. ENTER YOUR TAXPAYER IDENTIFICATION NUMBER ON THE APPROPRIATE LINE BELOW. FOR INDIVIDUALS AND SOLE PROPRIETORS, THIS IS YOUR SOCIAL SECURITY NUMBER. FOR OTHER ENTITIES, IT IS YOUR EMPLOYER IDENTIFICATION NUMBER.

Employer identification number _____ or social security number _____

Under penalties of perjury, I certify that (1) the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding under section 3406(a)(1)(C) of the Internal Revenue Code.

IF YOU HAVE BEEN NOTIFIED BY THE IRS THAT YOU ARE CURRENTLY SUBJECT TO BACKUP WITHHOLDING, STRIKE OUT THE LANGUAGE IN (2) ABOVE BEFORE SIGNING.

IF YOU DO NOT HAVE A TAXPAYER IDENTIFICATION NUMBER, WRITE "APPLIED FOR" IN THE SPACE ABOVE FOR YOUR TAXPAYER IDENTIFICATION NUMBER. IF YOU WROTE "APPLIED FOR" ABOVE, THEN YOU MUST MAKE THE FOLLOWING CERTIFICATION:

Under penalties of perjury, I certify that a taxpayer identification number has not been issued to me, and that I mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office (or I intend to mail or deliver an application in the near future). I understand that if I do not provide a certified taxpayer identification number to the Fund, I may be subject to backup withholding at the rate of 31% on the redemption proceeds and other reportable payments with respect to my Shares. Furthermore, I understand that if I do not so provide a certified taxpayer identification number, the Individual General Partners may, in their sole discretion, redeem my Shares as described in the Prospectus of the Fund.

II. YOU ARE REQUIRED TO MAKE THE FOLLOWING CERTIFICATION:

Under penalties of perjury, I certify that I am not a nonresident alien for purposes of U.S. income taxation, or a foreign partnership, foreign trust or estate, or foreign corporation (as those terms are defined in the U.S. Internal Revenue Code and regulations thereunder) and that I will notify the Fund in writing within 30 days of any change in such status.

III. / / CHECK HERE IF YOUR TAXABLE YEAR IS OTHER THAN THE CALENDAR YEAR, AND, IF SO, FILL IN BELOW THE MONTH IN WHICH YOUR FISCAL YEAR ENDS.

YOUR SIGNATURE BELOW WILL INDICATE YOUR ACKNOWLEDGEMENT THAT YOU HAVE READ, UNDERSTAND AND ACCEPT ALL OF THE TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT SET FORTH IN APPENDIX A TO THE PROSPECTUS OF THE ADVISORS FUND L.P. AND INCORPORATED BY REFERENCE HEREIN, INCLUDING THOSE APPEARING ON THE REVERSE SIDE OF THIS FORM, AND WILL CERTIFY THAT ALL INFORMATION PROVIDED HEREIN BY YOU IS CORRECT AND COMPLETE.

Investor Signature

Dated

Co-Investor Signature (if applicable)

Dated

Title:

(Title or capacity of signing party if the investor is a partnership, corporation, trust or other entity)

Address:

(For individuals, use home address; for others, use business address)

ACCEPTED:

THE ADVISORS FUND L.P.

By: _____
Individual General Partner

SEND BY OVERNIGHT MAIL THE COMPLETED AND EXECUTED SUBSCRIPTION AGREEMENT SIGNATURE PAGE TO:

Mr. Todd Miller
Money Funds Department
c/o Smith Barney Shearson, Inc.
388 Greenwich Street
22nd Floor
New York, New York 10013

THE ADVISORS

FUND L.P.
Two World Trade Center
New York, New York 10048

Fund 134, 205

FD2061 B4

STATEMENT OF ADDITIONAL INFORMATION
MARCH 1, 1994

THE ADVISORS FUND L.P.

TWO WORLD TRADE CENTER NEW YORK, NEW YORK 10048 (212) 720-9218

This Statement of Additional Information supplements the information contained in the Prospectus of The Advisors Fund L.P. (the "Fund") dated March 1, 1994, as

amended or supplemented from time to time, and should be read together with the Prospectus. The Prospectus may be obtained by contacting any Smith Barney Shearson Financial Consultant, or by writing or calling the Fund at the address or telephone number set forth above. This Statement of Additional Information, although not in itself a prospectus, is incorporated by reference into the Prospectus in its entirety.

TABLE OF CONTENTS

For ease of reference, the section headings used in this Statement of Additional Information are identical to those used in the Prospectus, except where shown below.

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INVESTMENT OBJECTIVE AND POLICIES

The Prospectus discusses the investment objective of the Fund and the policies to be employed to achieve that objective. This section contains supplemental information concerning certain of the securities and other instruments in which the Fund may invest, the investment policies and portfolio strategies that the Fund may utilize, and certain risks involved with those investments, policies and strategies.

OPTIONS ON SECURITIES

Certain securities exchanges have established limitations governing the maximum number of calls and puts of each class of securities that may be held, written or exercised within certain time periods by an investor or group of investors acting in concert, regardless of whether the options are written on the same or different securities exchanges or are held, written or exercised in one or more accounts or through one or more brokers. The Fund and other clients of the Fund's portfolio managers and investment adviser, and certain of their affiliates, may be considered to be such a group. A securities exchange may order the liquidation of positions exceeding its specified limits and may impose certain other sanctions. As of the date of this Statement of Additional Information, the position and exercise limits for common stocks on U.S. exchanges were generally 3,000, 5,500 or 8,000 options per stock (I.E., options representing 300,000, 550,000 or 800,000 shares), depending on various factors relating to the underlying security and the Fund's combined stock and option position.

The principal reason for writing covered call options is to attempt to realize, through the receipt of premiums, a greater return than would be realized on the Fund's portfolio securities alone. In return for a premium, the writer of a covered call option forgoes the right to any appreciation in the value of the underlying security above the strike price for the life of the option (or until a closing purchase transaction can be effected). Nevertheless, the call writer retains the risk of a decline in the price of the underlying security. Similarly, the principal reason for writing covered put options is to realize income in the form of premiums. The writer of a covered put option accepts the risk of a decline in the price of the underlying security. The size of the premiums that the Fund may receive may be adversely affected as new or existing institutions, including other investment companies, engage in or increase their option-writing activities.

Options written by the Fund ordinarily have expiration dates between one and nine months from the date written. The exercise price of the options may be below, equal to or above the market values of the underlying securities at the times the options are written. In the case of call options, these exercise prices are referred to as "in-the-money," "at-the-money" and "out-of-the-money," respectively. The Fund may write (a) in-the-money call options when one of the Fund's portfolio managers (each, a "Portfolio Manager") or the Fund's investment adviser, Smith Barney Shearson Strategy Advisers Inc. ("Strategy Advisers") expects that the price of the underlying security will remain flat or decline moderately during the option period, (b) at-the-money call options when a Portfolio Manager or Strategy Advisers expects that the price of the underlying security will remain flat or advance moderately during the option period, and (c) out-of-the-money call options when a Portfolio Manager or Strategy Advisers expects that the price of the underlying security may increase but not above a price equal to the sum of the exercise price plus the premiums received from writing the call option. In any of the preceding situations, if the market price of the underlying security declines and the security is sold at this lower price, the amount of any realized loss will be offset wholly or in part by the premium received. Out-of-the-money, at-the-money and in-the-money put options (the reverse of call options as to the relation of exercise price to market price) may be utilized in the same market environments that such call options are used in equivalent transactions.

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So long as the Fund's obligation as the writer of an option continues, the Fund may be assigned an exercise notice by the broker-dealer through which the option was sold, requiring the Fund to deliver, in the case of a call, or take delivery of, in the case of a put, the underlying security against payment of the exercise price. This obligation terminates when the option expires or the Fund effects a closing purchase transaction. The Fund can no longer effect a closing purchase transaction with respect to an option once it has been assigned an exercise notice. To secure its obligation to deliver the underlying security when it writes a call option, or to pay for the underlying security when it writes a put option, the Fund is required to deposit in escrow the underlying security or other assets in accordance with the rules of the Options Clearing Corporation (the "Clearing Corporation") or a similar foreign clearing corporation and of the securities exchange through which the option is written.

An option position may be closed out only when a secondary market exists for an option of the same series on a recognized national securities exchange or in the over-the-counter market. The Fund also expects to write options traded on foreign securities exchanges. However, the Fund intends to enter into options traded on foreign securities exchanges only when a liquid market for such options exists such as would normally permit the Fund to close out its options positions when it desires to do so.

STOCK INDEX OPTIONS

In addition to writing and purchasing options on securities, the Fund may purchase and write put and call options on stock indexes listed on domestic or foreign securities exchanges, if the stock index reflects in a single number the market value of many different stocks. Tentative values are assigned to the stocks included in an index, and the index fluctuates with changes in the market values of the stocks included in the index.

Options on stock indexes are similar to options on stock except that (a) the expiration cycles of stock index options are monthly, while those of stock options are currently quarterly, and (b) the delivery requirements are different. Instead of giving the right to take or make delivery of stock at a specified price, an option on a stock index gives the holder the right to receive a cash "exercise settlement amount" equal to (a) the amount, if any, by which the fixed exercise price of the option exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the date of exercise, multiplied by (b) a fixed "index multiplier." Receipt of this cash amount will depend upon the closing level of the stock index upon which the option is based being greater than, in the case of a call, or less than, in the case of a put, the exercise price of the option. The amount of cash received will be equal to such difference between the closing price of the index and the exercise price of the option expressed in dollars times a specified multiplier. The writer of the option is obligated, in return for the premium received, to make delivery of this amount. The writer may offset its position in stock index options prior to expiration by entering into a closing transaction on an exchange or it may let the option expire unexercised.

RISKS OF TRANSACTIONS IN STOCK OPTIONS

An option position may be closed out only on a securities exchange which provides a secondary market for an option of the same series. Although the Fund generally purchases or writes only those options for which there appears to be an active secondary market so as to facilitate closing transactions, there is no assurance that sufficient trading interest to create a liquid secondary market on a securities exchange will exist for any particular option, or at any particular time, and for some options no secondary market on a securities exchange may exist. In such event it might not be possible to effect closing transactions in particular options, with the result that the Fund would have to exercise its options in order to realize any profit and would incur brokerage commissions upon the exercise of call options and upon the subsequent disposition of underlying securities acquired through the exercise of

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call options or upon the purchase of underlying securities for the exercise of put options. If the Fund as a call option writer is unable to effect a closing purchase transaction in a secondary market, it may have to acquire the underlying security for delivery upon exercise.

Reasons for the absence of a liquid secondary market on an exchange include the following: (a) there may be insufficient trading interest in certain options; (b) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (c) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options or underlying securities; (d) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (e) the facilities of an exchange or the Clearing Corporation may not at all times be adequate to handle current trading volume; or (f) the exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options), in which event the secondary market on that exchange (or in the class or series of options) would cease to exist, although outstanding options on that exchange that had been issued by the Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms. There is no assurance that higher than anticipated trading activity or other unforeseen events might not, at times, render certain of the facilities of the Clearing Corporation inadequate, and thereby result in the institution by an exchange of special procedures (such as trading rotations, restrictions on certain types of orders, or trading halts or suspensions in one or more options) which may interfere with the timely execution of customers' orders.

RISKS OF OPTIONS ON INDEXES

The Fund's purchase and sale of options on indexes will be subject to the risks described above under "Risks of Transactions in Stock Options." In addition, the distinctive characteristics of options on indexes create certain risks that are not present with stock options.

Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Fund realizes a gain or loss on the purchase or sale of an option on an index depends upon movements in the level of stock prices in the stock market generally, rather than movements in the price of a particular stock. Accordingly, the successful use by the Fund of options on indexes is subject to the Portfolio Managers' ability to correctly predict movements in the direction of the stock market generally.

Index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in index options also may be interrupted in certain circumstances, such as if trading were halted in a substantial number of stocks included in the index. If this occurs, the Fund may not be able to close out options which it had purchased or written and, if restrictions on exercise were imposed, may be unable to exercise an option it holds, which could result in substantial losses to the Fund. It is the Fund's policy to purchase or write options only on indexes which include a sufficient number of stocks so that the likelihood of a trading halt in the index is minimized. Trading in the Standard & Poor's Index of 100 Stocks ("S&P 100") option and the Standard & Poor's Index of 500 Stocks ("S&P 500") option on the Chicago Board Options Exchange (the "CBOE") was temporarily halted on October 20, 1987 when a large number of the component stocks in those indexes stopped trading on the New York Stock Exchange (the "NYSE"). However, the right to exercise an option on those indexes was not suspended on that day or at any other time since trading in options on such indexes first commenced.

Trading in index options commenced in April 1983 with the S&P 100 option (formerly called the "CBOE 100"). Since that time a number of additional index

contracts have been introduced, including options on industry indexes. Although the markets for certain index option contracts have developed rapidly, the markets for other index options are still relatively illiquid. The ability to establish and close out positions on such

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options will be subject to the development and maintenance of a liquid secondary market. It is not certain that this market will develop in all index option contracts. The Fund will purchase and sell stock index options, notwithstanding that the risk in connection with such transactions may be greater than such risk in connection with options on stocks.

SPECIAL RISKS OF WRITING CALLS ON INDEXES. Because exercises of index options are settled in cash, a call writer such as the Fund cannot determine the amount of its settlement obligations in advance and, even if the Fund maintains a portfolio of equity stocks, it could not provide in advance for, or cover, its potential settlement obligations by acquiring and holding the underlying securities. However, the Fund may write call options on indexes only if such options are covered as described in the Prospectus.

When the Fund writes a call, there is also a risk that the market may decline between the time the Fund has a call exercised against it, at a price which is fixed as of the closing level of the index on the date of exercise, and the time the Fund is able to exercise or effect a closing transaction with respect to the long call position it holds as part of the spread. As with stock options, the Fund may not learn that an index option has been exercised until the day following the exercise date but, unlike a call on stock where the Fund would be able to deliver the underlying securities in settlement (in effect be in a temporary "short" position until it either acquired the underlying securities or exercised the call it holds on the same security), the Fund is required to make settlement of a stock index option in cash, and the level of the index might decline before the long call is exercised or sold pursuant to a closing transaction. Should a Portfolio Manager elect not to exercise or effect a closing transaction with respect to the long call held, the Fund would have to use its other assets to pay the holder exercising the call. This timing factor makes the Fund's in-the-money "spread" strategies substantially more risky with index options than with stock options. For example, even if an index call which the Fund has written is "covered" by an index call held by the Fund with the same strike price, the Fund will bear the risk that the level of the index may decline between the close of trading on the date the exercise notice is filed with the Clearing Corporation and the close of trading on the date the Fund exercises or the time at which it effects a closing transaction with respect to the call it holds or the time the Fund sells the call, which in no event would occur any earlier than the day following the day the exercise notice was filed. The same risks apply to index put spreads written by the Fund, the difference being that put options are the reverse of call options in the relation of exercise price to market price.

SPECIAL RISKS OF PURCHASING PUTS AND CALLS ON INDEXES. If the Fund holds an index option and exercises it before final determination of the closing index value for that day, it runs the risk that the level of the underlying index may change before closing. If such a change causes the exercised option to fall out-of-the-money, the Fund will be required to pay the difference between the closing index value and the exercise price of the option (times the applicable multiplier) to the assigned writer. The Fund is able to minimize this risk by withholding exercise instructions until just before the daily cutoff time or by selling rather than exercising an option when the index level is close to the exercise price. It may not be possible to eliminate this risk entirely in the event that the cutoff times for index options may be earlier than those fixed for other types of options and may occur before definitive closing index values are announced. However, currently the cutoff time for index options (4:15 P.M. New York time) is later than the close of trading on the NYSE.

FINANCIAL FUTURES AND RELATED OPTIONS

REGULATION. Commodity exchanges provide centralized market facilities for trading in futures and options contracts relating to specified commodities. Among the principal exchanges in the United States are the Chicago Board of Trade, the Chicago Mercantile Exchange (including the International Monetary Market) and the

Commodity Exchange, Inc. Commodity exchanges in the United States are subject to regulation under the Commodity Exchange Act (the "CEA") by the Commodity Futures Trading Commission (the "CFTC").

Under amendments to the CEA effected by the Commodity Futures Trading Commission Act of 1974, the CFTC has become the governmental agency having responsibility for regulation of U.S. commodity exchanges and commodity futures trading. The function of the CFTC is to implement the objectives of the CEA of preventing price manipulation and excessive speculation and promoting orderly and efficient commodity futures markets. Regulation under the CEA provides, among other things, that futures trading in commodities must be upon exchanges designated as "contract markets," and that all trading on those exchanges must be done by or through exchange members. Under the 1974 amendments to the CEA, futures trading in all commodities traded on domestic exchanges is regulated. In addition, in 1981, the CFTC adopted rules regulating trading of commodity options, which had previously been banned by the CFTC. Trading in spot commodities and forward contracts, however, may not be within the jurisdiction of the CFTC and may therefore be effectively unregulated. In addition, trading on foreign exchanges is not subject to regulation by the CFTC.

The CFTC has exclusive jurisdiction to regulate the activities of "commodity trading advisors" and "commodity pool operators." Strategy Advisers, the Fund's corporate general partner (the "Corporate General Partner"), and one of the Fund's individual general partners (the "Individual General Partners"), who is an interested person, as defined by the Investment Company Act of 1940, as amended (the "1940 Act"), of the Fund and Smith Barney Shearson Inc. ("Smith Barney Shearson"), the Fund's distributor, are registered as commodity pool operators. In addition, certain of the Portfolio Managers of the Fund -- Ardsley Advisory Partners ("Ardsley") and Hellman, Jordan Management Co., Inc. ("Hellman, Jordan") -- are registered as commodity trading advisors. Registration as a commodity pool operator or as a commodity trading advisor requires annual filings describing the organization and identity of the management and controlling persons of the commodity pool operator or commodity trading advisor. The CFTC also has authority under the CEA to require and review books and records of, and review documents prepared by, a commodity pool operator and a commodity trading advisor. The CFTC has adopted regulations that impose certain disclosure, reporting and record-keeping requirements on commodity pool operators and commodity trading advisors. The CFTC is authorized to suspend a person's registration as a commodity pool operator or as a commodity trading advisor under a number of circumstances, including upon a finding by the CFTC, among other things, that the person's trading practices tend to disrupt orderly market conditions or that any controlling person of the person is subject to an order of the CFTC denying the person trading privileges on any exchange.

Smith Barney Shearson, which may serve as one of the Fund's commodity brokers, is subject to regulation by and registration with the CFTC as a futures commission merchant ("FCM"). The CEA requires all FCMs, in connection with domestic futures and options, to meet and maintain specified fitness and financial requirements, to account separately for all customers' funds, property and positions, and to maintain specified books and records on customer transactions open to inspection by the staff of the CFTC. The CEA authorizes the CFTC to regulate trading by commodity brokerage firms and their employees, permits the CFTC to require exchange action in the event of market emergencies, and establishes an administrative procedure under which commodity traders may institute complaints for damages arising from alleged violations of the CEA. Under this procedure, a limited partner of the Fund (a "Shareholder") may be afforded certain rights under the CEA by filing a complaint for a reparations award with the CFTC against a commodity trading advisor, commodity pool operator or FCM.

During the fiscal year ended December 31, 1993, Ardsley used Goldman Sachs & Co. as an FCM. Hellman, Jordan, during the same time period used Revco, Inc., Salomon Brothers Inc., Goldman Sachs & Co. and Prudential Securities.

Most commodity exchanges (but not the London exchanges or the foreign

currency forward markets) have regulations that limit the amount of fluctuation in commodity futures contract prices during a single trading day. These regulations specify "daily price fluctuation limits" (more commonly termed, "daily limits") that establish the maximum amount that the price of a futures contract may vary from the previous day's settlement price at the end of the trading session. Once the daily limit has been reached in a particular commodity on a given day, no trades may be made at a price beyond the limit. Positions in the commodity could then be taken or liquidated only if traders are willing to effect trades at or within the limit during the period for trading on that day. The daily limit rule does not limit losses that might be suffered by a trader because it may prevent the liquidation of unfavorable positions. In addition, commodity futures prices have moved the daily limit for several consecutive trading days in the past, thus preventing prompt liquidation of futures positions and subjecting the commodity futures trader to substantial losses.

The CFTC and certain exchanges have established limits, referred to as "speculative position limits," on the maximum net long or net short position that any person, or group of persons acting together, may hold or control in particular commodities. The position limits established by the CFTC apply to grains, soybeans, cotton, eggs and potatoes. U.S. contract markets have established speculative position limits for all commodity futures contracts and options for which no CFTC position limits have been established. The CFTC has adopted a statement of policy concerning the treatment of positions held by a commodity pool, such as the Fund, under CFTC rules relating to the aggregation of futures positions for purposes of determining compliance with speculative position limits. Under those rules, the Fund's futures positions are allocated only to the persons or entities controlling trading decisions for the Fund and not to the Shareholders. The Fund's positions (I.E., those that are not bona fide hedge positions or spread positions specifically exempted from speculative limits) may be aggregated with any positions owned or controlled by the Fund's investment adviser, Strategy Advisers, by the Portfolio Managers, by any principal of Strategy Advisers or the Portfolio Managers, and by any other individual making trading decisions for the Fund and may be combined with Smith Barney Shearson's proprietary position. Depending upon the total amount of funds being managed in both the Fund's account and the other accounts with which it is aggregated, speculative position limits may affect the Portfolio Manager's ability to establish particular positions in certain commodities for the Fund or may require the liquidation of positions.

MARGIN. Upon entering into a commodity futures contract, the Fund would be required to deposit with its custodian in a segregated account in the name of the FCM effecting the transaction an amount of cash or U.S. Treasury bills. This amount is known as "initial margin." Initial margin in futures transactions, unlike margin in security transactions, involves no borrowing of money by the Fund to finance the transactions. Rather, initial margin is in the nature of a performance bond or good faith deposit on the contract that is returned to the Fund upon termination of the futures contract so long as all contractual obligations have been satisfied.

The minimum amount of margin required with respect to a particular futures contract is set by the exchange upon which the contract is traded and may be changed at any time by the exchange. Brokerage firms often impose higher margin requirements than are set by an exchange, and retain the right to modify those requirements at any time, to afford further protection for themselves.

Entering into a futures contract will require the Fund to participate in a process known as "marking-to-

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market," which involves daily payments, called "variation margin," from or to the Fund as the price of the underlying commodity fluctuates. When the Fund, for example, has entered into a long futures contract, and the price of the underlying stock index or securities has risen, the Fund's position will have increased in value and the Fund will receive from its FCM a variation margin payment equal to the increase in value. Conversely, when the Fund has entered into a long futures contract and the price of the underlying stock index or securities has declined, the position would be less valuable and the Fund would be required to make a variation margin payment to the FCM. If a customer fails to meet a call for variation margin within a reasonable time, the broker is required to close out the trader's position.

SEGREGATION OF ASSETS OR COVERING POSITIONS. When purchasing a futures contract,

the Fund will maintain with its custodian (and mark-to-market on a daily basis) cash, U.S. government securities or other highly liquid debt securities that, when added to the amounts deposited with an FCM as margin, are equal to the market value of the futures contract. Alternatively, the Fund may "cover" its position by purchasing a put option on the same futures contract with a strike price as high or higher than the price of the contract held by the Fund.

When selling a futures contract, the Fund will maintain with its custodian (and mark-to-market on a daily basis) liquid assets that, when added to the amounts deposited with an FCM as margin, are equal to the market value of the instruments underlying the contract. Alternatively, the Fund may "cover" its position by owning the instruments underlying the contract (or, in the case of an index futures contract, a portfolio with a volatility substantially similar to that of the index on which the futures contract is based), or by holding a call option permitting the Fund to purchase the same futures contract at a price no higher than the price of the contract written by the Fund (or at a higher price if the difference is maintained in liquid assets with the Fund's custodian).

When selling a call option on a futures contract, the Fund will maintain with its custodian (and mark-to-market on a daily basis) cash, U.S. government securities, or other highly liquid debt securities that, when added to the amounts deposited with an FCM as margin, equal the total market value of the futures contract underlying the call option. Alternatively, the Fund may cover its position by entering into a long position in the same futures contract at a price no higher than the strike price of the call option, by owning the instruments underlying the futures contract, or by holding a separate call option permitting the Fund to purchase the same futures contract at a price not higher than the strike price of the call option sold by the Fund.

When selling a put option on a futures contract, the Fund will maintain with its custodian (and mark-to-market on a daily basis) cash, U.S. government securities, or other highly liquid debt securities that equal the purchase price of the futures contract, less any margin on deposit. Alternatively, the Fund may cover the position either by entering into a short position in the same futures contract, or by owning a separate put option permitting it to sell the same futures contract so long as the strike price of the purchased put option is the same or higher than the strike price of the put option sold by the Fund.

MONEY MARKET INSTRUMENTS

As noted in the Prospectus, the Fund may invest in certain money market instruments, including: obligations of the United States government and its agencies and instrumentalities ("U.S. Government Securities"); certain bank obligations; commercial paper; and repurchase agreements.

U.S. GOVERNMENT SECURITIES. U.S. Government Securities include debt obligations of varying maturities issued by the U.S. Treasury or issued or guaranteed by the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business

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Administration, Government National Mortgage Association ("GNMA"), General Services Administration, Central Bank for Cooperatives, Federal Home Loan Mortgage Corporation, Federal Intermediate Credit Banks, Federal Land Banks, Federal Maritime Administration, the Tennessee Valley Authority, District of

Columbia Armory Board, Student Loan Marketing Association, International Bank for Reconstruction and Development, Resolution Trust Corporation and Federal National Mortgage Association ("FNMA"). Direct obligations of the U.S. Treasury include a variety of securities that differ in their interest rates, maturities and dates of issuance. Because the United States government is not obligated by law to provide support to an instrumentality that it sponsors, the Fund will invest in obligations issued by such an instrumentality only if the Portfolio Managers or Strategy Advisers determines that the instrumentality's credit risk does not make its securities unsuitable for investment by the Fund.

BANK OBLIGATIONS. Bank obligations in which the Fund may invest include certificates of deposit ("CDs"), time deposits ("TDs") and bankers' acceptance of domestic or foreign banks, domestic savings and loan associations and other banking institutions having total assets in excess of \$500 million. CDs are short-term negotiable obligations of commercial banks; TDs are non-negotiable deposits maintained in banking institutions for specified periods of time at stated interest rates; and bankers' acceptances are time drafts drawn on commercial banks by borrowers usually in connection with international

transactions.

Domestic commercial banks organized under Federal law are supervised and examined by the United States Comptroller of the Currency and are required to be members of the Federal Reserve System and to be insured by the Federal Deposit Insurance Corporation (the "FDIC"). Domestic banks organized under state law are supervised and examined by state banking authorities but are members of the Federal Reserve System only if they elect to join. Most state banks are insured by the FDIC (although insurance applicable to a CD issued by a particular Federal or state bank may not be of material benefit to the Fund, depending upon the principal amount of CDs held by the Fund in the bank) and are subject to Federal examination and to a substantial body of Federal law and regulations. As a result of Federal and state laws and regulations, domestic branches of domestic banks are, among other things, generally required to maintain specified levels of reserves, and are subject to other supervision and regulation designed to promote financial soundness.

Obligations of foreign branches of U.S. banks, including CDs and TDs, may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and governmental regulation. Obligations of foreign branches of U.S. banks and foreign banks are subject to different risks than are those of U.S. banks or U.S. branches of foreign banks. These risks include foreign economic and political developments, foreign governmental restrictions that may adversely affect payment of principal and interest on the obligations, foreign exchange controls, and foreign withholding and other taxes on interest income. Foreign branches of U.S. banks are not necessarily subject to the same or similar regulatory requirements that apply to U.S. banks, such as mandatory reserve requirements, loan limitations and accounting, auditing and financial recordkeeping requirements. In addition, less information may be publicly available about a foreign branch of a U.S. bank than about a U.S. bank. CDs issued by wholly owned Canadian subsidiaries of U.S. banks may be guaranteed as to repayment of principal and interest, but not as to sovereign risk, by the U.S. parent bank.

Obligations of U.S. branches of foreign banks may be general obligations of the parent bank in addition to the issuing branch, or may be limited by the terms of a specific obligation and by Federal and state regulations as well as governmental action in the country in which the foreign bank has its head office. A U.S. branch of a foreign bank with assets in excess of \$1 billion may or may not be subject to reserve requirements imposed by

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the Federal Reserve System or by the state in which the branch is located if the branch is licensed in that state. In addition, branches licensed by the United States Comptroller of the Currency and branches licensed by certain states ("State Branches") may or may not be required to: (a) pledge to the regulator by depositing assets with a designated bank within the state, an amount of its assets equal to 5% of its total liabilities; and (b) maintain assets within the state in an amount equal to a specified percentage of the aggregate amount of liabilities of the foreign bank payable at or through all of its agencies or branches within the state. The deposits of State Branches may not necessarily be insured by the FDIC. In addition, less information may be publicly available about a U.S. branch of a foreign bank than about a U.S. bank. In view of the factors associated with the purchase of CDs and TDs issued by foreign banks and foreign branches of U.S. banks, the Portfolio Managers or Strategy Advisers will carefully evaluate investments in those obligations on a case-by-case basis.

Savings and loan associations issuing CDs that may be purchased by the Fund are members of the Federal Home Loan Bank System and are insured by the Savings Association Insurance Fund which is administered by the FDIC and is backed by the full faith and credit of the U.S. government (although insurance applicable to a CD issued by a particular Federal or state bank may not be of material benefit to the Fund, depending upon the principal amount of CDs held by the Fund in the savings and loan association). As a result, those savings and loan associations are subject to regulation and examination.

COMMERCIAL PAPER. Commercial paper is a short-term, unsecured, negotiable promissory note of a domestic or foreign company.

LENDING FUND SECURITIES

Although the Fund is authorized to lend its portfolio securities to brokers, dealers and other financial organizations, it will not lend portfolio securities to Smith Barney Shearson unless it has applied for and received specific

authority to do so from the Securities and Exchange Commission (the "SEC"). The Fund's loans of securities will be collateralized by cash, letters of credit or U.S. Government Securities that will be maintained at all times in an amount at least equal to the current market value of the loaned securities. From time to time, the Fund may pay a part of the interest earned from the investment of collateral received for securities loaned to the borrower and/or to a third party that is unaffiliated with the Fund and that is acting as a "finder."

By lending its portfolio securities, the Fund can increase its income by continuing to receive interest on the loaned securities, by investing the cash collateral in short-term instruments or by obtaining yield in the form of interest paid by the borrower when U.S. Government Securities are used as collateral. The Fund adheres to the following conditions whenever its portfolio securities are loaned: (a) the Fund must receive at least 100% cash collateral or equivalent securities from the borrower; (b) the borrower must increase the collateral whenever the market value of the securities rises above the level of the collateral; (c) the Fund must be able to terminate the loan at any time; (d) the Fund must receive reasonable interest on the loan, as well as an amount equal to any dividends, interest or other distributions on the loaned securities, and any increase in market value; (e) the Fund may pay only reasonable custodian fees in connection with the loan; and (f) voting rights on the loaned securities may pass to the borrower, except that, if a material event adversely affecting the investment in the loaned securities occurs, the Fund must terminate the loan and regain the Fund's right to vote the securities.

FOREIGN SECURITIES

Investing in the securities of foreign issuers involves special risks and considerations not typically associated with investing in U.S. companies. These include differences in accounting, auditing and financial reporting standards, generally higher commission rates on foreign portfolio transactions, the possibility of expropriation or confiscatory taxation, adverse changes in investment or

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exchange control regulations (which may include suspension of the ability to transfer currency from a country), political instability which can affect U.S. investments in foreign countries, and potential restrictions on the flow of international capital. In addition, gain on the disposition of foreign securities and dividends and interest payable on those securities may be subject to foreign taxes, including taxes withheld from payments on those securities. Foreign securities often trade with less frequency and volume than domestic securities and therefore may exhibit greater price volatility. Changes in foreign exchange rates will affect the value of those securities which are denominated or quoted in currencies other than the U.S. dollar. The Fund has no current intention of investing in securities of issuers located in Eastern Europe.

HIGH YIELD BONDS AND ASSOCIATED RISK FACTORS

The Fund may invest up to 5% of its assets in debt securities rated less than Baa by Moody's Investors Services, Inc. ("Moody's") or BBB by Standard & Poor's Corporation ("S&P") or, if unrated, of equivalent quality in the view of the Portfolio Managers. In general, debt securities rated lower than Baa by Moody's or BBB by S&P ("high-yield bonds") commonly known as "junk bonds" are not considered to be investment grade, and investors should consider the risks associated with high-yield bonds before investing in the Fund. Investment in such securities generally provides greater income and increased opportunity for capital appreciation than investments in high quality securities, but they also typically entail greater price volatility and principal and income risk.

Investment in high-yield bonds involves special risks in addition to the risks associated with investments in higher-rated debt securities. High-yield bonds are regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. The high-yield bond market is relatively new, and many of the outstanding high-yield bonds have not endured a major business recession. A long-term track record on bond default rates, such as that for investment grade corporate bonds, does not exist for the high-yield market. Analysis of the creditworthiness of issuers of debt securities that are high-yield bonds may be more complex than for issuers of higher quality debt securities, and the ability of the Fund to achieve its investment objective may, to the extent of investment in high-yield bonds, be more dependent upon such creditworthiness analysis than would be the case if the

Fund were investing in higher quality bonds.

High-yield bonds may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade bonds. The prices of high-yield bonds have been found to be less sensitive to interest-rate changes than higher-rated investments, but more sensitive to adverse economic downturns or individual corporate developments. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high-yield bond prices because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If an issuer of high-yield bonds defaults, in addition to risking payment of all or a portion of interest and principal, the Fund may incur additional expenses to seek recovery. In the case of high-yield bonds structured as zero-coupon pay-in-kind securities, their market prices are affected to a greater extent by interest rate changes, and therefore tend to be more volatile than securities which pay interest periodically and in cash.

The secondary market on which high-yield bonds are traded may be less liquid than the market for higher grade bonds. Less liquidity in the secondary trading market could adversely affect the price at which the Fund could sell a high-yield bond, and could adversely affect the daily net asset value of the Fund's shares. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high-yield bonds, especially in a thinly-traded market. When secondary markets for high-yield bonds are less liquid than the market for higher grade bonds, it may be more difficult to value the

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securities because such valuation may require more research, and elements of judgment may play a greater role in the valuation because there is less reliable, objective data available.

There are also certain risks involved in using credit ratings for evaluating high-yield bonds. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of high-yield bonds. Also, credit rating agencies may fail to timely reflect subsequent events.

INVESTMENT RESTRICTIONS

The following investment restrictions have been adopted by the Fund as fundamental policies. Under the 1940 Act, a fundamental policy may not be changed without the votes of a majority of the outstanding shares representing partnership interests in the Fund. "Majority" for this purpose means the lesser of (1) 67% or more of the shares present at a shareholder meeting if the holders of more than 50% of the outstanding shares are present or represented by proxy, or (2) more than 50% of the outstanding shares.

Under the investment restrictions adopted by the Fund:

1. The Fund will invest no more than 25% of the value of its total assets in securities of issuers in any one industry, except that this restriction does not apply to investments in U.S. Government Securities and repurchase agreements backed by U.S. Government Securities.
2. The Fund will not lend money to other persons, except through purchasing debt obligations, lending portfolio securities and entering into repurchase agreements in the manner described in the Fund's then current Prospectus and Statement of Additional Information.
3. The Fund will not employ the trading technique commonly known as "pyramiding," in which a commodities trader uses unrealized profits on existing positions as margin for the purchase or sale of additional positions in the same or related commodities.
4. The Fund will not enter into commodity futures contracts and options on commodities or futures contracts on any domestic contract market for which the aggregate initial margin and premiums exceed 10% of the assets of the Fund, after taking into account unrealized profits and losses on those securities.
5. The Fund will not underwrite the securities of other issuers, except insofar as the Fund may be deemed an underwriter under the Securities Act of 1933, as amended, by virtue of disposing of portfolio securities.
6. The Fund will not purchase real estate except that the Fund may purchase and

sell securities that are secured by real estate and may purchase securities issued by companies that invest in or deal in real estate.

7. The Fund will not purchase securities on margin, except that the Fund may obtain any short-term credits necessary for the clearance of purchases and sales of portfolio securities or except as necessary in connection with the Fund's borrowing, futures and options trading strategies as described in the Prospectus or this Statement of Additional Information.
8. The Fund will not pledge, hypothecate, mortgage or encumber in any other way more than one-third of the Fund's assets.
9. The Fund will not invest in oil, gas or other mineral exploration or development programs, except that the Fund may invest in securities of companies that invest in or sponsor those programs.
10. The Fund will not invest in securities of other investment companies registered or required to be registered under the 1940 Act, except as they may

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be acquired as part of a merger, consolidation, reorganization, acquisition of assets or an offer of exchange.

11. The Fund will not purchase any security if as a result the Fund will then have more than 10% of its total assets invested in securities of companies (including predecessor companies) that have been in continuous operation for less than three years.
12. The Fund will not make investments for the purpose of exercising control or management of any other issuer.
13. The Fund will only borrow from banks and then only in an amount not exceeding one-third of the market value of its total assets (including borrowings) less liabilities (other than borrowings) immediately after the borrowing.

In addition, the Fund has adopted the following "non-fundamental" investment restrictions, which can be changed by a vote of a majority of the Individual General Partners without Shareholder approval:

1. The Fund will not purchase or retain securities of any issuer if, to the knowledge of the Fund, any of the Fund's Individual General Partners, or any officer or director of Smith Barney Shearson or the Portfolio Managers, individually own more than 1/2 of 1% of the outstanding securities of the issuer and together own beneficially more than 5% of such issuer's securities.
2. The Fund will not invest in warrants (other than warrants acquired by the Fund as part of a unit or attached to securities at the time of purchase) if, as a result, the investments (valued at the lower of cost or market price) would exceed 5% of the value of the Fund's net assets of which not more than 2% of the Fund's net assets may be invested in warrants not listed on a recognized U.S. or foreign stock exchange.
3. The Fund will invest only in limited partnership interests which are traded on the New York and American Stock Exchanges or NASDAQ-NMS listed.
4. The Fund will not invest more than 15% of its net assets in securities that are illiquid.

The Fund may make commitments more restrictive than the restrictions listed above so as to permit the sale of shares in certain states. Should the Fund determine that any commitment is no longer in the best interests of the Fund or its Shareholders, the Fund will revoke the commitment by terminating the sale of shares in the relevant state. The percentage limitations contained in the restrictions listed above apply only at the time of the purchase of securities.

THE FUND'S PORTFOLIO TRANSACTIONS

While the Portfolio Managers may engage in short-term trading of the Fund's portfolio securities, the Fund's portfolio turnover rate is not expected to exceed 300%, although there is no limit on this rate. A portfolio turnover rate of 100% would occur if all of the Fund's securities that are included in the computation of turnover were replaced once during a period of one year. The portfolio turnover rate is calculated by dividing the lesser of purchases or sales of portfolio securities for the year by the monthly average value of portfolio securities. Securities with remaining maturities of one year or less on the date of acquisition are excluded from the calculation. For the fiscal years ended December 31, 1991, 1992 and 1993, the portfolio turnover rates were 304%, 312% and 247%, respectively.

Securities and commodities transactions on behalf of the Fund are executed by brokers and dealers selected by the Portfolio Managers (or from time to time by Strategy Advisers), subject to review by the Individual General Partners. Although investment decisions for the Fund are made independently from those of the other accounts managed by the Portfolio Managers, investments of the type that the Fund may make may also be

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made by those other accounts. When the Fund and one or more other accounts managed by a Portfolio Manager are prepared to invest in, or desire to dispose of, the same security, available investments or opportunities for sales will be allocated in a manner believed by the Portfolio Manager to be equitable to each. In some cases, this procedure may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

Transactions on U.S. stock and commodity exchanges and some foreign stock and commodity exchanges involve the payment of negotiated brokerage commissions. On exchanges on which commissions are negotiated, the cost of transactions may vary among different brokers. Commissions are generally fixed on most foreign stock exchanges. No stated commission is generally applicable to securities traded in U.S. or foreign over-the-counter markets, but the prices of those securities include undisclosed commissions or mark-ups. The cost of securities purchased from underwriters includes an underwriting commission or concession, and the prices at which securities are purchased from and sold to dealers include a dealer's mark-up or mark-down. U.S. Government Securities are generally purchased from underwriters or dealers, although certain newly issued U.S. Government Securities may be purchased directly from the U.S. Treasury or from the issuing agency or instrumentality. Similarly, foreign exchange transactions are made with banks or institutions in the interbank market at prices reflecting a mark-up or mark-down and/or a commission.

In selecting brokers or dealers to execute portfolio transactions on behalf of the Fund, the Portfolio Managers and Strategy Advisers seek the best overall terms available. In assessing the best overall terms available for any transaction, a Portfolio Manager or Strategy Advisers considers the factors it deems relevant, including the breadth of the market in the security or commodity, the price of the security or commodity, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction and on a continuing basis. In addition, the Portfolio Managers and Strategy Advisers are authorized, in selecting brokers or dealers to execute a particular transaction, and in evaluating the best overall terms available, to consider the brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) provided to the Fund and/or other accounts over which the Portfolio Managers and Strategy Advisers or their affiliates exercise investment discretion. The fees under the Fund's investment advisory agreement with Strategy Advisers is not reduced by reason of Strategy Advisers' or the Portfolio Managers' receiving brokerage and research services. The Individual General Partners will periodically review the commissions paid by the Fund to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits inuring to the Fund. For the fiscal years ended December 31, 1991, 1992 and 1993, the Fund paid \$960,331, \$1,125,007 and \$1,172,270, respectively, in brokerage commissions.

In accordance with applicable provisions of the 1940 Act and rules and

exemptions adopted by the SEC under the 1940 Act, the Individual General Partners have determined that an exchange transaction for the Fund may be executed through Smith Barney Shearson and other Smith Barney Shearson-affiliated broker-dealers if, in the judgment of the Portfolio Manager responsible for the transaction (or in the judgment of Strategy Advisers if Strategy Advisers is responsible for the transaction), the use of an affiliated broker-dealer is likely to result in price and execution at least as favorable as those of other qualified broker-dealers and if, in the transaction, the affiliated broker-dealer charges the Fund a rate consistent with that charged to comparable unaffiliated customers in similar transactions. The Fund may also use Smith Barney Shearson as a commodities broker in connection with entering into futures contracts and commodity options if, in the judgment of

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the Portfolio Manager responsible for the transaction (or in the judgment of Strategy Advisers if Strategy Advisers is responsible for the transaction), the use of Smith Barney Shearson is likely to result in price and execution at least as favorable as those of other qualified commodity brokers and if Smith Barney Shearson charges the Fund a rate consistent with that charged to comparable unaffiliated customers in similar transactions. Smith Barney Shearson has agreed to charge the Fund commodity commissions at rates comparable to those charged by Smith Barney Shearson to its most favored clients for comparable trades in comparable accounts.

Over-the-counter purchases and sales on behalf of the Fund are transacted directly with principal market makers except in those cases in which better prices and executions may be obtained elsewhere. For the fiscal years ended December 31, 1991, 1992 and 1993, the Fund paid \$37,911, \$77,105 and \$15,684, to Smith Barney Shearson in brokerage commissions. For the 1993 fiscal year Smith Barney Shearson received 1.30% of the total brokerage commissions paid and executed 1.60% of the aggregate dollar amount of transactions involving commissions.

MANAGEMENT OF THE FUND INDIVIDUAL GENERAL PARTNERS

The names of the Individual General Partners, together with their principal business occupations, appear in the Prospectus. No director, officer or employee of Smith Barney Shearson, Strategy Advisers, the Portfolio Managers, Boston Company Advisors, Inc. ("Boston Advisors"), or any of their affiliates, will receive any compensation from the Fund for serving as an Individual General Partner. The Fund pays each Individual General Partner who is not a director, officer or employee of Smith Barney Shearson, Strategy Advisers, the Portfolio Managers, Boston Advisors, or any of their affiliates, a fee of \$15,000 per annum plus \$1,000 per meeting attended, and reimburses them for travel and out-of-pocket expenses. For the fiscal year ended December 31, 1993 such fees and expenses totalled \$77,681.

STRATEGY ADVISERS, THE PORTFOLIO MANAGERS, THE CONSULTANT AND THE ADMINISTRATOR

Strategy Advisers serves as the Fund's investment adviser under the terms of a written agreement with the Fund (the "Advisory Agreement") which was most recently approved by the Individual General Partners of the Fund, including a majority of the Individual General Partners who are not "interested persons" of the Fund or Strategy Advisers on July 30, 1993. Strategy Advisers is a wholly owned subsidiary of Smith Barney Advisers, Inc. ("SBA"). SBA is a wholly owned subsidiary of Smith Barney Shearson Holdings Inc. ("Holdings"), which is in turn a wholly owned subsidiary of The Travelers Inc. ("Travelers") formerly known as Primerica Corporation, a diversified financial services holdings company principally engaged in the business of providing investment, consumer finance and insurance services. Each of the Portfolio Managers serves as a portfolio manager of the Fund pursuant to a written agreement among the Fund, Strategy Advisers and the Portfolio Manager (the "Portfolio Management Agreement") which were most recently approved by the Individual General Partners of the Fund,

including a majority of the Individual General Partners who are not "interested persons" of the Fund or the Portfolio Managers on April 1, 1993. Strategy Advisers has established a committee to make asset allocation decisions and to evaluate the performance of the Portfolio Managers. Tremont Partners, Inc. ("Tremont") serves as a consultant to Strategy Advisers pursuant to a written agreement among the Fund, Strategy Advisers and Tremont (the "Consulting Agreement") which was most recently approved by the Individual General Partners of the Fund, including a majority of the Individual General Partners who are not "interested persons" of the Fund or Tremont on July 30, 1993. Boston Advisors, a wholly owned subsidiary of The Boston Company, Inc. ("TBC"), which is in turn a wholly owned subsidiary of Mellon Bank Corporation ("Mellon"), serves as the Fund's administrator under the terms of a written agreement with the Fund (the "Administration Agreement") which was most recently

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approved by the Individual General Partners of the Fund, including a majority of the Individual General Partners who are not "interested persons" of the Fund or Boston Advisors on September 2, 1993. The fees paid to and the services provided by Strategy Advisers, the Portfolio Managers, Tremont and Boston Advisors are described in the Prospectus. As described in the Fund's Prospectus, Strategy Advisers, and not the Fund, pays fees to the Portfolio Managers. The Portfolio Managers and Tremont earned the following amounts in fees for the fiscal periods indicated:

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED 12/31/91*	FISCAL YEAR ENDED 12/31/92	FISCAL YEAR ENDED 12/31/93
<S>	<C>	<C>	<C>
Ardsley Advisory Partners(a)	\$ 904,121	\$ 558,575	\$ 1,053,022
Hellman, Jordan Management Co. Inc.(a)	\$ 778,694	\$ 363,644	\$ 141,948
Mark Asset Management Corporation(a)	\$ 610,821	\$ 709,500	\$ 1,173,055
McKenzie, Walker Investment Management, Inc.***(a)	\$ 637,551	\$ --	\$ --
Nicholas-Applegate Capital Management**(a)	\$ 190,616	\$ --	\$ --
Woodward & Associates Inc.+(b)	\$ 115,402	\$ 227,380	\$ 627,549
Tremont Partners, Inc.	\$ 76,814	\$ 37,376	\$ 65,166

<FN>

* The Fund commenced operations on June 28, 1990.

** The Portfolio Management Agreement with Nicholas-Applegate Capital Management was terminated effective July 19, 1991.

*** The Portfolio Management Agreement with McKenzie, Walker Investment Management, Inc. was terminated effective December 1, 1992.

+ Woodward & Associates Inc. commenced managing assets of the Fund on July 22, 1991.

(a) Fees are calculated pursuant to a written agreement among the Fund, Strategy Advisers and the Portfolio Manager dated May 9, 1990.

(b) Fees are calculated pursuant to a written agreement among the Fund, Strategy Advisers and the Portfolio Manager dated May 31, 1991.

</TABLE>

Strategy Advisers, the Portfolio Managers, Tremont and Boston Advisors each pay the salaries of all of their officers and employees who act on behalf of the Fund. As administrator, Boston Advisors, subject to the review and supervision of Strategy Advisers, furnishes the Fund with statistical and research data, clerical help and accounting, data processing, bookkeeping, internal auditing and legal services and certain other services required by the Fund; prepares reports to shareholders; and prepares tax returns, reports to, and filings with the SEC and state Blue Sky authorities. Prior to May 21, 1993, Boston Advisors served as the Fund's sub-investment adviser as well as administrator. For the fiscal years ended December 31, 1991, 1992 and for the period from January 1, 1993 through May 21, 1993, Boston Advisors received \$375,334, \$364,960 and \$134,564, respectively, in administrative and sub-investment advisory fees. For the period from May 22, 1993 through December 31, 1993, Boston Advisors was paid

\$207,935 in administrative fees. Strategy Advisers, the Portfolio Managers, Tremont and Boston Advisors bear all expenses in connection with the performance of their respective services under the Advisory, Portfolio Management, Consulting, and Administration Agreements.

Strategy Advisers and the Portfolio Managers are responsible for compliance with the Fund's investment policies, restrictions and limitations.

Under the Advisory Agreement, the Administration Agreement, each Portfolio Management Agreement and the Consulting Agreement (collectively, the "Agreements"), Strategy Advisers, Boston Advisors, the Portfolio Managers and Tremont have agreed that, if in any fiscal year the aggregate expenses of the Fund (including fees payable pursuant to the Agreements, but excluding interest, taxes, brokerage, distribution fees paid pursuant to the Fund's plan of distribution and, if permitted by the relevant state securities commissions, extraordinary expenses) exceed the expense limitation of any state having jurisdiction over the Fund, Strategy Advisers, Boston Advisors, the Portfolio Managers and Tremont will reduce their fees to the Fund to the extent required by state law in the same proportion as their respective fees bear to the combined fees paid by the Fund for the services provided pursuant to the Agreements. The Fund has received variances from all applicable state expense limitation provisions.

The Agreements each provide that Strategy Advisers, the Portfolio Manager, the Consultant or Boston Advisors (as the case may be) shall exercise its best judgment in rendering services under the respective agreement. Each of these Agreements further provides that such party shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the matters to which the agreement relates, provided that nothing in the agreement shall be deemed to protect or purport to protect that party against any liability to the Fund or to holders of the Fund's shares representing partnership interests to which that party would otherwise be subject by reason

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of willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or by reason of that party's reckless disregard of its obligations and duties under the agreement.

The Agreements will remain in effect for an initial period of two years, and will continue in effect thereafter for successive annual periods, so long as such continuance is specifically approved at least annually by (a) the Fund's Individual General Partners or (b) the vote of a majority of the Fund's outstanding voting securities, as that term is defined in the 1940 Act, provided that, in either event, the continuance is also approved by at least a majority of the Fund's Individual General Partners who are not "interested persons" as defined in the 1940 Act (the "Independent General Partners"), by vote cast in person at a meeting called for the purpose of voting on such approval. Each agreement is terminable without penalty on not less than 60 days' notice by the Independent General Partners of the Fund or by vote of the holders of a majority of the Fund's shares, or upon not less than 90 days' notice by any other party to the agreement. Each agreement will terminate automatically in the event of its assignment.

INFORMATION REGARDING THE PORTFOLIO MANAGERS

ARDSLEY ADVISORY PARTNERS. Ardsley typically accepts private advisory accounts of \$10 million or more. Advisory fees charged quarterly to such clients by Ardsley range up to 0.125% of the value of the client's assets under management plus 20% of the net capital appreciation in the value of the client's account for the year.

HELLMAN, JORDAN MANAGEMENT CO., INC. Hellman, Jordan typically will not accept a new advisory client unless the client places with it at least \$5 million for management. Advisory fees charged by Hellman, Jordan range up to 2.0% of the value of the assets in a client's account on an annual basis.

MARK ASSET MANAGEMENT CORPORATION. Morris Mark, Mark Asset Management Corporation's ("MAMC") principal shareholder and president, has primary investment responsibility for two investment partnerships generally unavailable to the investing public in the United States with aggregate assets as of December 31, 1993 in excess of \$415 million. MAMC typically manages private advisory accounts of \$2 million or more. MAMC typically charges clients a quarterly fee payable in advance based on the value of the assets under management and a performance-based fee at a specified percentage of annual profit of the client's advisory account less quarterly fees paid. The non-performance based fee charged is generally calculated at an annual rate of 1% of the value of the account's assets. The performance-based fee is structured to comply with applicable rules under the Investment Advisers Act of 1940 and, in most instances, is equal to 20% of the profits of the account less quarterly fees paid.

WOODWARD & ASSOCIATES INC. Woodward & Associates Inc. ("Woodward") typically will not accept a new private advisory client unless the client places with Woodward at least \$5 million in assets. Advisory fees charged by Woodward range up to 2% of the market value of assets under management on an annual basis or 20% of net profits generated by the account.

ORGANIZATION EXPENSES

Because of the Fund's unique structure and operating expenses, the Fund incurred organization expenses that a typical mutual fund would not incur. The costs incurred by the Fund in connection with its organization and initial registrations under Federal and state securities laws, including printing, legal and auditing fees and registration charges, are being amortized in equal monthly installments over a period of 60 months from June 28, 1990, the date that the Fund commenced operations. During such period, the Fund's expenses may be higher than a typical mutual fund that incurred lower organization expenses.

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PURCHASE OF SHARES

VOLUME DISCOUNTS

The schedule of sales charges on shares described in the Prospectus applies to purchases made by any "purchaser," which is defined to include the following: (a) an individual; (b) an individual, his or her spouse and their children under the age of 21 purchasing shares for his or her own account; (c) a trustee or other fiduciary purchasing shares for a single trust estate or single fiduciary account; (d) any other organized group of persons, provided that the organization has been in existence for at least six months and was organized for a purpose other than the purchase of investment company securities at a discount; or (e) a trustee or other professional fiduciary (including a bank, or an investment adviser registered with the SEC under the Investment Advisers Act of 1940) purchasing shares of the Fund for one or more trust estates or fiduciary accounts. Purchasers who wish to combine purchase orders to take advantage of volume discounts on Class A shares should contact their Smith Barney Shearson Financial Consultants.

DISTRIBUTION ARRANGEMENTS

Smith Barney Shearson distributes shares on a best efforts basis under the terms of a written agreement with the Fund. Smith Barney Shearson receives a service fee of 0.25% of the value of the average daily net assets of each Class of Shares pursuant to a plan of distribution (the "Plan") adopted by the Fund pursuant to Rule 12b-1 under the 1940 Act. In addition, Class B shares incur a distribution fee of 0.75% of the value of the average daily net assets of the Class. The service and distribution fees are accrued daily and paid monthly.

Under the Plan, Smith Barney Shearson may use the distribution fee for any activities or expenses primarily intended to result in the sale of the Fund's shares, including, but not limited to, compensation to and expenses of employees of Smith Barney Shearson or its affiliates who engage in or support distribution

of shares, overhead (including overhead of branch offices), printing of prospectuses and reports for other than existing Shareholders, advertising and preparation and distribution of sales literature. The service fee is used as on-going compensation for Smith Barney Shearson Financial Consultants.

The distribution fee is payable to Smith Barney Shearson regardless of the amounts actually expended by it for distribution-related activities. The amount of the distribution fee payable to Smith Barney Shearson pursuant to the Plan is not related directly to the expenses incurred by Smith Barney Shearson in providing distribution-related services to the Class B shares of the Fund, and the Plan does not obligate the Fund to reimburse Smith Barney Shearson for such expenses. To the extent that amounts paid to Smith Barney Shearson under the Plan exceed amounts expended by it for distribution-related activities for the Class B shares of the Fund, such excess will be profit to Smith Barney Shearson. The Plan provides that, if it is terminated, any distribution expenses incurred by Smith Barney Shearson on behalf of the Class B shares of the Fund in excess of payments of the distribution fee received or accrued through the termination date are the sole responsibility and liability of Smith Barney Shearson and are not obligations of the Fund.

The Plan was most recently approved on September 2, 1993 by the Fund's Individual General Partners, including a majority of the Individual General Partners who are not "interested persons" of the Fund or Smith Barney Shearson. On a quarterly basis, the Individual General Partners review a report on expenditures under the Plan and the purposes for which expenditures were made. They also conduct an additional, more extensive, review annually in determining whether the Plan will be continued. By its terms, continuation of the Plan from year to year is contingent on annual approval by a majority of the Fund's Individual General Partners and by a majority of the Independent General Partners. The Plan may be terminated at any time with respect to the Fund by vote of a majority of the Individual General Partners or a majority of the outstanding shares of the Fund.

SETTLEMENT OF PURCHASE

Smith Barney Shearson forwards investors' funds for the purchase of shares five business days after placement and

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acceptance of purchase orders (the "Settlement Date"). When an investor makes payment before the Settlement Date, the funds will be held as a free credit balance in the investor's brokerage account and Smith Barney Shearson will benefit from the temporary use of the funds. The investor may designate another use for the funds prior to the settlement date, such as an investment in a money market fund. If the investor instructs Smith Barney Shearson to invest the funds in a Smith Barney Shearson money market fund, the amount of the investment will be included as part of the average daily net assets of both the Fund and the Smith Barney Shearson money market fund. Affiliates of Smith Barney Shearson that serve these funds in an investment advisory capacity will benefit by receiving fees from both such funds, computed on the basis of their average net assets. The Individual General Partners have been advised of the benefits to Smith Barney Shearson resulting from the five-day settlement procedures described above and will take those benefits into consideration when reviewing the Agreements for continuance.

REDUCED SALES CHARGES

Reduced sales charges, in accordance with the schedule in the Prospectus, are available to investors purchasing Class A shares if the aggregate investment in Class A shares of the Fund is greater than \$50,000. Investors eligible to receive volume discounts are individuals and their immediate families, and a trustee or other fiduciary purchasing shares for a single trust estate or single fiduciary account even though more than one beneficiary is involved. In determining the quantity of shares purchased or held for purposes of the various plans for sales charge reductions on purchases of Class A shares of the Fund or by other funds in the Smith Barney Shearson Group of Funds, the investor may not

aggregate Class A shares of the Fund with Class A shares of other Smith Barney Shearson funds. Investors interested in an explanation of volume discounts should contact their Smith Barney Shearson Financial Consultants. Reduced sales charges are also available under a combined right of accumulation, under which an investor may combine the value of Class A shares already held in the Fund along with the value of the Class A shares being purchased, to qualify for a reduced sales charge. For example, if an investor owns shares of the Fund that have an aggregate value of \$100,000 and makes an additional investment in the Fund of \$50,000, the sales charge applicable to the additional investment would be 3.25%, rather than the 4.0% normally charged on \$50,000 purchase.

Class A shares of the Fund may be offered without a sales charge to: (a) employees of Travelers and its subsidiaries, including Smith Barney Shearson, Strategy Advisors and the spouses and minor children of such employees when orders on their behalf are placed by such employees; (b) accounts managed by registered investment advisory subsidiaries of Travelers; (c) directors, trustees or general partners of any investment company for which Smith Barney Shearson serves as Distributor; (d) any other investment company in connection with the combination of such company with the Fund by merger, acquisition of assets or otherwise; (e) Shareholders who have redeemed shares in the Fund and who wish to reinvest their redemption proceeds in the Fund, provided the reinvestment is made within 30 days of the redemption; (f) any client of a newly employed Smith Barney Shearson Financial Consultant (up to a period of 90 days from the commencement of the Financial Consultant's employment with Smith Barney Shearson), on the condition that the purchase is made with the proceeds of redemption of shares of a mutual fund which (i) was sponsored by the Financial Consultant's prior employer, (ii) was originally sold to the client by the Financial Consultant, and (iii) when purchased, were sold with a sales charge or subject to a charge upon redemption; or (g) to the officers and directors of Tremont and each of the Portfolio Managers.

REINVESTMENT PRIVILEGE. A shareholder who has redeemed Class A shares may reinvest all or part of the redemption proceeds in the Fund and receive a credit for any applicable sales charge, so long as the reinvestment is made within 30 days after the redemption. This reinvestment privilege may be exercised only once by a shareholder. Reinvestment will not alter any tax payable on the redemption and a loss may not be allowed for tax purposes.

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DISTRIBUTIONS IN KIND. If the Individual General Partners determine that it would be detrimental to the best interests of the remaining shareholders of the Fund to make a redemption payment wholly in cash, the Fund may pay, in accordance with SEC rules, any portion of a redemption in excess of the lesser of \$250,000 or 1% of the Fund's net assets by distribution in kind of the Fund's securities in lieu of cash. Securities issued as a distribution in kind will be readily marketable, although shareholders receiving distributions in kind may incur brokerage commissions when subsequently selling those securities.

REDEMPTION OF SHARES

Detailed information on how to redeem shares is included in the Prospectus. The right of redemption of shares may be suspended or the date of payment postponed (a) for any periods during which the NYSE is closed (other than for customary weekend and holiday closing), (b) when trading in the markets the Fund normally utilizes is restricted or an emergency, as defined by the rules and regulations of the SEC, exists making disposal of the Fund's investments or determination of its net asset value not reasonably practicable, or (c) for any other periods as the SEC by order may permit for protection of the Fund's shareholders. A shareholder who pays for shares by check will be credited with the proceeds of a redemption of those shares only after the check has been collected, which may take up to 15 days. Redemption proceeds held by a shareholder either in the form of uninvested cash balances in his or her Smith Barney Shearson brokerage account or as an unnegotiated check from the Fund's transfer agent and dividend disbursing agent. The Shareholder Services Group, Inc., ("TSSG"), a subsidiary of First Data Corporation, will generally not earn any income for the shareholder and the shareholder should discuss alternative investments with his or her Smith Barney Shearson Financial Consultant or other advisor.

NET ASSET VALUE

As noted in the Prospectus, the net asset value of shares will not be calculated on those days on which the NYSE is closed. Securities held by the Fund may nevertheless be actively traded on those days, and the value of the Fund's shares could be significantly affected.

As noted in the Prospectus, the Fund may invest in foreign securities, which would necessitate the Fund's obtaining prices as of the close of trading on various exchanges throughout the world. Thus, the calculation of the shares' net asset value may in certain instances not take place contemporaneously with the determination of the prices of some of the Fund's portfolio securities used in the calculation. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for the security. All assets and liabilities initially expressed in foreign currency values will be converted into U.S. dollar values at the mean between the bid and offered quotations of the foreign currencies against U.S. dollars as last quoted by any recognized dealer. If quotations are not available, the rate of exchange will be determined in good faith by the Individual General Partners. In carrying out the Individual General Partners' valuation policies, Boston Advisors, as administrator, may consult with an independent portfolio valuation service retained by the Fund.

Debt securities of U.S. issuers (other than U.S. Government Securities or short-term investments) are also valued by Boston Advisors, as administrator, after consultation with an independent portfolio valuation service approved by the Individual General Partners. When, in the judgment of the valuation service, quoted bid prices for investments are readily available and are representative of the bid side of the market, these investments are valued at the mean between the quoted bid prices and asked prices. Investments for which no readily obtainable market quotations are available, in the judgment of the valuation service, are carried at fair value as determined by the valuation service. The procedures of the portfolio valuation service will be reviewed periodically by the Individual General Partners.

DETERMINATION OF PERFORMANCE

From time to time, the Fund may quote its performance in terms of total return in reports or other communications to Shareholders or in advertising material. Total

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return figures for a Class combines principal changes and dividend and interest income reinvested for the period shown. Principal changes are based on the difference between the beginning and closing net asset values of Class shares for the period. Actual distributions include short-term capital gains derived from option writing or other sources.

AVERAGE ANNUAL TOTAL RETURN

A Class' "average annual total return" figures, as described and shown in the Prospectus are computed according to a formula prescribed by the SEC. The formula can be expressed as follows:

$$P(1 + T)^n = ERV$$

<TABLE>

<S>	<C>	<C>	<C>
Where:	P	=	a hypothetical initial payment of \$1,000
	T	=	average annual total return
	n	=	number of years
	ERV	=	Ending Redeemable Value of a hypothetical \$1,000 investment made at the beginning of the 1-, 5- or 10-year period at

the end of the 1-, 5- or 10-year period (or fractional portion thereof), assuming reinvestment of all dividends and distributions

</TABLE>

The ERV assumes complete redemption of the hypothetical investment at the end of the measured period, and reflects deduction upon purchase of the Fund's sales charge at the percentage level corresponding to the length of the measuring period.

A Class' average annual total return figures calculated in accordance with the above formula assume the effect of the maximum 5.0% sales charge or maximum applicable CDSC, as the case may be, has been deducted from the hypothetical \$1,000 initial investment at the time of purchase or redemption, as applicable. Prior to June 1, 1993, the date on which the Fund commenced offering Class B shares, a maximum sales charge of 5.50% was charged on sales of Class A shares. The Fund's average annual return not including sales charge on Class A shares was as follows for the periods indicated: 4.81% for the one-year period beginning January 1, 1993 and ended on December 31, 1993; and 11.76% per annum during the period from commencement of the Fund's operations on June 28, 1990 through December 31, 1993.

The Fund ceased offering Class B shares on September 16, 1993.

AGGREGATE TOTAL RETURN

A Class' aggregate total return figures, as described in the Prospectus and shown below represent the cumulative change in the value of an investment in the Class for the specified period and are computed by the following formula:

$$\frac{\text{ERV} - P}{P}$$

<TABLE>

<S>	<C>	<C>	<C>
Where:	P	=	a hypothetical initial payment of \$10,000
	ERV	=	Ending Redeemable Value of a hypothetical \$10,000 investment made at the beginning of the 1-, 5- or 10-year period at the end of the 1-, 5- or 10-year period (or fractional portion thereof), assuming reinvestment of all dividends and distributions.

</TABLE>

The aggregate total return without sales charge for Class A shares was as follows for the periods indicated: 4.81% for the one-year period beginning January 1, 1993 and ended on December 31, 1993; and 47.67% per annum during the period from commencement of operations on June 28, 1990 through December 31, 1993. The aggregate total return for Class B shares for the period from June 1, 1993 through December 31, 1993 was 2.92%.

The aggregate total return figures assume that the then applicable maximum sales charge or CDSC was not deducted from the investment at the time of purchase or

redemption, as applicable. If the then applicable maximum sales charge or CDSC had been deducted, the Fund's aggregate total return figures would have been (0.43)% and 40.29%, respectively, for Class A shares and (2.08)% for Class B shares.

A Class' performance will vary from time to time depending upon market conditions, the composition of the Fund's portfolio and operating expenses and the expenses exclusively attributable to the Class. Consequently, any given performance quotation should not be considered representative of the Class' performance for any specified period in the future. In addition, because performance will fluctuate, it may not provide a basis for comparing an investment in the Class with certain bank deposits or other investments that pay a fixed yield for a stated period of time. Investors comparing the Class' performance with that of other mutual funds or comparable classes of shares of other mutual funds, as the case may be, should give consideration to the quality and maturity of the respective investment companies' portfolio securities.

A Class' net investment income changes in response to fluctuations in interest rates and the expenses of the Class. Consequently, the given performance quotations should not be considered as representative of the Class' performance for any given specified period.

TAXATION

FEDERAL INCOME TAX

INTRODUCTION. The discussion below summarizes certain Federal income tax consequences of an investment in the Fund which should be considered by prospective shareholders of the Fund. It is not intended to be an exhaustive discussion of all possible tax consequences which may arise from an investment in the Fund. Accordingly, each prospective shareholder should consult their own tax advisor to determine more specifically the tax consequences of an investment in the Fund. This discussion is based primarily upon current provisions of the Code, U.S. Treasury Department regulations (the "Regulations"), judicial decisions and administrative rulings and pronouncements of the Internal Revenue Service ("IRS"), all of which are subject to change.

CLASSIFICATION AS A PARTNERSHIP. Counsel to the Fund has issued an opinion that the Fund will be treated as a partnership and not as an association taxable as a corporation for Federal income tax purposes for the period preceding the date on which Code Section 7704 (discussed below) becomes applicable to the Fund. This opinion is based upon, among other things, representations by the General Partners, and is qualified by reference to the law and administrative interpretations thereof, as in effect on the date of the opinion, assumed anticipated facts and circumstances (the existence of which cannot be, and is not hereby, assured) and the organization and operation of the Fund in accordance with the Partnership Agreement and any notices, regulations, rulings or other pronouncements of the IRS regarding the requirements of taxation as a partnership.

An opinion of counsel is not binding on the IRS or the courts. The Fund will not seek a ruling from the IRS regarding its classification as a partnership for tax purposes.

The principal Federal income tax consequences resulting from qualification of the Fund as a partnership for Federal income tax purposes is that the Fund will not be subject to the tax; instead, the Shareholders will report and pay tax on the Fund's taxable income, as discussed more fully below in "Taxation of Fund Operations -- In General." If the Fund did not qualify as a partnership for tax purposes, investors should be aware that the Fund most likely would be regarded as an association taxable as a corporation. In that case, certain adverse tax consequences could ensue, including: (a) Shareholders would not be permitted to report their distributive shares of the Fund's tax items on their income tax returns; (b) the Fund would be subject to the corporate income tax; (c) distributions from the Fund to the Shareholders generally would be treated as dividends, taxable as ordinary income to the Shareholders; and (d) distributions would not be deductible by the Fund. Thus, the Fund would be subject to tax on its taxable income and amounts distributed to Shareholders generally also would be subject to tax in their hands.

PUBLICLY TRADED PARTNERSHIPS -- CODE SECTION 7704. Entities that otherwise qualify for partnership tax treatment nonetheless may be reclassified for Federal income

tax purposes as corporations under Code Section 7704 if the interests in the partnership are regarded as being "publicly traded" and certain other conditions are met. Open-end partnerships, such as the Fund, which stand ready to redeem their interests or shares, generally are treated as "publicly traded partnerships" for this purpose. Moreover, the General Partners anticipate that the Fund will satisfy the other conditions for application of the Code Section 7704. Accordingly, once Code Section 7704 becomes applicable to the Fund, it is expected that the Fund will be treated as a corporation for Federal income tax purposes.

Code Section 7704 generally applies to partnership taxable years beginning after 1987. However, that provision is inapplicable to "existing partnerships" until the earlier of the first day of the first partnership taxable year beginning after 1997 or the time at which the existing partnership enters into a "substantial new line of business." The Fund has obtained a ruling from the IRS to the effect that, under Code Section 7704, it qualifies as an existing partnership provided that it does not engage in a substantial new line of business. Thus, the General Partners believe that the Fund should not be classified as a corporation under Code Section 7704 through December 31, 1997, so long as the restriction on entering into a substantial new line of business before that date is observed. The General Partners intend to manage the Fund so that it will not be treated as undertaking a substantial new line of business, but absolute assurance cannot be given that the Fund would not be deemed to have engaged in such an undertaking were the IRS to assert otherwise.

A change in the Fund's tax status from a partnership to a corporation pursuant to Code Section 7704 could result in adverse tax consequences to Shareholders, including the possibility that the Fund's investment portfolio would be treated for tax purposes as having been sold as of the time at which the change in status occurs. If the Fund were deemed to have sold its assets, the net gain generated by the sale could be taxable to shareholders, but this result is not entirely clear under current law.

Once Code Section 7704 causes the Fund to be classified as a corporation for Federal income tax purposes, the Fund itself will be subject to Federal income tax (and, possibly, other taxes). Accordingly, before Code Section 7704 becomes applicable to the Fund (or as soon thereafter as is practicable in the event Code Section 7704 becomes applicable to the Fund earlier than expected), the Individual General Partners are authorized, but not required, to take such actions as they deem necessary or advisable, in their sole discretion, in connection with such reclassification. These may include, among others, terminating the Fund, electing to have the Fund taxed as a regulated investment company ("RIC") or causing the Fund to transfer its assets to a corporation which elects to be taxed as a RIC. RICs generally are relieved from Federal income tax on the income and gains distributed to their Shareholders; however, to qualify as a RIC, a mutual fund must satisfy various Code requirements. These requirements may limit the flexibility of the Fund to invest in certain assets and to undertake certain investment strategies. Shareholders will be informed of final decisions made by the Individual General Partners in connection with the application of Code Section 7704 to the Fund.

The discussion that follows summarizes the tax treatment of the Fund as a partnership for Federal income tax purposes.

TAXATION OF FUND OPERATIONS -- IN GENERAL. As a partnership, the Fund will not be subject to Federal income tax. Instead, each Shareholder will report on his or her Federal income tax return the Shareholder's distributive share of the Fund's tax items, including net long-term capital gain or loss, net short-term capital gain or loss, and net ordinary income or loss. While the Fund may make distributions to Shareholders, there can be no assurance that distributions will, in fact, be made. Nonetheless, each Shareholder will be liable for any taxes owed with respect to his distributive share of the taxable income recognized by the Fund, regardless of whether he actually has received or will receive any cash or other distribution from the Fund. ACCORDINGLY, IT IS POSSIBLE THAT A SHAREHOLDER'S DISTRIBUTIVE SHARE OF TAXABLE INCOME FROM THE FUND (AS WELL AS THE TAXES IMPOSED ON THAT INCOME) COULD EXCEED THE DISTRIBUTIONS, IF ANY, HE RECEIVES OR IS ENTITLED TO

RECEIVE FROM THE FUND. In this connection, Shareholders should in particular be aware that their taxable income from the Fund (and the tax thereon) could exceed distributions made to them in cases where the Fund utilizes taxable income earned by it to reduce indebtedness of the Fund. The Fund will furnish each Shareholder with a tax information report annually stating his distributive

share of the Fund's tax items.

A Shareholder's distributive share of the Fund's tax items will be determined in accordance with the Partnership Agreement and policies established by the Individual General Partners in light of IRS pronouncements and other authorities. The law governing allocations of partnership tax items is evolving and the controlling Regulations do not address expressly the allocation of tax items by an entity such as the Fund. Were the IRS to challenge successfully the allocations of the Fund's tax items, a Shareholder might be required to recognize different amounts of income, gain, loss, or deduction in a given taxable year than he or she would have reported pursuant to the allocations made initially by the Fund. This, in turn, could result in additional taxes to Shareholders and the imposition of tax penalties and interest charges.

For Federal income tax purposes, the Fund expects to continue to use the calendar year as its taxable year, or any other taxable year required under the Code. The Fund will report the results of its operations using the accrual method of accounting.

TAXATION OF PARTNERSHIP OPERATIONS -- INVESTMENTS. With certain exceptions, gain

or loss recognized by the Fund on the disposition of an asset will be capital gain and loss. Capital gain or loss will be short-term or long-term, depending generally upon the length of time the Fund has held the asset. Interest and dividends earned by the Fund will be taxable as ordinary income. In addition, as described further below, certain foreign currency gains and losses will be treated as ordinary income or loss.

OPTIONS, FUTURES CONTRACTS, AND FORWARD CONTRACTS; STRADDLE RULES. Certain

options, futures contracts, and forward contracts in which the Fund may invest may be classified as "Section 1256 contracts." Gains or losses from Section 1256 contracts generally are considered 60% long-term and 40% short-term capital gains or losses; however, foreign currency gains or losses (as discussed below) arising from certain Section 1256 contracts may be treated as ordinary income or loss. If Section 1256 contracts are held by the Fund at the end of a taxable year, those contracts generally will have to be "marked-to-market" with the result that unrealized gains or losses will be treated as though they were realized at that time. Moreover, it may be necessary to mark-to-market the Fund's Section 1256 contracts when the proportion of a Shareholder's interest in the Fund changes, although this matter is not entirely clear. The Fund reserves the right to mark assets to market for tax purposes as it deems appropriate.

Certain transactions undertaken by the Fund may result in "straddles" for Federal income tax purposes. The straddle rules may affect the character of gains (or losses) realized by the Fund, and losses realized by the Fund on positions that are part of a straddle may be deferred under the straddle rules, rather than being taken into account in calculating the taxable income for the taxable year in which the losses are realized. In addition, certain carrying charges (including interest expense) associated with positions in a straddle may be required to be capitalized rather than deducted currently. Because only a few regulations implementing the straddle rules have been promulgated, the tax consequences to the Fund and its Shareholders from these transactions are not entirely clear.

Shareholders should be aware that investments held by the Fund will be treated as being held by the Shareholders for purposes of applying the straddle rules to the Shareholders, unless otherwise provided in regulations. To date, such regulations have not been issued. Thus, for example, a Shareholder may be deemed to hold positions which, taken together, constitute a straddle for tax purposes in cases where one position is held by the Shareholder directly and an offsetting position is held by the Fund.

The Fund may make one or more of the elections available under the Code with respect to straddles. If the Fund makes any such elections, the amount, character and timing of the recognition of gains or losses from the

affected straddle positions will be determined under rules that vary according to the election(s) made. The rules applicable under certain of the elections may operate to accelerate the recognition of gains or losses from the affected straddle positions. Under current law, it is unclear whether any straddle-related elections made by the Fund will be deemed to apply to a Shareholder as well.

Because application of the straddle rules may affect the character and timing of recognition of gains or losses from the affected straddle positions, the amounts which must be reported by Shareholders may differ from the amount

that would be reportable with respect to a partnership that does not engage in such straddle transactions. For example, straddle transactions may increase the amount of short-term capital gain recognized by the Fund, even though the Fund held the asset for a period of time that would otherwise cause the gain to qualify as long-term capital gain.

WASH SALE AND SHORT SALE RULES. Generally, some of the Fund's investment activities may result in "wash sales" and "short sales" for Federal income tax purposes. Under the wash sale rules, losses realized upon a disposition of certain stock or securities may not be deductible. For purposes of the wash sale rules, the term "stock or securities" generally includes contracts or options to acquire or sell stock or securities. In general, a loss realized upon a disposition subject to the wash sale rules will not be deductible to the extent that within a 61 day period beginning 30 days before and ending 30 days after the date of the disposition, "substantially identical" stock or securities are acquired or contracted to be acquired. Similar rules apply to losses realized on closing a short sale of stock or securities. If a loss is not deductible pursuant to the wash sale rules, the basis of the substantially identical property acquired will be adjusted to reflect the disallowed loss and the holding period of such property will include the holding period of the property disposed of.

The short sale rules may, among other things, affect the character of certain gains and losses realized by the Fund upon the disposition of certain stock, securities and commodity futures contracts. Under the short sale rules, if at the time of a short sale of property subject to the short sale rules, the Fund has held property substantially similar to that sold short for less than the holding period for long-term capital gain treatment (presently generally more than one year), or if substantially identical property is acquired by the Fund after the short sale and on or before the short sale is closed, then any gain on closing the short sale will be short-term capital gain and the holding period of the substantially identical property generally will begin when the short sale is closed. For purposes of the short sale rules, the acquisition of certain put options is treated as a short sale and the exercise or failure to exercise such an option is treated as a closing of the short sale. In addition, if at the time of a short sale of property subject to the short sale rules, substantially identical property has been held for the long-term holding period, any loss on the closing of such short sale will be treated as a long-term loss.

Because each of the Fund's Portfolio Managers normally will make investment decisions independently of the Fund's other Portfolio Managers, there exists the possibility that a particular Portfolio Manager may purchase a particular investment on or about the same time another Portfolio Manager decides to sell it, or that the Fund may have long and short positions on the same investment at the same time. Accordingly, the losses of the Fund subject to the wash sale rules and the gains and losses subject to the short sale rules may be higher than with respect to a partnership without multiple investment advisers making independent investment decisions.

FOREIGN CURRENCY GAINS AND LOSSES. Under the Code, gains or losses attributable to fluctuations in foreign currency exchange rates which occur between the time the Fund accrues receivables or expenses denominated in a foreign currency and the time the Fund actually collects such receivables or pays such liabilities generally are treated as ordinary gain or loss. Similarly, on disposition of debt securities denominated in a foreign currency and on disposition of certain futures contracts, forward contracts, and options, gains or losses attributable to fluctuations in the value of foreign currency between the date of acquisition of the security or contract and the date of disposition also are treated as

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ordinary gain or loss. These gains or losses, referred to under the Code as "Section 988" gains or losses, may increase or decrease the amount of the ordinary income or loss recognized by the Fund.

OBLIGATIONS ACQUIRED AT A DISCOUNT. Some of the debt instruments acquired by the Fund (with a fixed maturity date of more than one year from the date of issuance) may be treated as debt instruments that are issued originally at a discount. The amount of original issue discount ("OID") generally equals the difference between the price at which the debt instrument was issued and its stated redemption price at maturity (which can include certain interest payments as well as principal). Generally, OID (with respect to obligations other than tax-exempt obligations) is treated as interest income with respect to the debt instrument and is included in gross income over the term of the debt instrument,

even though payment of that amount is not received until a later time, generally when the debt instrument matures. Generally, the amount of OID included in income each year is determined using economic accrual of interest principles and a constant yield-to-maturity. A portion of the OID includable in income with respect to certain high-yield corporate debt instruments may be treated as dividends for Federal income tax purposes and, in the case of corporate Shareholders, may be eligible for the dividends received deduction.

Some debt instruments (with a maturity of more than one year from the date of issuance) which the Fund may acquire may be purchased in the secondary market at a discount which exceeds the OID, if any, on such debt instrument. This additional discount represents market discount (with respect to obligations other than tax-exempt obligations). The gain realized on the disposition of any debt instrument issued after July 18, 1984, having market discount is treated as ordinary income to the extent the gain does not exceed the "accrued market discount" on such debt instrument. The Fund may elect to include the market discount in income as it accrues, instead of including it in income upon a disposition of the debt instrument. In general, market discount will accrue at a constant rate on a daily basis for each day the debt instrument is held by the Fund, but the Fund may elect to compute the amount of accrued market discount on the basis of a constant interest rate.

Some debt instruments (with a fixed maturity date of one year or less from the date of issuance) acquired by the Fund may have a purchase price that is less than the stated redemption price at maturity of the debt instrument. In such situations involving "government obligations" (obligations of the United States or any of its possessions, a state or any political subdivision thereof, or the District of Columbia), an amount equal to the difference between the purchase price and the stated redemption price at maturity represents acquisition discount. In general, acquisition discount must be accrued as income at a constant rate on a daily basis for each day the debt instrument is held by the Fund, but the Fund may elect to compute the amount of accrued acquisition discount on the basis of a constant interest rate. The Fund will be required to include the acquisition discount (with respect to obligations other than tax-exempt obligations) in gross income as it accrues, even though cash with respect to the acquisition discount is not payable until a later time, generally when the debt instrument matures. Similar rules will apply with respect to certain nongovernmental obligations (with a fixed maturity date of one year or less from the date of issuance) acquired by the Fund.

FOREIGN INVESTMENT COMPANIES. The Fund may invest in the stock of foreign investment companies which may be classified under the Code as passive foreign investment companies ("PFICs"). Generally speaking, a foreign corporation is classified as a PFIC if at least one-half of its assets constitute investment-type assets (such as stocks or securities) or 75% or more of its gross income is investment-type income (such as, but not limited to, interest, dividends, and capital gain from the sale of securities).

Under the Code, U.S. persons who receive so-called "excess distributions" with respect to PFIC stock are taxed pursuant to special rules. In general, under those rules, the excess distribution is treated as having been realized ratably over the period during which the Shareholder held the PFIC stock. In computing the tax due for the year in which the excess distribution was

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received, reference is made to the taxes that would have been due had the portion of the excess distribution allocable to each prior year and the current year been taxable at those times, and an interest factor is added. Certain distributions from a PFIC as well as gain from the sale of PFIC stock are treated as "excess distributions." Excess distributions are characterized as ordinary income even though, absent application of the PFIC rules, certain excess distributions might have been classified as capital gain.

Although to date, the IRS has not issued final guidance on the subject, it appears that excess distributions received by the Fund will be reportable by the shareholders as part of their distributive share of the Fund's tax items, who would then be required to compute their tax under the PFIC rules with respect to the excess distribution included in their distributive share.

The Fund may elect an alternative tax treatment with respect to PFIC stock that it holds. Under that election, the Fund generally would be required to include in gross income annually its share of a PFIC's ordinary income and net capital gain for the year, regardless of whether those amounts were distributed to the Fund. If the election is made, the special rules, discussed above, relating to the taxation to excess distributions, would not apply.

The Fund may invest in the stock of foreign corporations which may be classified under the Code as controlled foreign corporations ("CFCs"). Generally speaking, the classification of a foreign corporation as a CFC depends upon the extent to which the corporation's stock is owned by U.S. persons. Under the Code, if the Fund owns voting stock in a CFC, it may be required to include in income its share of certain types of the corporation's current income, whether or not that income was distributed to the Fund.

FOREIGN TAXES. The Fund may be required to pay income and other taxes to foreign countries with respect to the Fund's foreign investments. A Shareholder's distributive share of the Fund's income from foreign investments will include any foreign taxes that are withheld at the source. Each Shareholder will be deemed to have paid their distributive share of the Fund's foreign taxes and may be eligible to claim a foreign tax credit with respect to foreign income and similar taxes paid or incurred by the Fund or to deduct such taxes in computing their U.S. taxable income. Noncorporate taxpayers seeking to deduct foreign income and similar taxes must itemize their deductions. Credits for foreign income and similar taxes are subject to various limitations; as a result, Shareholders may be unable to claim a foreign tax credit for the full amount of otherwise creditable foreign taxes incurred by the Fund. For purposes of computing the alternative minimum tax, foreign taxes generally are not deductible by an individual and foreign tax credits can offset only up to 90% of the otherwise applicable alternative minimum tax liability (prior to reduction for the "regular" tax liability for the year).

TAXATION OF SHARES -- BASIS. A Shareholder's tax basis in shares acquired from the Fund initially will equal the cost to the Shareholder of purchasing those shares. In general, such basis will be increased by additional capital contributions made by the Shareholder to the Fund and by his or her distributive share of the Fund's net income, and decreased (but not below zero) by cash distributed to the Shareholder by the Fund and by the Shareholder's distributive share of the Fund's tax deductions and net losses.

TAXATION OF SHARES -- DISTRIBUTIONS AND REDEMPTIONS. Cash distributed to a Shareholder by the Fund, either currently or in redemption of shares, generally will not be taxable to the Shareholder to the extent such amount does not exceed a Shareholder's aggregate tax basis in his or her shares, but will reduce the tax basis in his or her shares by the amount distributed. Cash distributed to Shareholders in excess of the aggregate tax basis in their shares generally will be taxable, with certain exceptions, to a Shareholder as capital gain, which either may be long-term or short-term, depending on the Shareholder's holding period for his or her shares. Although not entirely free from doubt, distributions from the Fund that are reinvested in additional shares apparently will be treated for tax purposes as if made in cash, with the cash then used to purchase additional shares.

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In certain circumstances, to the extent a current or redemption distribution is considered to be in exchange for a Shareholder's interest in the Fund's "unrealized receivables" and certain "inventory items," the Shareholder may recognize ordinary income. Unrealized receivables and inventory items may include, among other items, accrued market discount on bonds with a fixed maturity date of more than one year from issuance as well as the appreciation in value of certain stocks of foreign corporations which the Fund may hold directly or indirectly. In addition, for Shareholders who would be treated as dealers for tax purposes with respect to investments held by the Fund, special rules may apply relating to inventory items. Such Shareholders should consult their tax advisors to determine the effect of the special rules. The Fund may make elections to minimize the Fund's unrealized receivables and inventory items, but undertakes no obligation to do so.

Unless a distribution is a complete redemption of a Shareholder's interest in the Fund, a Shareholder will not be eligible to claim a tax loss with respect to his or her shares.

Property other than cash distributed to a Shareholder by the Fund, either currently or in redemption of shares, generally will not result in taxable income or loss to the Shareholder (except to the extent such distribution is treated as made in exchange for such Shareholder's interest in the Fund's unrealized receivables and inventory items). If a distribution is in complete redemption of a Shareholder's interest in the Fund, the basis to the Shareholder of property distributed generally will equal the adjusted tax basis of his or her shares decreased by any cash received in the distribution. In any other distribution of property other than cash, the basis to the Shareholder of the

property distributed generally will be the lesser of the Fund's basis prior to the distribution or the Shareholder's adjusted tax basis in the shares decreased by any cash received in the distribution. The Shareholder's tax basis in the shares will be reduced by the amount of the basis to the Shareholder of the property distributed. It is not currently anticipated that the Fund will make distributions in property rather than in cash, but assurance cannot be given that the Fund will not do so.

TAXATION OF SHARES -- LIMITATIONS ON LOSSES AND DEDUCTIONS. For purposes of computing Federal income tax, a Shareholder will take into account his or her distributive share of the Fund's tax items (see Taxation of Fund Operations -- In General). However, a Shareholder's ability to deduct his or her distributive share of the Fund's losses and expenses may be limited under one or more provisions of the Code.

A Shareholder's distributive share of the Fund's net losses (including capital losses) can be taken into account by the Shareholder only to the extent of the Shareholder's basis (see Taxation of Shares -- Basis) in his or her shares at the end of the Fund's taxable year in which the losses arose. Any losses not taken into account under this provision can be taken into account in a later year to the extent that the Shareholder has sufficient basis (after the annual basis adjustments required under the Code) in his or her shares.

Capital losses of an individual taxpayer (including those that are part of the Shareholder's distributive share of the Fund's tax items) generally are deductible to the extent of the Shareholder's capital gains and any excess capital losses are deductible up to \$3,000 per year (\$1,500 for a married individual filing a separate return). An individual's capital losses which otherwise are deductible in a given year, but exceed these limits, can be carried forward indefinitely for possible deduction in later taxable years. Capital losses of a corporation generally are deductible to the extent of its capital gains. Capital losses of a corporation which otherwise are deductible, but which exceed its capital gains for the taxable year, generally are subject to a three year carry back and five year carryover period.

Miscellaneous itemized deductions (including investment expenses) of non-corporate taxpayers are allowable only to the extent that they exceed 2% of the taxpayer's adjusted gross income. Accordingly, the deduction by such a Shareholder of his or her distributive share of the Fund's investment expenses may be subject to the 2% limitation. Moreover, in general, certain itemized deductions (not including investment interest expenses) of individuals may be subject to other limitations. For

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example, for tax years beginning in 1992, these deductions of individuals with adjusted gross incomes exceeding \$108,450 (\$54,225 for a married individual filing a separate return) may be reduced by 3% of the amount by which the individual's adjusted gross income exceeds \$108,450 (\$54,225 for a married individual filing a separate return). The deduction by an individual Shareholder of his or her distributive share of the Fund's investment expenses thus may be limited.

The deduction of interest expense incurred on indebtedness to acquire shares and interest expense that is part of a Shareholder's distributive share of the Fund's tax items may be limited or deferred under various Code provisions, including principally the so-called "investment interest" rules. These rules provide generally that the "investment interest expense" of a taxpayer other than a corporation for a taxable year may be deducted only to the extent of the taxpayer's "net investment income" for the taxable year.

For this purpose, net investment income is the excess of investment income over investment expenses. In general, investment income includes gross income from property held for investment and net gain from the disposition of property held for investment, while investment expenses include deductions (other than interest) that are directly connected with the production of investment income. It is possible that all or a portion of a Shareholder's distributive share of the Fund's interest expenses, if any, may be classified as investment interest expense and that interest on indebtedness incurred to purchase shares may be subject to the limitation. The Fund will report to Shareholders for each year their shares of the Fund's investment interest expense, the Shareholder's deduction of which will be subject to the investment interest limitation. Any investment interest expense disallowed under the investment interest rules generally can be deducted in a later year if the Shareholder has sufficient net investment income.

For purposes of the alternative minimum tax, the investment interest rules apply in a modified form. For example, the calculations of investment interest

expense, investment income and investment expenses are based upon income and expenses determined pursuant to the alternative minimum tax rules.

The deduction of interest expense and other carrying charges allocable to an investment that is part of a straddle also may be deferred. Such interest expense and carrying charges generally must be added to the basis of the investment that constitutes part of the straddle, thus increasing the loss or decreasing the gain recognized upon a disposition of the investment.

Deductions for interest expense allocable to tax-exempt obligations also may be limited. Generally, interest on debt incurred to purchase tax-exempt obligations and on debt that is secured by tax-exempt obligations is not deductible. In addition, if a taxpayer holds tax-exempt obligations and has debt outstanding (generally, other than debt incurred for personal purposes and for an active trade or business), a portion of the debt may be deemed to be allocable to the tax-exempt obligations. In that case, the deduction for a portion of the taxpayer's interest expense will be disallowed, determined using a formula generally based upon the amount of the taxpayer's tax-exempt obligations and assets. With respect to a partnership, it appears that the partners should be treated as incurring or holding their share of the partnership's debt and tax-exempt obligations for purposes of these rules. Thus, to the extent that the Fund holds tax-exempt obligations or incurs debt, Shareholders will take into account their share of such items for purposes of applying the tax-exempt interest rules to determine whether a portion of their expense (including their distributive share of the Fund's interest expense) is nondeductible.

Losses attributable to "passive activities" are limited under the Code. Temporary Regulations interpreting Code Section 469 provide that the activity of trading personal property for the account of owners of interests in the activity does not constitute a passive activity. Based on this Regulation, the General Partners believe that the Fund will not be treated as a passive activity. Accordingly, the income and losses generated by the

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Fund should not be classified as passive, but instead should be classified as portfolio income. Portfolio income generally includes such items as interest, dividends and gain or loss from property held for investment (that is not a passive activity). On that basis, Shareholders' passive losses are not expected to be available to offset income from the Fund.

As previously discussed (see Taxation of Partnership Operations -- Investments), certain losses realized by the Fund may not be deductible pursuant to the wash sale rules. In the case of a partnership, it is not entirely clear how the wash sale rules apply when the partnership (or a partner) disposes of a stock or security and within the prohibited period, a partner (or the partnership) acquires or contracts to acquire substantially identical property. It is possible that the IRS could assert that dispositions and acquisitions of stock and securities by the Fund and Shareholders should be aggregated for purposes of the wash sale rules, resulting in the disallowance of certain otherwise deductible losses.

The foregoing discussion is intended to be a summary of some of the Code provisions that may limit a Shareholder's tax deductions for losses and expenses with respect to the Fund and does not purport to be a comprehensive analysis or a complete list of all such Code provisions. Each prospective Shareholder should consult his or her tax advisor to determine the extent to which the deduction of his distributive share of the Fund's losses and expenses may be limited.

TAXATION OF FUND OPERATIONS -- IRS AUDIT AND REPORTING REQUIREMENTS. Each

Shareholder generally must report their distributive share of the Fund's income and deductions consistently with the tax information report furnished to the Shareholder by the Fund. If a Shareholder treats any item inconsistently, he or she must notify the IRS and identify the inconsistency. A failure to properly notify the IRS could result in the assertion of tax penalties against the shareholder.

Under rules contained in the Code, an IRS audit, if any, of tax items of the Fund generally would be conducted initially as an audit of the Fund. The partnership audit rules provide, in general, that the "tax matters partner" (who will be a General Partner of the Fund) has the authority to represent the Fund in a tax audit and subsequent judicial proceedings. Under the Partnership Agreement, the General Partners are given broad authority to represent the Fund and the Shareholders on tax matters and Shareholders are subject to certain restrictions in this regard. Thus, for example, the tax matters partner generally has the authority to extend the statute of limitations with respect to a partnership tax item and to enter into a settlement agreement with the IRS.

Determinations reached as a result of such audits generally will "flow through" to Shareholders and could require changes to the Shareholders' tax returns. As with any tax audit, additional taxes, interest, and penalties might be due from Shareholders were the determinations to be adverse to positions previously taken by Shareholders.

TAX SHELTER REGISTRATION. Code Section 6111 provides for the registration of certain "tax shelters" with the IRS. Each participant in a registered tax shelter must include the registration number on a Federal income tax return claiming a deduction or loss with respect to the tax shelter. The failure to include a tax shelter registration number on a Federal income tax return as required by the Code may result in the imposition of monetary penalties. The rules relating to classification of the Fund as a tax shelter for purposes of those registration provisions are not entirely clear. However, the Fund is not being marketed as, nor will it function as, a vehicle to reduce the Federal income tax liability of Shareholders and thus does not appear to be the type of entity that Congress meant to including within the scope of Code Section 6111. Accordingly, the Fund has not and does not intend to register under Code Section 6111.

TAXPAYER IDENTIFICATION NUMBERS AND U.S. TAX STATUS. Pursuant to the requirements of various Code provisions, Shareholders will be required to furnish the Fund with a certified statement containing their taxpayer identification number (in the case of an individual, this is usually the person's social security number), a representation

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that the shareholder is not a foreign person for U.S. tax purposes and other tax information needed by the Fund to comply with tax reporting and withholding requirements.

STATE AND LOCAL TAXES

TAXATION OF SHARES -- NEW YORK STATE PERSONAL INCOME AND CORPORATE FRANCHISE

TAXES. An individual partner in a partnership that has income derived from New York State may be subject to the New York State personal income tax even though the partner is not a resident of New York State. New York State tax law provides that a partnership will not have income derived from New York State solely by the purchase or sale of property or the sale or writing of stock option contracts, or both, for its own account for purposes of computing the New York State taxable income of a nonresident individual. Pursuant to this law, New York State tax authorities have ruled privately that a partnership engaged in the purchase or sale of futures contracts and writing options on financial instruments for its own account will not have income derived from New York State.

Accordingly, although the Fund currently intends to maintain its principal place of business in New York, it appears that the Fund should not have income derived from New York State for purposes of applying the New York State personal income tax to Shareholders who are not residents of New York State. At the present time, the General Partners do not anticipate obtaining a ruling on this matter from the New York State tax authorities.

With respect to a corporation, New York State tax law provides that a corporation will be subject to the New York State corporate franchise tax if the corporation is exercising a corporate franchise, doing business, employing capital, owning or leasing property in a corporate or organized capacity, or maintaining an office in New York State. Pursuant to this law, New York State tax regulations provide that a corporation not incorporated in New York State that is a limited partner in a partnership engaged in an activity upon which the New York State corporate franchise tax is based will be subject to the corporate franchise tax under various circumstances. Since the Fund currently maintains an office in New York City, it is possible that a corporation incorporated outside New York that invests in the Fund will be subject to the New York State corporate franchise tax. However, depending upon the circumstances of the corporate investor as well as the types of income earned by the Fund, it is possible that the investor would not become subject to the tax by virtue of being a Fund Shareholder. Accordingly, corporate shareholders should consult their own tax advisors regarding New York State and City taxation.

In the event that the Fund is deemed to derive income from other states or localities, the states or localities may seek to tax Shareholders on their income derived by the Fund from such states or localities. For example, a Shareholder may be subject to tax on income derived from the Fund in a

jurisdiction if the Fund is regarded under applicable law as doing business in, or as having income derived from, that jurisdiction. If a Shareholder is subject to tax on income derived from the Fund in a jurisdiction by reason of owning Shares, the Shareholder may be entitled to claim a credit or a deduction with respect to such taxes in the jurisdiction in which he or she resides, but this is not always the case. Note, however, that it is possible that Shareholders could become subject to tax in more than one jurisdiction as a result of the Fund's activities in those jurisdictions.

OTHER TAXES

The Shareholders may be subject to other taxes including, but not limited to, the alternative minimum tax, state and local income taxes, estate and inheritance taxes, and intangible taxes that may be imposed by various jurisdictions. The Fund also may be subject to state, local and foreign taxes. Each prospective Shareholder should consider his potential consequences of such taxes. It is the responsibility of each prospective Shareholder to satisfy himself or herself as to the legal and tax consequences of an investment in the Fund by obtaining advice from his or her own advisers and to file all appropriate tax returns that may be required.

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The foregoing is a summary of some of the more important tax rules and considerations affecting the Shareholders, the Fund, and the Fund's operations, and does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks inherent in purchasing or holding shares. Each prospective Shareholder should consult his or her tax advisor with respect to any investment in the Fund.

CUSTODIAN AND TRANSFER AGENT

The Fund's assets are held under bank custodianship in accordance with the 1940 Act. Boston Safe Deposit and Trust Company ("Boston Safe"), a wholly owned subsidiary of TBC is located at One Boston Place, Boston, Massachusetts 02108, and serves as custodian for the Fund. Under its custody agreement with the Fund, Boston Safe is authorized to appoint one or more subcustodians that may hold assets owned by the Fund. All subcustodians of the Fund's assets will be selected and appointed in accordance with, and will fulfill their obligations under, the 1940 Act and the rules and regulations promulgated thereunder.

For its custody services, Boston Safe receives monthly fees based upon the month-end aggregate net asset value of the Fund, plus certain charges for securities transactions. The Fund also reimburses Boston Safe for its out-of-pocket expenses, including the costs of any subcustodian.

TSSG is located at Exchange Place, Boston, Massachusetts 02108, and serves as the Fund's transfer agent. Under the transfer agency agreement, TSSG maintains the shareholder account records of the Fund, handles certain communications between shareholders and the Fund and distributes dividends and distributions payable by the Fund. For these services, TSSG receives a monthly fee computed on the basis of the number of Shareholder accounts that it maintains for the Fund during the month and is reimbursed for out-of-pocket expenses.

Pursuant to rules adopted under the 1940 Act, the Fund may maintain foreign securities and cash in the custody of certain eligible foreign banks and securities depositories. Selection of these foreign custodial institutions is made by the Individual General Partners following a consideration of a number of factors, including (but not limited to) the reliability and financial stability of the institution; the ability of the institution to perform capably custodial services for the Fund; the reputation of the institution in its national market; the political and economic stability of the country in which the institution is located; and further risks of potential nationalization or expropriation of Fund assets. The Individual General Partners review annually the continuance of foreign custodial arrangements for the Fund. No assurance can be given that this appraisal of the risks in connection with foreign custodial arrangements will always be correct or that expropriation, nationalization, freezes, or confiscation of assets that would impact assets of the Fund will not occur, and Shareholders bear the risk of losses arising from these or other events.

OTHER INFORMATION

COUNSEL AND AUDITORS

Dechert Price & Rhoads serves as counsel to the Fund. Stroock & Stroock & Lavan serves as counsel to the Independent General Partners.

Coopers & Lybrand, independent accountants, serve as auditors of the Fund and render an opinion on the Fund's financial statements annually.

ORGANIZATION OF THE FUND

The Fund was organized as a limited partnership under the laws of the State of Delaware on November 16, 1987. The text of the Fund's Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") is set out in Appendix B to this Statement of Additional Information.

LEGAL PROCEEDINGS

On August 17, 1988, the SEC instituted and simultaneously accepted offers for the settlement of an administrative proceeding charging that Gabelli Rosenthal & Partners, L.P., G&R Partners and certain of their affiliates, including Gabelli Funds, Inc. and Mr. Mario J. Gabelli who, together with certain affiliated entities,

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controls 60.4% of the voting stock of Tremont Advisors, Inc. (as defined by Rule 13d-3 under the Securities Exchange Act of 1934), the ultimate parent of Tremont (the "Parties"), were part of a group formed to pursue a subsequently abandoned leveraged buyout of a portfolio company of an open-end investment company and of a closed-end investment company managed by Gabelli Funds, Inc. (the "Advised Funds"); failed to comply with the requirements of Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 13d-1 thereunder by the timely filing of a Schedule 13D report disclosing the amount and purpose of their combined acquisitions, both direct and beneficial (as in the case of both Mr. Gabelli and Gabelli Funds, Inc., although Mr. Gabelli did not personally own shares of the portfolio company), of the voting securities of the portfolio company; and that the Parties, other than Mr. Gabelli, violated Section 17(d) of the 1940 Act and Rule 17d-1 thereunder by involving the Advised Funds in a "joint enterprise" pursuant to which the Advised Funds were no longer free to act with respect to that investment of Advised Funds' assets without regard for the interests of its affiliates. As applied to the Advised Funds which were not a party to the proceeding, Section 17(d) and Rule 17d-1 prohibit Gabelli Funds, Inc. and its affiliates from engaging in transactions in which the Advised Funds are a joint participant with the affiliated persons unless the SEC has previously reviewed the transactions and determined that the Advised Funds' participation therein is not on a basis that is different from or less advantageous than that of the other participants.

The settlement offer of the Parties was submitted solely for purposes of the proceeding and any other proceeding instituted by or on behalf of the SEC, neither admitted nor denied the SEC charges; and was accepted by the SEC prior to any adjudication of its charges.

The Parties undertook by their offers to comply in all material respects with such law and rules; to retain outside counsel to review their existing procedures for compliance with such statutes and rules and prepare a report with recommendations for ensuring such compliance; to provide such report and recommendations to the management and Directors of the Advised Funds; and to provide such report and recommendations to the SEC Staff with a description of the action taken by the management and the Directors of the Advised Funds in response therein. A report prepared by outside counsel engaged by the Parties pursuant to their settlement offers, dated November 4, 1988, recommended the strengthening of existing systems and compliance procedures as well as the adoption of a new "Joint Transactions Policy." The Directors of the Advised Funds approved Gabelli Fund, Inc.'s implementation of the policies recommended for ensuring compliance with Section 17(d) of and Rule 17d-1 under the 1940 Act and concurred in recommendations for ensuring compliance with Rule 13d-1 under Section 13(d) of the Exchange Act. The procedures adopted by Gabelli Funds, Inc. for ensuring compliance with Rule 17d-1 were adopted to comply with the undertaking in the settlement offer of the Parties. Responsibility for ensuring future compliance with Section 17(d) and Rule 17d-1 remains that of Gabelli Funds, Inc. and its other affiliates, as overseen in respect to the management of the Advised Funds by the Directors of the Advised Funds. In that regard, the SEC has neither approved nor disapproved of the procedures which Gabelli Funds, Inc. and its affiliates have adopted for the purpose of ensuring future compliance with Section 17(d) and Rule 17d-1, nor has the SEC passed upon the adequacy of the procedures.

The Fund's Annual Report for the fiscal year ended December 31, 1993 accompanies this Statement of Additional Information and is incorporated herein by reference in its entirety.

APPENDIX A

DESCRIPTION OF SECURITIES RATINGS

THIS APPENDIX DESCRIBES RATINGS APPLIED TO CORPORATE BONDS BY MOODY'S AND S&P.

MOODY'S RATINGS

AAA -- Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt-edge". Interest payments are protected by a large or an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, the changes as can be visualized are most unlikely to impair the fundamentally strong position of these issues.

AA -- Bonds that are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuations of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A -- Bonds which are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.

BAA -- Bonds which are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present, but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

BA -- Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B -- Bonds which are rated B generally lack characteristics of desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

CAA -- Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

CA -- Bonds that are rated Ca represent obligations that are speculative in a high degree. These issues are often in default or have other market shortcomings.

Moody's applies numerical modifiers in each generic rating classified from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

S&P'S RATINGS

AAA -- Bonds rated AAA have the highest rating assigned by S&P to a debt obligation. Capacity to pay interest and repay principal is extremely strong.

AA -- Bonds rated AA have a very strong capacity to pay interest and repay principal and differ from the highest rated issues only in small degree.

A -- Bonds rated A have a strong capacity to pay interest and repay principal although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher rated categories.

BBB -- Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal.

Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for bonds in this category than in higher rated categories.

BB -- B -- CCC -- CC -- C -- Bonds rated BB, B, CCC, CC, and C are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. BB indicates the least degree of speculation and C the highest. While such bonds will likely have some quality and protective characteristics, these are out-weighed by large uncertainties or major exposures to adverse conditions.

BB -- Bonds rated BB have less near-term vulnerability to default than other speculative issues. However, they face major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments. The BB rating category is also used for bonds subordinated to senior debt that is assigned an actual or implied BBB-rating.

B -- Bonds rated B have a greater vulnerability to default but currently have the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to pay interest and repay principal. The B rating category is also used for bonds subordinated to senior debt that is assigned an actual or implied BB or BB-rating.

CCC -- Bonds rated CCC have a currently identifiable vulnerability to default and are dependent upon favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial or economic conditions they are not likely to have the capacity to pay interest and repay principal. The CCC rating category is also used for bonds subordinated to senior debt that is assigned an actual or implied B or B-rating.

PLUS (+) OR MINUS (-) -- The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

PROVISIONAL RATINGS -- The letter "p" indicates that the rating is provisional. A provisional rating assumes the successful completion of the project being financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful and timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of such completion. The investor should exercise his own judgment with respect to such likelihood and risk.

N.R. -- Indicates no rating has been requested, that there is insufficient information on which to base a rating, or that S&P does not rate a particular type of obligation as a matter of policy.

Debt obligations of issuers outside the United States and its territories are rated on the same basis as domestic corporate and municipal issues. The ratings measure the creditworthiness of the obligor but do not take into account currency exchange and related uncertainties.

APPENDIX B
 AMENDED AND RESTATED
 AGREEMENT OF LIMITED PARTNERSHIP
 OF
 THE ADVISORS FUND L.P.
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AMENDED AND RESTATED
 AGREEMENT OF LIMITED PARTNERSHIP
 OF
 THE ADVISORS FUND L.P.

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP dated October 2, 1992, as amended from time to time (the "Agreement"), is entered into by and among Shearson Lehman Investment Strategy Advisors Inc., (the "Corporate General Partner"), Walter E. Auch, Martin Brody, Stephen E. Kaufman, Heath B. McLendon, Richard P. Roelofs and Madelon DeVoe Talley as the individual general partners (the "Individual General Partners") (the Individual General Partners together with the Corporate General Partner, the "General Partners") of The Advisors Fund L.P. and those persons reflected on the books and records of the Fund as limited partners (the "Limited Partners") of The Advisors Fund L.P. (collectively the "Partners").

I. FORMATION AND NAME

(a) The Fund was initially formed as a limited partnership, named Hutton Options Trading L.P. (the "Fund"), pursuant to the Delaware Revised Uniform Limited Partnership Act (the "Partnership Act") and evidenced by a Certificate of Limited Partnership filed with the Office of the Secretary of State of the

State of Delaware on November 16, 1987 (the "Certificate") and an Agreement of Limited Partnership dated as of November 13, 1987 (the "Original Agreement").

(b) The Partners hereby continue the Fund and amend and restate the Original Agreement as set forth below.

II. BUSINESS OF THE FUND, INVESTMENT

OBJECTIVE AND OPERATING POLICY

(a) BUSINESS OF THE FUND. The business of the Fund is to purchase, sell and otherwise deal with securities and other assets in accordance with the Fund's then current Prospectus (the "Prospectus") and Statement of Additional Information (the "Statement of Additional Information") filed with the Securities and Exchange Commission as part of a Registration Statement on Form N-1A, or any successor form under and pursuant to the Investment Company Act of 1940, as amended, (the "1940 Act"), and any amendment thereto.

(b) INVESTMENT OBJECTIVE. The investment objective of the Fund is to maximize total return. This objective may be changed only upon the approving vote of a majority of the outstanding voting securities of the Fund, as defined in the 1940 Act.

(c) OPERATING POLICY. The Fund is authorized and empowered to operate and intends to operate as an open-end, non-diversified management investment company under the 1940 Act.

(d) INVESTMENT RESTRICTIONS.

(1) The following investment restrictions of the Fund may not be changed without a Majority Vote of Partners (as defined in Section VII(b)(4)) of this Agreement:

(i) the Fund will invest no more than 25% of the value of its total assets in securities of issuers in any one industry, except that this restriction does not apply to investments in repurchase agreements and U.S. Government securities;

(ii) the Fund will not lend money to other persons, except through purchasing debt obligations, lending portfolio securities and entering into repurchase agreements in the manner described in the Fund's Prospectus and Statement of Additional Information;

(iii) the Fund will not employ the trading technique commonly known as "pyramiding," in which a commodities trader uses unrealized profits

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on existing positions as margin for the purchase or sale of additional positions in the same or related commodities;

(iv) the Fund will not enter into commodity futures contracts and options on commodities or futures contracts on any domestic contract market for which the aggregate initial margin and premiums exceed 10% of the assets of the Fund, after taking into account unrealized profits and losses on those contracts;

(v) the Fund will not underwrite the securities of other issuers, except insofar as the Fund may be deemed an underwriter under the Securities Act of 1933, as amended, by virtue of disposing of portfolio securities;

(vi) the Fund will not purchase real estate, except that the Fund may purchase and sell securities that are secured by real estate and may purchase securities issued by companies that invest or deal in real estate;

(vii) the Fund will not purchase securities on margin, except: (A) the Fund may obtain any short-term credits necessary for the clearance of purchases and sales of portfolio securities; (B) in connection with the Fund's borrowing; or (C) in connection with futures and options contracts trading strategies as described in the Prospectus or the Statement of Additional Information;

(viii) the Fund will not pledge, hypothecate, mortgage or encumber in any other way more than one-third of the Fund's net assets;

(ix) the Fund will not invest in oil, gas or other mineral exploration or development programs, except that the Fund may invest in the securities of companies that invest in or sponsor those programs;

(x) the Fund will not invest in securities of other investment companies registered or required to be registered under the 1940 Act, except as they may be acquired as part of a merger, consolidation, reorganization, acquisition of assets or an offer of exchange;

(xi) the Fund will not purchase any security if, as a result, the Fund will then have more than 10% of its total assets invested in securities of companies (including predecessor companies) that have been in continuous operation for fewer than three years;

(xii) the Fund will not make investments for the purpose of exercising control or management of any other issuer; and

(xiii) the Fund will only borrow from banks and then only in an amount not exceeding one-third of the market value of its total assets (including borrowings) less liabilities (other than borrowings) immediately after the borrowing.

(2) The following investment restrictions of the Fund may be changed by the Individual General Partners without shareholder approval:

(i) the Fund will not invest more than 15% of its net assets in securities that are illiquid;

(ii) the Fund will not purchase or retain securities of any issuer if, to the knowledge of the Fund, any of the Fund's Individual General Partners, or any officer or director of Shearson Lehman Brothers Inc., the Portfolio Managers or The Boston Company Advisors, Inc. ("Boston Advisors"), individually own more than 1/2 of 1% of the outstanding securities of the issuer and together own beneficially more than 5% of such issuer's securities; and

(iii) the Fund will not invest in warrants (other than warrants acquired by the Fund as part of a unit or attached to securities at the time of purchase) if, as a result, the investments (valued at the lower of cost or market) would exceed 5% of the value of the Fund's net assets of which not more

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than 2% of the Fund's net assets may be invested in warrants not listed on a recognized United States or foreign stock exchange.

III. PLACE OF BUSINESS, REGISTERED OFFICE AND REGISTERED AGENT

(a) PLACE OF BUSINESS. The principal place of business of the Fund is located at Two World Trade Center, New York, New York 10048.

(b) REGISTERED OFFICE. The address of the registered office of the Fund in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

(c) REGISTERED AGENT. The name and address of the registered agent of the Fund for service of process on the Fund in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

The Individual General Partners of the Fund may, from time to time, change the location of the Fund's principal place of business, establish additional places of business, change the Fund's registered agent in Delaware and change or agree to a change in the Fund's registered office in Delaware, as the Individual General Partners, or any of them, may deem necessary or desirable for the conduct of the Fund's business.

IV. SHARES OF FUND INTEREST

(a) SHARES OF FUND INTEREST. All interests in the Fund, including contributions by the General Partners, pursuant to Section V(b) of this Agreement, and by the Limited Partners, pursuant to Section VI(c) of this Agreement, shall be expressed in shares (herein referred to as "Shares").

(b) CLASSIFICATION OF SHARES. The Individual General Partners, in their discretion, may authorize the creation of classes of Shares ("Classes") of the Fund and may classify and reclassify authorized issued and unissued Shares in the Fund, and the different Classes shall be established and designated, and the variations in the relative rights and preferences as between the different Classes shall be fixed and determined by the Individual General Partners without the vote or approval of Partners; provided, that all Shares of the Fund shall be

identical to all other Shares of the Fund, except that there may be variations between different Classes as to allocations and distributions, restrictions, qualifications or terms or conditions of redemption, special and relative rights as to distributions and on liquidation, conversion and other rights, and conditions under which the several Classes shall have separate voting rights. The Individual General Partners, in their sole discretion, may dissolve and liquidate a Class of Shares of the Fund without the vote or approval of the holders of Shares of such Class. All references to Shares in this Agreement shall be deemed to be Shares of any or all Classes, unless the context requires otherwise.

All provisions herein relating to the Fund shall apply equally to each Class of Shares of the Fund, except as the context requires otherwise.

(1) The assets of the Fund will be invested in a common investment portfolio with the various Classes having interests in the Portfolio.

(2) Each Class shall be charged with the expenses and liabilities of that Class and with that Class' share of the general expenses and liabilities of the Fund as determined by the Individual General Partners.

(c) CLASS DESIGNATION. The Individual General Partners hereby classify and designate the currently authorized issued and an unlimited number of unissued Shares as Class A Shares and classify and designate an unlimited number of authorized and unissued Shares as Class B Shares.

The Shares classified hereby and all other classes designated pursuant hereto shall have the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications, and terms and conditions of redemption as set forth in this Section IV of this Agreement and established by the Individual General Partners in their discretion and shall be subject to all provisions of this Agreement relating to Shares of the Fund generally.

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(d) CONVERSION OF CLASS B SHARES TO CLASS A SHARES.

(1) Each share of Class B Shares, other than a share purchased through the automatic reinvestment of a distribution with respect to the Class B Shares, shall be converted automatically, and without any action or choice on the part of the holder thereof, into Class A Shares of the Fund on the date that is the first Fund business day in the month following the month in which the eighth anniversary date of the date of issuance of the Class B Share falls (the "Conversion Date"). With respect to Class B Shares issued in an exchange or series of exchanges for shares of capital stock of another investment company or class or series thereof registered under the Investment Company Act of 1940 pursuant to an exchange privilege granted by the Fund, the date of issuance of the Class B Shares for purposes of the immediately preceding sentence shall be the date of issuance of the original shares of capital stock.

(2) Each Class B Share purchased through the automatic reinvestment of a distribution with respect to Class B Shares shall be segregated in a separate sub-account on the share records of the Fund for each of the holders of record thereof. On any Conversion Date, a number of the Shares held in the sub-account of the holder of record of the Share or Shares being converted, calculated in accordance with the next following sentence, shall be converted automatically, and without any action or choice on the part of the holder, into Class A Shares of the Fund. The number of Shares in the holder's sub-account so converted shall bear the same relation to the total number of Shares maintained in the sub-account on the Conversion Date (immediately prior to conversion) as the number of Shares of the holder converted on the Conversion Date pursuant to paragraph (d) (1) hereof bears to the total number of the Class B Shares of the holder on the Conversion Date (immediately prior to conversion) not purchased through the automatic reinvestment of distributions with respect to the Class B Shares.

(3) The number of Class A Shares into which the Class B Shares are converted pursuant to paragraphs (1) and (2) hereof shall equal the number (including for this purpose fractions of a Share) obtained by dividing the net asset value per share of the Class B Shares for purposes of sales and redemptions thereof on the Conversion Date by the net asset value per share of the Class A Shares for purposes of sales and redemptions thereof on the Conversion Date.

(4) On the Conversion Date, the Class B Shares converted into Class A Shares will no longer be deemed outstanding and the rights of the holders thereof

(except the right to receive the number of Class A Shares into which the Class B Shares have been converted and any declared but unpaid distributions to the Conversion Date) will cease. Certificates representing Class A Shares of the Fund resulting from the conversion need not be issued until certificates representing shares of the Class B Shares converted, if issued, have been received by the Fund or its agent duly endorsed for transfer.

(5) Conversions will occur subject to necessary regulatory approvals and opinions of counsel as deemed appropriate by the Individual General Partners.

V. GENERAL PARTNERS

(a) IDENTITY AND NUMBER OF GENERAL PARTNERS.

(1) The names and mailing addresses of the General Partners, the number of Shares owned by each of them and the amount of cash contributed by each of them shall be set forth in the books and records of the Fund. The General Partners shall be listed separately as "Individual General Partners" and "Corporate General Partners." The Individual General Partners shall, from time to time, determine the number of persons to be approved and elected as General Partners.

(2) Only individuals may act as Individual General Partners and all General Partners who are individuals shall act as Individual General Partners. Any General Partner that is a corporation, association, partnership, joint venture or trust shall act as a Corporate General

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Partner. Except as provided in Section V(c) of this Agreement, a Corporate General Partner shall, in that capacity, take no part in the management, conduct or operation of the Fund's business and shall have no authority to act on behalf of the Fund or to bind the Fund. All General Partners, including Individual General Partners and Corporate General Partners, shall be admitted and removed by the Partners as provided in this Agreement.

(b) GENERAL PARTNERS' CONTRIBUTIONS.

(1) Each General Partner shall make a contribution of cash to the Fund sufficient to purchase at least one Share and shall continue to own at least one Share at all times while serving as a General Partner.

(2) The Corporate General Partner shall in that capacity be obligated to make Capital Contributions, as defined in Section VIII(a)(1) of this Agreement, to the Fund through the purchase of Shares from time to time in an amount sufficient to enable the General Partners, as a group, to maintain minimum Capital Account balances, as defined in Section VIII(a)(2) of this Agreement, equal to 1% of total positive Capital Account balances for the Fund, or \$500,000, whichever is less. The Capital Contributions of the General Partners, as a group, shall in all events be in an amount sufficient to entitle the General Partners, as a group, at all times to at least a 1% interest in each material item of the Fund's income, gain, loss, deduction or credit during the Fund's existence, except that if the Fund has total Capital Contributions exceeding \$50 million, then the interests of the General Partners, as a group, in each material item of the Fund's income, gain, loss, deduction or credit during the Fund's existence must at all times be at least 1% divided by the ratio of total Capital Contributions to \$50 million, but in no event shall such aggregate interest in each material item be less than 0.2%. The failure of the General Partners, as a group, to maintain the required interest in each material item of the Fund's income, gain, loss, deduction or credit because of a temporary allocation required under Section 704(b) or (c) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), or the Treasury Department Regulations promulgated thereunder (for example, a qualified income offset or minimum gain chargeback), will not be considered a violation of this requirement.

As long as the Corporate General Partner continues to serve in that capacity, it shall not redeem or assign Shares it holds in its capacity as the Corporate General Partner or otherwise accept distributions in cash or property if that action would result in the failure of the General Partners, in the aggregate, to maintain the required interest in the outstanding Shares of the Fund. In the event that the Corporate General Partner is removed, the Corporate General Partner may, upon not less than thirty (30) days' written notice, redeem its Shares in the same manner as is provided for Limited Partners in Section VI(f) of this Agreement. In the event that the Corporate General Partner voluntarily withdraws, the Corporate General Partner may, upon not less than thirty (30) days' written notice following the occurrence of an event described

in paragraph (2) of Section V(h) of this Agreement, redeem its Shares in the same manner as is provided in Section VI(f) below as to Limited Partners, or may retain its Shares and become a Limited Partner. In the event that the Corporate General Partner is removed or voluntarily withdraws, the Individual General Partners shall cause the Certificate to be amended to reflect the withdrawal.

(c) MANAGEMENT AND CONTROL. Subject to the terms of this Agreement and the 1940 Act, the Fund will be managed by the Individual General Partners, who will have complete and exclusive control over the management, conduct and operation of the Fund's business, and, except as otherwise specifically provided in this Agreement, the Individual General Partners shall have the rights, powers and authority, on behalf of the Fund and in its name, to exercise all of the rights, powers and authority of partners of a partnership without limited partners under the Partnership Act. The Individual General Partners may specifically contract on behalf of

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the Fund with one or more banks, trust companies, distributors, investment advisers, brokers and administrators for the performance of those functions that the Individual General Partners may determine, but subject always to the continuing supervision of the Individual General Partners, including, but not by way of limitation, the investment and reinvestment of all or part of the Fund's assets and execution of portfolio transactions and any and all administrative functions. The Individual General Partners may also appoint agents, who need not be Partners, to perform any other duties on behalf of the Fund as the Individual General Partners deem desirable. The Individual General Partners shall devote themselves to the Fund's business to the extent they may determine necessary for the efficient conduct of the Fund's business, which need not, however, occupy their full time. Individual General Partners may also engage, subject to the limitations of the 1940 Act, in other businesses, whether or not similar in nature to the business of the Fund. In the event that no Individual General Partner shall remain for the purpose of deciding whether to continue the business of the Fund as provided in Section X(b) (3) of this Agreement, the Corporate General Partner shall promptly call a meeting of the Partners to be held within sixty (60) days of the date the last Individual General Partner ceased to act in that capacity for the purpose of determining whether to agree to continue the business of the Fund and, if the business is to be continued, the appointment of Individual General Partners, effective as of the date the last Individual General Partner shall remain, the Corporate General Partner, subject to the terms and provisions of this Agreement, shall continue the management, conduct and operation of the business of the Fund.

(d) ACTION BY THE INDIVIDUAL GENERAL PARTNERS. Unless otherwise required by the 1940 Act of this Agreement with respect to any particular action, the Individual General Partners may act to bind the Fund individually or by the vote of a majority of the Individual General Partners at a meeting duly called at which a quorum of the Individual General Partners is present or by unanimous written or telephonic consent of the Individual General Partners without a meeting. At any meeting of the Individual General Partners, a majority of the Individual General Partners shall constitute a quorum. The Individual General Partners shall appoint one of their number to be Principal Individual General Partner and Chairman. Meetings of the Individual General Partners may be called orally or in writing by the Principal Individual General Partner or by any two Individual General Partners. Notice of the time, date and place of all meetings of the Individual General Partners shall be given by the Principal Individual General Partner or Partners calling the meeting to each Individual General Partner by telephone or telegram sent to such Individual General Partner's home or business address at least twenty-four (24) hours in advance of the meeting or by written notice mailed to such Individual General Partner's home or business address at least seventy-two (72) hours in advance of the meeting. Notice need not be given to any Individual General Partner who attends a meeting of the Individual General Partners without objecting to the lack of notice or who executes a written waiver of notice with respect to the meeting. The Principal Individual General Partner shall, if present, preside at all meetings of Partners.

(e) LIMITATIONS ON THE AUTHORITY OF THE INDIVIDUAL GENERAL PARTNERS. The Individual General Partners shall have no authority, without the approval, which may be by vote, written consent or ratification, of a majority of the Limited Partners, to:

- (1) do any act in contravention of this Agreement;

(2) do any act that would make it impossible to carry on the ordinary business of the Fund;

(3) possess Fund property, or assign their rights in specific Fund property, for other than a Fund purpose;

(4) admit a person as a General Partner, except in accordance with the terms of this Agreement;

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(5) admit a person as a Limited Partner, except in accordance with the terms of this Agreement.

The individual General Partners shall have no authority, without the unanimous approval (by vote, written consent or ratification) of the Limited Partners to continue the Fund's business with Fund property when a General Partner ceases to be a general partner of the Fund, except in accordance with Section X.

Nothing in this Section V(e) shall preclude dissolution of the Fund in accordance with this Agreement. In addition, certain actions of the individual General Partners shall be subject to the approval of a Majority Vote of Partners as defined in Section VII(b)(4).

(f) RIGHT OF GENERAL PARTNERS TO BECOME LIMITED PARTNERS. A General

Partner may also become a Limited Partner without obtaining the approval of the Limited Partners. Should a General Partner become a Limited Partner, the General Partner will be entitled to all the rights of a Limited Partner to the extent of the Limited Partner's interest so acquired. A General Partner's becoming a Limited Partner shall not, however, be deemed to reduce or affect, in any other way, any of the General Partner's liability under this Agreement as a General Partner.

(g) REMOVAL OF A GENERAL PARTNER. Partners of record who are holders of more than 66 2/3% of the outstanding Share of the Fund at the time of such vote may remove a General Partner through an approval in writing or by an approving vote cast in person or proxy at a meeting of the Partners called for the purpose of removing the General Partner.

(h) WITHDRAWAL OF A GENERAL PARTNER.

(1) The interest of a General Partner shall terminate and the General Partner shall have no further right or power to act as a General Partner if the General Partner (i) dies; (ii) is adjudicated incompetent; (iii) voluntarily retires upon not less than ninety (90) days' written notice to the other Partners; (iv) is removed or not re-elected; (v) assigns such General Partner's interest pursuant to Section V(k) of this Agreement; (vi) becomes bankrupt; or (vii) otherwise ceases to be a Partner under the Partnership Act.

(2) Notwithstanding the provisions of paragraph (1) of this Section V(h), the Corporate General Partner may voluntarily withdraw or otherwise voluntarily terminate its status as the Corporate General Partner, provided that the Corporate General Partner gives the other General Partners written notice of its intention to withdraw as a Corporate General Partner one hundred-eighty (180) days prior to the intended date of withdrawal. The Corporate General Partner shall not voluntarily withdraw or otherwise terminate its status as the Corporate General Partner until the earliest of (i) the date that a successor Corporate General Partner, who has agreed to assume the obligations imposed upon the Corporate General Partner pursuant to Section V(b)(2) of this Agreement, is approved and elected by the Partners pursuant to Section VII of this Agreement, or (ii) the date that another General Partner assumes the obligations imposed upon the Corporate General Partner pursuant to Section V(b)(2) of this Agreement. The failure of the Corporate General Partner to seek reelection at a meeting of the Partners shall be deemed to constitute a voluntary withdrawal as of the date of the meeting and shall constitute written notice as of the date of the meeting of its intention to withdraw as a Corporate General Partner, unless it has delivered written notice at an earlier date.

(3) Termination of a person's status as a General Partner shall not affect his status, if any, as a Limited Partner.

(i) ADDITIONAL OR SUCCESSOR GENERAL PARTNERS. A person may be added or substituted as a General Partner subject to his approval and election by the Partners, except that if the percentage of individual General Partners who are deemed not to be "interested persons" (within the meaning of the 1940 Act) of the Fund, its principal underwriter or an affiliate of its principal underwriter shall constitute less than a majority of all

individual General Partners or such higher percentage required by the 1940 Act, then the remaining individual General Partners may, in their discretion, elect such number of additional or successor individual General Partners who are not "interested persons" to cause the percentage of these individual General Partners to equal or exceed such majority or such higher percentage required by the 1940 Act, if immediately after such election by the remaining individual General Partners at least two-thirds of the individual General Partners then serving shall have been approved and elected by the Partners. If at any time less than a majority of the individual General Partners holding office have been approved and elected by the Partners, the remaining individual General Partners shall, within sixty (60) days of the date on which less than a majority of the individual General Partners have been approved and elected by the Partners, call a meeting of Partners for the purpose of approving and electing an additional individual General Partner or additional individual General Partners so that at least a majority of individual General Partners holding office have been approved and elected by the Partners.

Each General Partner, by becoming a General Partner, consents to the admission as an added or substituted General Partner of any person approved and elected by the Partners in accordance with this Agreement. Any person who is approved and elected as General Partner at a meeting of the Partners in accordance with Section VII(b) of this Agreement and who is not serving as a General Partner at the time of the election shall be admitted to the Fund as a General Partner effective as of the date of the approval and election.

(j) LIABILITY TO LIMITED PARTNERS. The General Partners shall not be personally liable to any Limited Partner for the repayment of any amounts standing in the account of the Limited Partner or holder of Shares including, but not limited to, contributions with respect to such Shares. Any such payment shall be solely from the Fund's assets.

The General Partners shall not have any personal liability to any holder of Shares or to any Limited Partner (1) by reason of any change in Federal or state income tax laws, or in interpretations thereof, as they apply to the Fund, the holders of Shares or the Limited Partners, whether such change occurs through legislative, judicial or administrative action, or (2) by reason of any other matters, unless the result of willful misfeasance, bad faith, gross negligence or reckless disregard of their duties.

(k) ASSIGNMENT AND SUBSTITUTION. Each Share held by a General Partner pursuant to Section V(b) shall be held as a General Partner and not as a Limited Partner, and each such Share shall be nonassignable, except to another person who already is a General Partner, and then only with the consent of a majority of the individual General Partners, and shall be redeemable by the Fund only in the event that (1) the holder of the Share has ceased to be a General Partner, and (2) in the opinion of counsel for the Fund, redemption of the Share held by a General Partner would not jeopardize the status of the Fund as a partnership for Federal income tax purposes.

(l) NO AGENCY. Except as provided in Section XI, nothing shall be construed as establishing any General Partner as an agent of any Limited Partner.

(m) REIMBURSEMENT AND COMPENSATION. Individual General Partners who are not "interested persons" (within the meaning of the 1940 Act) of the Fund, its principal underwriter or an affiliate of its principal underwriter may receive reasonable compensation for their services as individual General Partners and will be reimbursed for all reasonable out-of-pocket expenses incurred in performing their duties under this Agreement. Payment of compensation to an individual General Partner shall not be deemed a distribution for purposes of Section VIII of this Agreement.

(n) INDEMNIFICATION.

(1) The Fund shall indemnify each of its General Partners and agents, including the Corporate General Partner, its officers, directors, employees and agents

(hereinafter referred to as a "Covered Person") in a total amount no greater than the assets of the Fund to the fullest extent permitted by law against all liabilities and expenses, including but not limited to amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees reasonably incurred by any Covered Person in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, before any court or administrative or legislative body, in which such Covered

Person may be or may have been involved as a party or otherwise or with which such person may or may have been threatened, while in office or thereafter, by reason of being or having been such a General Partner or any other person serving in the capacities referenced above, except with respect to any matter as to which such Covered Person shall have been finally adjudicated in a decision on the merits in any such action, suit or other proceeding to be liable to the Fund or its Partners by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Covered Person's office. Expenses, including counsel fees so incurred by any such Covered Person (but excluding amounts paid in satisfaction of judgments, in compromise or as fines or penalties), may be paid from time to time by the Fund in advance of the final disposition of any such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Covered Person to repay amounts so paid to the Fund if it is ultimately determined that indemnification of such expenses is not authorized under this provision, PROVIDED THAT (a) such Covered Person shall provide security for such Covered Person's undertaking, (b) the Fund shall be insured against losses arising by reason of such Covered Person's failure to fulfill such Covered Person's undertaking, or (c) a majority of the individual General Partners who are disinterested persons (as that term is defined hereunder) and who are not "interested persons" (as that term is defined in the 1940 Act) (provided that a majority of such individual General Partners then in office act on the matter), or independent legal counsel in a written opinion, shall determine, based on a review of readily available facts (but not a full trial-type inquiry), that there is reason to believe such Covered Person ultimately will be entitled to indemnification.

(2) As to any matter disposed of (whether by a compromise payment, pursuant to a consent decree or otherwise) without an adjudication or a decision on the merits by a court, or by any other body before which the proceeding was brought, that such Covered Person is liable to the Fund or its Partners by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Covered Person's office, indemnification shall be provided if (i) approved as in the best interests of the Fund, after notice that the matter involves such indemnification, by at least a majority of the Individual General Partners who are not disinterested persons (as that term is defined hereunder) and are not "interested persons" (provided that a majority of such Individual General Partners then in office act on the matter), upon a determination, based upon a review of readily available facts (but not a full trial-type inquiry) that such Covered Person is not liable to the Fund or its Partners by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Covered Person's office, or (ii) there has been obtained an opinion in writing of independent legal counsel, based upon a review of readily available facts (but not a full trial-type inquiry) to the effect that it appears that such indemnification would not protect such Covered Person against any liability to the Fund to which such Covered Person would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Covered Person's office. Any approval pursuant to this Section shall not prevent the recovery from any Covered Person of any amount paid to such Covered Person in accordance with this Section as indemnification if such Covered Person is subsequently adjudicated by a court of competent jurisdiction not to have been liable to the Fund or its Partners by

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reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Covered Person's office.

(3) The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any such Covered Person may be entitled. As used in this Section V, the term "Covered Person" shall include such person's heirs, executors and administrators, and a "disinterested person" is a person against whom none of the actions, suits or other proceedings in question or another action, suit or other proceeding on the same or similar grounds is then or has been pending. Nothing contained in this Section shall affect any rights to indemnification to which personnel of the Fund, other than General Partners and officers, and other persons may be entitled by contract or otherwise under law, nor the power of the Fund to purchase and maintain liability insurance on behalf of such person.

(o) DISCRETION TO REDEEM. The Individual General Partners reserve the right, in their sole discretion, to redeem all or a portion of the Shares of any General Partner in the following circumstances (1) a General Partner fails to comply with a request by the Fund to furnish any information or certifications

in connection with tax law requirements or provisions (including, but not limited to, furnishing the General Partner's taxpayer identification number, taxable year and country of residence and/or citizenship) and (2) in order to pay any taxes, fees or other charges, in accordance with Section VIII(f) of this Agreement, that the Fund has determined it must withhold and/or remit to a tax authority with respect to such General Partner.

VI. LIMITED PARTNERS

(a) ADMISSION OF LIMITED PARTNERS. The Fund may offer Shares continually (or at such times as the Individual General Partners determine) to investors at the public offering price described in the Fund's Prospectus and Statement of Additional Information. The Fund reserves the right to reject any specific order. The Individual General Partners may, in their sole discretion, admit a purchaser or other acquiror of Shares as a Limited Partner upon (1) the execution and acknowledgment by the purchaser of any instrument or instruments that the Individual General Partners may deem necessary or desirable to effectuate the admission, and (2) the purchaser's written acceptance and adoption of all the terms and provisions of this Agreement. In the case of an admission of a Limited Partner pursuant to Section IX(c)(3) of this Agreement, such consent of the Individual General Partners must be unanimous (notwithstanding any other provision of this Agreement). Following the admission of such purchasers of Shares as Limited Partners, the Individual General Partners shall cause the names and mailing addresses of the Limited Partners to be reflected on the books and records of the Fund. In no event shall the admission of a Limited Partner to the Fund require the approval of any other Limited Partner.

(b) OTHER ADMISSION OF ADDITIONAL LIMITED PARTNERS. A person who purchases a Share from the Fund, and who has not already qualified as a Partner of the Fund under the conditions set forth in Section IX of this Agreement, and a person to whom an outstanding Share is assigned, does not become a Limited Partner or a substituted Limited Partner of the Fund, except upon satisfaction of the conditions set forth in Section IX of this Agreement.

(c) CONTRIBUTIONS OF THE LIMITED PARTNERS. The Capital Contributions (as defined in Section VIII(a)(1) of this Agreement) of the Limited Partners shall be made in cash, or in other consideration deemed acceptable by the Individual General Partners in their sole discretion, and the amounts so contributed and the number of Shares owned by them shall be set forth in the books and records of the Fund.

(d) ADDITIONAL CONTRIBUTIONS OF LIMITED PARTNERS AND ASSESSMENTS. No Limited Partner has agreed to make any additional contribution, or to lend additional funds to the Fund, and, except as provided in the

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Partnership Act, no Limited Partner shall be liable for any additional assessment for any additional contribution of funds.

(e) USE OF CONTRIBUTIONS. The aggregate of all Capital Contributions shall be available to the Fund to carry out the objectives and purposes of the Fund.

(f) REDEMPTION BY LIMITED PARTNERS. The Fund will redeem all or any portion of the Shares owned by a Limited Partner, so long as the Limited Partner complies with the procedures specified in the Fund's Prospectus and Statement of Additional Information. The Limited Partner shall be entitled to payment of the net asset value of his redeemed Shares, calculated in accordance with the manner specified in the Fund's Prospectus and Statement of Additional Information, and subject to any charges or fees described in the Fund's Prospectus and Statement of Additional Information and further subject to any amounts payable pursuant to Section VIII(f) of this Agreement. For purposes of the Partnership Act, any distribution to a Limited Partner upon redemption pursuant to this Section VI(f) shall constitute a return in full of the redeeming Limited Partner's contribution attributable to the Shares that are redeemed, regardless of the amount originally paid or the amount so distributed with respect to the Shares. No approval of any of the Partners shall be required for the withdrawal or return of a Limited Partner's contribution by means of a redemption of Shares. The Individual General Partners shall have sole discretion to determine the amount of cash and/or securities to be distributed to a withdrawing Partner.

The Individual General Partners may suspend redemptions and defer payment of the redemption price at any time, subject to the rules and regulations of the Securities and Exchange Commission.

Notwithstanding the foregoing, no Limited Partner shall be entitled to receive the return of any part of the contribution with respect to his Shares unless all liabilities of the Fund, except liabilities to General Partners and

to Limited Partners on account of their contributions, have been paid or sufficient property of the Fund remains to pay them.

The Individual General Partners shall cause the books and records of the Fund to be amended to reflect the withdrawal of any Limited Partner or the return, in whole or in part, of the contribution of any Limited Partner.

(g) MINIMUM INVESTMENT AND DISCRETION TO REDEEM

(1) The Individual General Partners shall determine the minimum amounts required for the initial or additional investment of a Limited Partner, which amounts may, from time to time, be changed by the Individual General Partners. In addition, the Individual General Partners may, from time to time, establish a minimum total investment for Limited Partners, and reserve the right to redeem the interest of any Limited Partner whose investment is less than the minimum upon the giving of notice to the Limited Partner.

(2) The Individual General Partners reserve the right, in their sole discretion, to redeem all or a portion of the Shares of any Limited Partner in the following circumstances (i) a Limited Partner fails to comply with a request by the Fund to furnish any information or certifications in connection with tax law requirements or provisions (including, but not limited to, furnishing the Limited Partner's taxpayer identification number, taxable year and country of residence and/or citizenship) and (ii) in order to pay any taxes, fees or other charges, in accordance with Section VIII(f) of this Agreement, that the Fund has determined it must withhold and/or remit to a tax authority with respect to such Limited Partner.

(h) LIMITED LIABILITY. No Limited Partner shall be liable for any debts or obligations of the Fund, except that the contributions of a Limited Partner shall be subject to the risks of the business of the Fund and subject to the claims of the Fund's creditors.

The Fund shall not make any distribution to a Limited Partner if it would result in a violation of

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Section 17-607(a) of the Partnership Act. Section 17-607(a) limits the ability of the Fund to make any distributions to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the Fund, other than liabilities to Partners on account of their interests in the Fund and liabilities for which the recourse of creditors is limited to specified property of the Fund, exceed the fair value of the assets of the Fund. For purposes of this limitation, the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the Fund only to the extent that the fair value of the property exceeds that liability.

Any Limited Partner who receives a distribution from the Fund and who knows that the receipt of the distribution is in violation of Section 17-607(a) will be liable to the Fund for the amount of the distribution for a period of three (3) years. Any Limited Partner who receives a distribution in violation of Section 17-607(a) and who did not know at the time of the distribution that the distribution violated Section 17-607(a) will not be liable for the amount of the distribution.

(i) NO POWER TO CONTROL BUSINESS. A Limited Partner shall have no right to participate in and shall take no part in control or management of the Fund's business and shall have no right or authority to act for or bind the Fund.

VII. MATTERS AFFECTING THE BASIC STRUCTURE OF THE FUND

(a) RIGHTS OF LIMITED PARTNERS. The Limited Partners entitled to vote at a meeting may vote together with the General Partners, at a meeting of Partners held in accordance with the provisions of Section VII(b) of this Agreement, only upon the matters set forth below that affect the basic structure of the Fund, including the rights required under the 1940 Act for voting security holders, subject to the separate Class voting provisions provided under Section VII(f), as applicable. Nothing in this Agreement shall be construed to require the vote of the Limited Partners on any matter, except when such vote is required by the Partnership Act or the 1940 Act:

(1) the removal of General Partner(s) and the approval and election of new General Partner(s);

(2) the approval or disapproval and continuation or termination of investment advisory contracts and/or sub-investment advisory contracts (which may be with an affiliate of the Corporate General Partner);

(3) the approval or disapproval and continuation or termination of administration contracts;

(4) the approval or disapproval and continuation or termination of custodial contracts;

(5) the approval or disapproval and continuation or termination of a plan of distribution adopted pursuant to Rule 12b-1 under the 1940 Act;

(6) the approval or disapproval of the sale of all or substantially all of the assets of the Fund other than sales of assets in the ordinary course of business;

(7) the approval and ratification or disapproval and rejection of the appointment of, and the disapproval and termination of the employment of, the independent public accountants of the Fund;

(8) the amendment of this Agreement, including, without limitation, the approval or disapproval of proposed changes in the "Investment Restrictions" set forth in Section II(d)(1) of this Agreement and the approval or disapproval of proposed changes in the nature of the Fund's business as described in Sections II(a), (b) and (c) of this Agreement, except that no amendment may (i) conflict with the 1940 Act or rules and regulations under the 1940 Act, so long as the Fund intends to remain registered under the 1940 Act, or (ii) affect the liability of the General Partners without their approval, or the limited liability of the Limited Partners as provided under Section VI(h);

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(9) the dissolution of the Fund, to the extent provided in Sections X(b)(2) and (4); and

(10) the approval of any other matters that hereinafter may be required to be voted on by the Partners under the 1940 Act and the rules and regulations under the 1940 Act applicable to investment companies registered under the 1940 Act.

The Limited Partners shall have no right or power to cause the termination and dissolution of the Fund, except as set forth in this Agreement. No Limited Partner shall have the right to bring an action for partition against the Fund.

Notwithstanding the foregoing, no approval shall be required of the Limited Partners to amend this Agreement in any of the following ways: (i) to reflect any change in the amount or character of the contribution of any Limited Partner; (ii) to substitute or delete a Limited Partner; (iii) to admit any additional Limited Partner; (iv) to reflect the retirement, resignation, death or insanity of an Individual General Partner; (v) to correct any false or erroneous statement, or to make a change in any statement so that the statement accurately represents the agreement among the Partners in this Agreement; (vi) to modify the manner in which the Capital Accounts, as defined in Section VIII(a)(2) of this Agreement; or (vii) to reflect recommendations by legal counsel for the Fund the adoption of which are deemed by the Individual General Partners to be necessary or appropriate to comply with provisions of law or in connection with the Fund's status as a partnership for tax purposes.

(b) MEETINGS OF THE PARTNERS.

(1) Actions that require the vote of the Partners under this Agreement shall be taken at a meeting of the Partners entitled to vote at such meeting, which may be held within the State of Delaware or at any other place designated by the Individual General Partners or the Corporate General Partner, in the case of a meeting called pursuant to Section V(c).

(2) A meeting of the Partners shall be held within one year after the first sale of Shares to the public at a date and time fixed by the Individual General Partners. At the initial meeting, the Partners will vote upon the approval and election of General Partners and on any other matters determined by the Individual General Partners. No meeting of the Partners, other than the initial meeting, shall be required for the purpose of approving and electing General Partners, unless and until less than a majority of the Individual General Partners holding office have been approved and elected by the Partners, in which case a meeting of the Partners shall be called as provided for in Section V(1) of this Agreement.

(3) Partners holding more than 10% of the Fund's outstanding Shares may require the calling of a meeting of the Partners for the purposes of voting on the removal of a General Partner. Meetings of the Partners for the purpose of taking any other action that the Limited Partners are permitted to take under this Agreement may be called by a majority vote of the Individual General Partners or by Limited Partners representing 10% of the fund's outstanding Shares (as defined in the 1940 Act).

(4) Written notice stating the place, day and hour of a meeting of the Partners shall be mailed to each Partner entitled to vote at the meeting at the Partner's last known post office address as shown on the books of the Fund no fewer than fifteen (15) days nor more than (60) days before the date of the meeting. Failure to receive notice of a meeting on the part of any Partner shall not affect the validity of any act or proceeding at the meeting, so long as a lawful quorum is present at the meeting. Matters set forth in the notice of a meeting may be voted on by the Partners at a meeting, as well as any other matters that properly come before the meeting. The presence in person or by proxy of more than 50% of the outstanding Shares on the record date as reflected in the Agreement constitutes a quorum at any meeting. In the absence of a quorum, the Individual General Partners may adjourn a meeting to a time or times as determined by the Individual General Partners

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without additional notice to the Partners. Other than in the approval and election of General Partners and except to the extent that a higher vote requirement is specified herein, all action by the Partners taken at meetings of Partners shall require the lesser of (i) the vote of Partners holding a majority of the then outstanding voting securities of the Fund (as defined in the 1940 Act) or (ii) the vote of Partners holding 67% or more of the outstanding voting securities of the Fund (as defined in the 1940 Act) represented at a meeting at which a quorum is present (a "Majority Vote of Partners"). In the approval and election of General Partners, those candidates receiving the highest number of votes cast at a meeting at which Partners owning a majority of outstanding voting securities of the Fund (as defined in the 1940 Act) are present in person or by proxy, up to the number of General Partners proposed to be approved and elected, shall be approved and elected as General Partners to serve until their successors are duly approved, elected and qualified.

(c) VOTING LISTS. The Fund shall establish a record date pursuant to Section XII(b) of this Agreement to determine eligibility to vote at the meeting and the number of votes to which each Partner will be entitled and shall maintain a list setting forth the name of each Partner and the number of votes each Partner will be entitled to cast. This list will be available for examination at the principal office of the Fund during regular business hours for any purpose reasonably related to a Partner's interest as a Partner in the Fund and, upon compliance with Section XIII(a) of this Agreement, a copy of the list may be obtained by each Partner for any purpose reasonably related to the Partner's interest as a Partner in the Fund.

(d) PROXIES. A Partner entitled to vote at a meeting may vote at any such meeting by a proxy executed in writing by the Partner. All proxies shall be filed with the Fund before or at the time of the meeting. The law of the State of Delaware pertaining to corporate proxies will be deemed to govern all Fund proxies as if they were proxies with respect to shares of a business corporation. A proxy may be revoked by the person executing the proxy in writing delivered to the Individual General Partners at any time prior to its exercise. Notwithstanding that a valid proxy is outstanding, powers of the proxy holders will be suspended if the person executing the proxy is present at the meeting and decides to vote in person.

(e) NUMBER OF VOTES. All Shares shall have equal voting rights except as specified in this Agreement. Each Partner entitled to vote at a meeting shall have the right to vote the number of Shares standing of record in such Partner's name as of the record date set forth in the notice of meeting. All assignees of Shares shown on the records of the Fund on the record date (and not the assignor) shall be entitled to vote at the meeting, so long as they become substituted Limited Partners, pursuant to Section IX(c) of this Agreement prior to the date of the meeting.

(f) VOTING OF SHARES OF CLASSES. Shares of all Classes shall vote together as a single class or voting group except (i) to the extent voting by separate class or voting group is required under the 1940 Act or the Partnership Act, in which case such separate vote shall apply in lieu of a general vote of all Classes, and (ii) as to any matter which does not affect a particular Class, in which case only the Class or Classes affected shall be entitled to vote.

VIII. DISTRIBUTIONS, ALLOCATIONS OF PROFITS
AND LOSSES AND CAPITAL ACCOUNTS
(a) DEFINITIONS.

(1) "Capital Contribution" means any amount of money and the fair market value of any property contributed to the Fund by any Partner, reduced by any applicable sales charge (as described in the Fund's Prospectus or Statement of Additional Information).

(2) "Capital Account" means an account maintained for each Partner on the books of the Fund reflecting the Capital Contribution made by any Partner, adjusted as follows:

the Capital Account of a Partner shall be:

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(i) Increased by

(A) subsequent Capital Contributions by the Partner; and

(B) the items of income and gain included in Income and Loss that have been allocated to the Partner; and

(ii) decreased by

(A) distributions to the Partner under Section VIII(c) of this Agreement;

(B) the items of loss, deduction and expenditure included in Income and Loss that were allocated to the Partner;

(C) a pro rata share of expenditures classified as "syndication expenses" pursuant to Treasury Regulations Section 1.709-2(b);

(D) any applicable contingent deferred sales charge or redemption charge or other fee (as described in the Fund's Prospectus and Statement of Additional Information) allocable to the Partner; and

(E) any other amounts chargeable pursuant to this Agreement.

The foregoing definition is intended to comply with Treasury Regulations under Code section 704, and shall be interpreted and applied in a manner consistent with those Regulations.

(3) "Income" and "Loss" means an amount equal to the Fund's taxable income or loss for each taxable year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in Income or Loss), with the following adjustments:

(i) any income of the Fund that is exempt from Federal income tax and not otherwise taken into account in computing Income or Loss shall be taken into account;

(ii) any expenditures of the Fund described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treasury Regulations promulgated under Code Section 704, and not otherwise taken into account in computing Income or Loss shall be taken into account;

(iii) upon the distribution of property by the Fund to a Partner, gain or loss attributable to the difference between the fair market value of the property and its basis shall be treated as recognized; and

(iv) gain or loss attributable to any Section 1256 contracts (as defined in Section 1256 of the Code) held by the Fund on the last day of a month shall be calculated and recognized as provided in Section 1256 of the Code on that last day as though that day were the last day of the taxable year.

(b) ALLOCATIONS OF FUND INCOME, GAINS, LOSSES, DEDUCTIONS AND CREDITS. Except as otherwise provided in this Agreement, Income and Loss shall be determined monthly and allocated to each Partner in a manner reflecting each Partner's interest in the Fund, by allocating the items of income, gain, loss, deduction and expenditure comprising Income and Loss to each Partner in accordance with policies adopted by the Individual General Partners under

Section VIII(d) of this Agreement. To the extent that the Corporate General Partner pays or agrees to pay any expenses incurred by the Fund, the Corporate General Partner shall be allocated the deduction with respect to such expenses.

(c) DISTRIBUTIONS. The Individual General Partners, in their sole discretion, shall determine the amounts, if any, to be distributed to holders of Shares of

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each Class and the time or times when those distributions, if any, shall be made. Any distribution under this Section VIII(c), unless otherwise elected in accordance with the Fund's Prospectus and Statement of Additional Information, will be made in additional full and fractional Shares at the net asset value per Share of the applicable Class on the date of the distribution.

(d) ADDITIONAL AUTHORITY OF INDIVIDUAL GENERAL PARTNERS. The Individual General Partners may adopt such policies with respect to the allocation of Income and Loss, and items thereof (including methods of calculating Income and Loss) among the Partners which the Individual General Partners, in their sole discretion, deem appropriate for purposes of satisfying relevant tax law considerations, including Section 704 of the Code and the regulations thereunder. Such policies shall have the same effect as if they were set forth in this Agreement.

(e) DISTRIBUTIONS UPON DISSOLUTION. Notwithstanding anything to the contrary contained in this Agreement, upon a termination of the Fund, proceeds distributable to Partners shall be distributed to the Partners in accordance with and in proportion to their respective Capital Account balances after allocations of all Income and Losses, unless otherwise required by applicable law. No Partner shall be required to make up any deficit balance in his Capital Account after such allocations of all Income and Losses.

(f) WITHHOLDING TAXES.

(1) Any taxes, fees or other charges that the Fund determined it must withhold and/or remit to a tax authority with respect to any Partner shall be so withheld and/or remitted to the appropriate governmental authorities. Each Partner hereby authorizes the Fund: (i) to deduct from any income or assets of the Fund which are allocable to that Partner an amount sufficient to satisfy any such obligation imposed upon the Fund or the General Partners with respect to that Partner; and (ii) to deduct from any proceeds from the redemption of Shares otherwise payable to that Partner an amount sufficient to satisfy any such obligation imposed upon the Fund or the General Partners with respect to that Partner. The Fund, in its sole discretion, may satisfy any such obligation: (i) by making deductions in the manner described; (ii) by demanding payment from the affected Partner in an amount sufficient to satisfy the obligation; or (iii) by taking any combination of the preceding actions such that the amounts deducted pursuant to (i) and the payment received pursuant to (ii) are sufficient to satisfy the obligation. The demand for payment referred to in (ii) above shall be in the form of a written notice sent to the affected Partner to the address of record for such Partner. Any Partner to whom such notice is so sent shall be obligated to make payment to the Fund in the manner and amount specified in the notice without any increase in the Partner's capital account or number of Shares. Any taxes, fees or other charges withheld or remitted by the Fund or the General Partners in accordance with this Section VIII(f) with respect to any Partner shall be treated as a distribution from the Fund to that Partner and, accordingly, shall be charged against that Partner's Capital Account; provided, however, that a Partner's Capital Account will not be charged under this Section VIII(f) (1) to the extent that such amount was paid by the Partner to the Fund, but not credited to the Partner's Capital Account, and provided further that a Partner's Capital Account also shall not be charged under this Section VIII(f) (1) to the extent that such amount was from a redemption of shares which has reduced the Partner's Capital Account but, in that case, treatment of the redemption as a distribution (if it otherwise would be treated as such) shall not be affected by this Section VIII(f) (1).

(2) The Fund and the General Partners shall be indemnified by each Partner for any amounts of tax withheld or remitted or required to be withheld or remitted with respect to that Partner, and also for any amounts of interest, additions to tax, penalties or other costs borne by the Fund or the General Partners in connection therewith; provided, however, that this indemnification shall not apply to the amounts charged

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against that Partner's Capital Account and to amounts charged against proceeds from the redemption of Shares. This indemnification shall apply to any amount which is collected or collectible from the Fund or the General Partners with respect to any Partner under applicable law, including but not limited to, taxes which are collected or collectible by withholding under Sections 1441, 1442 and 1446 of the Code. This indemnification shall continue, notwithstanding a Partner ceasing to be a Partner, by a redemption of Shares or otherwise. It is expressly agreed that demand for payment by the Fund under this Section VIII(f) may be made at any time (including after the withdrawal of a Partner) and that such Partner (or former Partner) shall make such payment and otherwise fulfill his obligations under this Section VIII(f) notwithstanding that he may no longer be a Partner when performance is demanded or made.

IX. ASSIGNMENT OF SHARES AND SUBSTITUTION
OF ASSIGNEE

(a) PROHIBITION ON ASSIGNMENT. A Limited Partner shall not have the right and hereby unconditionally agrees not to transfer or assign such Limited Partner's Shares to any other person, but may pledge them as collateral; provided, however, that the Individual General Partners may, in their sole discretion, by unanimous consent (notwithstanding any other provision of this Agreement), permit a Limited Partner to transfer or assign such Limited Partner's Shares under such circumstances and in accordance with such procedures as the Individual General Partners shall establish. Any transfer without the consent required hereunder shall be null and void and without effect.

(b) RIGHTS OF THE HOLDERS OF SHARES AS COLLATERAL. In the event that any person who is holding Shares as collateral becomes the owner of the Shares due to foreclosure or otherwise, the person shall not have the right to be substituted as a Limited Partner, but shall only have the rights, upon the presentation of evidence satisfactory to the Individual General Partners of his right, to succeed to the interests of the Limited Partner:

(1) to redeem the Shares in accordance with the provisions of Section VI of this Agreement; and

(2) to receive distributions with respect to the Shares.

Upon receipt by the Fund of evidence satisfactory to the Individual General Partners of his ownership of Shares, the owner shall become a holder of record of the Shares and his name shall be recorded on the books and records of the Fund maintained for that purpose either by the Fund or its appointed transfer agent. The owner shall, however, otherwise have none of the rights or obligations of a substituted Limited Partner.

(c) DEATH, INSANITY OR TERMINATION OF THE EXISTENCE OF A LIMITED PARTNER. In the event of the death or legal disability of a Limited Partner (or, in the case of a Limited Partner that is a corporation, association, partnership, joint venture or trust, the merger, dissolution or other termination of the existence of the Limited Partner), or under such circumstances as the Individual General Partners may, in their discretion, determine, the successor in interest of the Limited Partner, upon the presentation of evidence satisfactory to the Individual General Partners of his right to succeed to the interests of the Limited Partner, shall have the following rights:

(1) to redeem the Shares of the Limited Partner in accordance with the provisions of Section VI of this Agreement;

(2) to receive distributions with respect to the Shares; and

(3) to be substituted as a Limited Partner upon the compliance with the conditions of the admission of a Limited Partner as provided in Section VI(a) of this Agreement.

Upon receipt by the Fund of evidence satisfactory to the Individual General Partners of his right to succeed to the interests of the Limited Partner, the successor in interest shall become a holder of record of the Shares and his name shall be recorded on the books and records of the Fund maintained for that purpose either by the Fund or its appointed transfer agent. Each

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successor in interest recorded on the books of record of the Fund, as a holder of Shares on the record date, shall be entitled to vote at the meeting of the Partners so long as he is admitted as a substituted Limited Partner prior to the date of the meeting.

X. DISSOLUTION AND WINDING UP OF THE FUND

(a) TERM.

(1) The term of the Fund commenced on November 16, 1987, the date of initial filing of the Fund's Certificate with the Office of Secretary of State of the State of Delaware as required by the Partnership Act, and shall expire on December 31, 2037, unless earlier dissolved.

(2) Notwithstanding any other provision of this Agreement, the Individual General Partners are authorized, but not required, before or after Section 7704 of the Code becomes applicable to the Fund (which will result in the Fund being classified as a corporation for Federal income tax purposes), to take such actions as they deem necessary or advisable, in their sole discretion, in connection with such reclassification. These actions may include, for example, the transfer of the Fund's assets to another entity. The Limited Partners hereby consent, to the extent not inconsistent with applicable law, to any such actions by the Individual General Partners.

(b) DISSOLUTION OF THE FUND. Subject to the further provisions of this Section X, the affairs of the Fund shall be wound up and the Fund dissolved prior to the scheduled date of termination specified above, upon the happening of any of the following events:

(1) the Fund disposes of all of its assets other than in the ordinary course of business;

(2) Partners holding a majority of the Fund's outstanding voting securities (as defined in the 1940 Act) vote, at a meeting called for that purpose, to dissolve the Fund;

(3) a General Partner (i) retires; (ii) dies; (iii) is adjudicated incompetent; (iv) is removed or not re-elected; (v) assigns his interest; (vi) becomes bankrupt; or (vii) otherwise ceases to be a Partner under the Partnership Act, unless all of the remaining Individual General Partners elect to continue the business;

(4) the Limited Partners and the Corporate General Partner, at a meeting called by the Corporate General Partner, when no Individual General Partner remains to continue the business of the Fund in accordance with Section V(c) of this Agreement, fail to continue the business or to appoint, effective as of the date when no Individual General Partner remains, successor Individual General Partners; or

(5) any other event causing dissolution of the Fund pursuant to the Partnership Act.

(c) REMOVAL OF GENERAL PARTNER. In the event that a General Partner (i) retires; (ii) dies; (iii) is adjudicated incompetent; (iv) is removed and not re-elected; (v) assigns his interest; (vi) becomes bankrupt; or (vii) otherwise ceases to be a Partner under the Partnership Act, the affairs of the Fund shall be wound up and the Fund dissolved, unless all of the remaining Individual General Partners decide within ninety (90) days to continue the business of the Fund. If the remaining Individual General Partners decide not to continue the Fund's business, the affairs of the Fund will be wound up and the Fund dissolved effective not earlier than one hundred-fifty (150) days from the date of the decision.

(d) SUCCESSOR GENERAL PARTNERS. In the event that the business of the Fund is not continued in accordance with Section X(c) of this Agreement or in the event that all General Partners die, retire, dissolve, are removed, are adjudicated incompetent, assign their interests, become bankrupt or otherwise cease to be Partners under the Partnership Act, the Fund will not dissolve if, within ninety (90) days after such events all the Partners (including the Limited Partners) agree in writing to continue the business of the Fund and to the appointment, effective as of the date of such withdrawal, of one

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or more successor General Partners. The successor General Partners shall have and be subject to all of the rights, powers, duties and obligations that a General Partner has under this Agreement.

(e) DETERMINATION NOT TO CONTINUE. If the remaining Partners determine not to continue the business of the Fund in accordance with Section X(d) above, the Partners shall call a meeting to be held within one hundred-twenty (120) days after expiration of the ninety (90) day-period referred to in Section X(d), for the purpose of determining whether to form a new partnership to continue the

Fund's business under terms identical to those described in this Agreement, except for the identity of the General Partners.

(f) WINDING UP OF THE FUND AND CLASSES OF THE FUND. Upon the dissolution and termination of the Fund, the Individual General Partners or trustee, if one is appointed, shall proceed to wind up the affairs of the Fund and to liquidate its assets. The Partners shall continue to share profits and losses during liquidation in the same manner as before dissolution. The proceeds from any liquidation of the Fund's assets remaining after all liabilities of the Fund and costs of dissolution are paid or reserved for shall be distributed in accordance with Section VIII of this Agreement.

Holders of Shares of each Class of the Fund shall be entitled to receive, out of assets available for distribution, their proportionate interest in the assets of the Fund. In the event of the liquidation or dissolution of a particular Class of the Fund, shareholders of such Class shall be entitled to receive, out of assets available for distribution, the assets properly allocable to them.

(g) ACCOUNTANT'S STATEMENT. Each of the Partners shall be furnished with a statement prepared by the Fund's accountants that shall indicate the assets and liabilities of the Fund as at the date of complete liquidation. When the Individual General Partners, or the trustee, if one is appointed, have complied with the terms of paragraph (f) of this Section X, the Limited Partners shall cease to be such, and the Individual General Partners shall execute, acknowledge, and cause to be filed on behalf of the Fund a certificate of cancellation pursuant to Section 17-203 of the Partnership Act.

(h) GAINS OR LOSSES IN PROCESS OF LIQUIDATION. Any gain or loss on disposition of Fund properties in the process of liquidation shall be credited or charged in the same manner as before liquidation. Any property distributed in kind in the liquidation shall be valued and treated as though the property were sold and the cash proceeds were distributed, except to the extent that the Individual General Partners determine otherwise.

XI. FUND DOCUMENTATION, AMENDMENT OF THE CERTIFICATE AND AGREEMENT AND POWER-OF-ATTORNEY

(a) AGREEMENT AND OTHER DOCUMENTATION. The Certificate has been filed by the General Partners in accordance with the Partnership Act, and to the extent required by local law, in the appropriate place of business. The General Partners shall also cause to be filed, recorded and published any statements of fictitious business names and other notices, certificates, statements or other instruments required by a provision of any applicable law of the United States or any state or other jurisdiction that governs the formation of the Fund or the conduct of its business from time to time.

(b) EVENTS REQUIRING AMENDMENT OF THE CERTIFICATE. The Certificate shall be promptly amended when required under the Partnership Act or other applicable law.

(c) DOCUMENTATION REQUIRING THE SIGNATURES OF PARTNERS AND POWER OF ATTORNEY. Each Limited Partner irrevocably constitutes and appoints (1) each Individual General Partner, (2) each person who shall, after the date of this Agreement, become an Individual General Partner, and (3) any substitute that an Individual General Partner may appoint to act in such Individual General Partner's place (who need not be a Partner of the Fund), the true and lawful agent and attorney-in-fact of, and in the name, place and stead of, the Limited Partner, with the power from time to time to sign, execute, acknowledge, make, swear to, verify, deliver,

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file, record and/or publish with respect to the Fund such documents and instruments as may be necessary or appropriate to carry out the provisions or purposes of this Agreement, including, without limitation:

(1) any document required, from time to time, to admit the Limited Partner, to effect such Limited Partner's substitution as a Limited Partner, or to effect the substitution of the Limited Partner's assignee as a Limited Partner as to any or all Shares of the Limited Partner;

(2) this Agreement, any amendment to the Certificate or to this Agreement or any other document required to reflect any action of the Partners provided for in this Agreement whether or not the Limited Partner voted in favor of or otherwise approved of the action; and

(3) any other instrument, certificate or document as may be required by any regulatory agency, the laws of the United States, any state or any other jurisdiction in which the Fund is doing or intends to do business or that the Individual General Partners deem advisable to file or record, so long as the instrument, certificate or document is in accordance with the terms of this Agreement as then in effect.

Each of the Limited Partners is aware that the terms of this Agreement permit certain amendments of this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Fund, in each case with the approval of fewer than all the Limited Partners, so long as a specified percentage of the Partners shall have voted in favor of or otherwise approved of the action. Those actions include, without limitation, admission of new General Partners duly elected at meetings of the Partners. If, as and when (i) an amendment of this Agreement is proposed or an action is proposed to be taken or omitted by or with respect to the Fund that requires, under the terms of this Agreement, the approval of a specified percentage in interest (but less than all) of the Partners, (ii) Partners holding the percentage of interests in the Fund specified in this Agreement as being required for the amendment or action have approved the amendment or action in the manner contemplated by this Agreement, and (iii) a Limited Partner has failed or refused to approve the amendment or action (a "Non-Consenting Limited Partner"), the Non-Consenting Limited Partner approves of the amendment or action and agrees that each attorney-in-fact specified above, with full power of substitution, is authorized and empowered to execute, acknowledge, make, swear to, verify, deliver, record, file and/or publish, for and in behalf of the Non-Consenting Limited Partner, and in such Non-Consenting Limited Partner's name, place and stead, any and all instruments and documents that may be necessary or appropriate to permit the amendment to be lawfully made or the action to be lawfully taken or omitted. Each approving and Non-Consenting Limited Partner is fully aware that such Non-Consenting Limited Partner and each other Limited Partner have executed this power of attorney, and that each Limited Partner will rely on the effectiveness of the powers with a view to the orderly administration of the Fund's affairs.

The foregoing grant of authority is a special power of attorney coupled with an interest, and shall be irrevocable and shall survive the subsequent death, incapacity, disability or insanity (or, in the case of a Limited Partner that is a corporation, association, partnership, joint venture or trust, shall survive the subsequent merger, dissolution or other termination of the existence) of the Limited Partner. The special power of attorney may be exercised on behalf of a Limited Partner by a facsimile signature of any Individual General Partner (or substitute for an Individual General Partner) or by a single signature of any Individual General Partner (or substitute for an Individual General Partner) acting as attorney-in-fact for all of the Limited Partners. The special power of attorney shall survive the assignment by the Limited Partner of the whole or any portion of his interest in the Fund, except that in case in which the assignee of the whole interest of a Limited Partner has furnished a power of attorney and has been

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approved by the Individual General Partners for admission to the Fund as a substituted Limited Partner, this power of attorney shall survive the assignment for the sole purpose of enabling an Individual General Partner (or substitute for the Individual General Partner) to execute, acknowledge and file any instrument necessary to effect the substitution and shall, thereafter, terminate. In addition, the special power of attorney shall survive the redemption by a Limited Partner of the whole or any portion of his interest in the Fund as provided in Section VI(f), so long as in a case in which all of the Limited Partner's interest is so redeemed, the power of attorney shall survive the redemption for the sole purpose of enabling an Individual General Partner (or substitute for the Individual General Partner) to execute, acknowledge and file any instrument necessary to effect the deletion of the person as a Limited Partner.

XII. CERTAIN OPERATING POLICIES

(a) FISCAL YEAR. The fiscal year for the Fund shall be the calendar year or any other period established by the Individual General Partners from time to time.

(b) RECORD DATES. The Individual General Partners may set in advance a date for determining the Partners entitled to notice of and to vote at any meeting and the holders of record entitled to receive distributions. Record dates with respect to voting shall be not less than twenty (20) days nor more than sixty (60) days prior to the date of the meeting to which such record date

relates.

XIII. RECORDS, STATEMENTS AND INCOME

TAX INFORMATION

(a) RECORDS AND ACCOUNTING. The Individual General Partners shall cause the Fund to maintain books and records for the Fund. These books and records shall be kept on a basis consistent with the accounting methods followed by the Fund for Federal income tax purposes or other methods deemed appropriate by the Individual General Partners. The books and records shall include whatever separate and additional accounts for each Partner as shall be necessary to reflect the rights and interests of the respective Partners hereunder and shall specifically reflect the name and address of each Partner and the number of Shares held by the Partner for the purpose of determining recipients of distributions and notices. The Partnership's books of account, together with a copy of the Certificate and this Agreement and any amendments to the Certificate and this Agreement, all documents relating to the ownership and condition of title of Fund properties, and copies of all Fund tax returns shall be maintained by the Fund. Each Partner and his duly authorized representative shall have access to those records and the right to inspect and copy them at all reasonable times for any purpose reasonably related to such Partner's interest as a Partner in the Fund. In addition, each Partner shall have the right to receive by mail, upon written request to the Fund, a copy of a list of the names and addresses of the Limited Partners and the number of Shares held by each of them for any purpose reasonably related to the Partner's interest as a Partner in the Fund. A Partner exercising the right to receive the list shall reimburse the Fund for the costs of duplicating and mailing the list to the Partner.

(b) STATEMENTS. The Fund shall cause quarterly reports and an audited annual report to be prepared and sent to each holder of Shares. Each quarterly report and each annual report will include a list of the investments held by the Fund, and each annual report will include a certified report of financial condition.

(c) INCOME TAX MATTERS.

(1) the Fund shall provide to each Partner information as to the Fund's Federal taxable income or loss and each class of income, gain, loss, deduction or credit that is relevant to reporting Fund tax items. The information shall also show each Partner's allocated share of each class of income, gain, loss, deduction or credit. This information shall be furnished to the Partners as soon as practicable after the close of the Fund's taxable year.

(2) The Individual General Partners shall have the exclusive power and authority to designate for each

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taxable year of the Fund a General Partner to perform all of the duties and exercise all of the rights of a "tax matters partner" of the Fund pursuant to Sections 6221 through 6233 of the Code.

(3) The Limited Partners hereby waive any rights they may have pursuant to Section 6221 through 6233 of the Code to participate in any administrative or judicial proceeding involving the Fund, unless the Individual General Partners consent in writing to such participation by a Limited Partner. The Limited Partners hereby agree to execute any documents or forms further evidencing such waiver if requested to do so by the Individual General Partners and to cooperate with the Fund's tax matters partner(s) in the fulfillment of his or its (or their) duties as such.

(4) The Limited Partners hereby agree to notify the Fund immediately if such Limited Partner treats any tax item with respect to the Fund inconsistently with the Fund's treatment of such item. Such notification shall include a copy of the Limited Partner's notice to the Internal Revenue Service of the inconsistency.

XIV. GENERAL PROVISIONS

(a) AGREEMENT IN COUNTERPARTS. This Agreement may be executed in several counterparts, and as executed shall constitute one Agreement, binding on all of the parties to this Agreement, notwithstanding that all the parties are not signatory to the original or to the same counterpart.

(b) PRINCIPLES OF CONSTRUCTION AND SEVERABILITY. This Agreement shall be construed to the maximum extent possible to comply with all of the terms and conditions of the 1940 Act and the Partnership Act. If a court of competent jurisdiction shall determine that any provision or wording of this Agreement shall be invalid or unenforceable under the 1940 Act, the Partnership Act or

other applicable law, the invalidity or unenforceability shall not invalidate the entire Agreement. This Agreement shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of the 1940 Act, the Partnership Act and any other applicable law, and in the event a term or provision cannot be so limited, this Agreement shall be construed to omit the invalid or unenforceable term or provision.

(c) PARAGRAPH HEADINGS. The paragraph headings used in this Agreement in no way define, limit, extend or interpret the scope of this Agreement or of any particular paragraph.

(d) VARIATIONS IN PRONOUNS. All pronouns and any variations shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

(e) DELAWARE LAW. The parties to this Agreement intend that the internal laws of the State of Delaware and, in particular, the provisions of the Partnership Act, shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties to this Agreement.

(f) INTEGRATED AGREEMENT. This Agreement constitutes the entire understanding and agreement among the parties to it regarding the subject matter described in this Agreement, and, except for any other written agreements and representations that the Individual General Partners may require of the Partners, no other agreements, understandings, restrictions, representations or warranties exist among the parties other than those set forth in this Agreement.

(g) INDEPENDENT ACTIVITIES. Each Partner reserves the right to conduct activities similar to those conducted by the Fund, including buying or selling securities for such Partner's own account or for others.

(h) INTERESTED PARTNERS. The fact that a General Partner or one or more of the Limited Partners is directly or indirectly interested in or connected with any company or person with which or with whom the Fund may have dealings, including, but not limited to, any company that renders investment advisory, administrative, share transfer or other services shall not preclude those dealings or make them void or voidable, and the

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Fund or any of the Partners shall not have any rights in or to the dealings or any profits derived from them, except any rights as may inure under the 1940 Act.

(i) TAX ELECTION.

(1) No election shall be made by any Partner to be excluded from the application of the provisions of Subchapter K of the Code or from any similar provisions of state tax laws, and no such election shall be made by the Fund.

(2) In the event of the transfer of a Partner's interest, or the death of a Partner, or the distribution of any Fund property to any Partner, the Individual General Partners, on behalf of the Fund, may, in their sole discretion and without taking into account the circumstances of any particular Partner, file an election, in accordance with applicable United States Treasury Regulations, to cause the basis of the Fund's property to be adjusted for Federal income tax purposes as provided in Sections 734, 743 and 754 of the Code.

(j) CUSTODIAN. All assets of the Fund shall be held by a custodian or custodians (including sub-custodians) meeting the requirements of the 1940 Act and rules under the 1940 Act, and may be registered in the name of the Fund, a custodian or a nominee. The terms of the Fund's agreement with a custodian (including a sub-custodian) shall be determined by the Individual General Partners, which terms shall be in accordance with the provisions of the 1940 Act and rules under the 1940 Act.

(k) NOTICES. All notices required or permitted to be given under this Agreement shall be in writing and shall be given to the parties at the addresses set forth in the Fund's records and to the Fund at its principal office, or at such other address as any of the parties may specify in writing to the Fund.

(l) BENEFIT. Except as otherwise provided to the contrary in this Agreement, this Agreement shall be binding upon and inure to the parties signing it, and their respective heirs, executors, guardians, representatives, successors and assigns.

(m) NONRECOURSE CREDITORS. No creditor making a nonrecourse loan to the Fund shall by reason of the loan, acquire any direct or indirect interest in the profits, capital or property of the Fund other than as a secured creditor.

(n) INSURANCE. The Individual General Partners shall procure and maintain insurance concerning the Fund's activities in an amount and covering the risks as may be appropriate in the judgment of the Individual General Partners.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Limited Partnership, which restates, integrates and amends the Certificate, has been duly executed as of this 2nd day of October, 1992 and is being filed in accordance with Section 17-210 of the Act.

Individual General Partners:

_____/s/ Walter E. Auch_____
Walter E. Auch

_____/s/ Martin Brody_____
Martin Brody

_____/s/ Stephen E. Kaufman_____
Stephen E. Kaufman

_____/s/ Heath B. McLendon_____
Heath B. McLendon

_____/s/ Richard P. Roelofs_____
Richard P. Roelofs

_____/s/ Madelon DeVoe Talley_____
Madelon DeVoe Talley

Corporate General Partner:

Smith Barney Shearson Investment Strategy
Advisers Inc.

By: _____/s/ Richard P. Roelofs_____
Richard P. Roelofs

Vice President

-C- 1993 Shearson Lehman Brothers Inc.
Member SIPC

FD

[GRAPHIC]

Box above fund name showing
newspapers such as The Wall
Street Journal, Investor's Daily,
Barron's and Crain's New York Business.
Also shown are share certificates
and a pocket watch.

1993 Smith Barney Shearson
ANNUAL The
REPORT Advisors
Fund L.P.

.....
DECEMBER 31, 1993
NOTE: THE ADVISORS FUND L.P. HAS CLAIMED THE
EXEMPTION PROVIDED BY COMMODITY EXCHANGE
ACT REGULATION SECTION 4.12 (B) (2) (I).

[LOGO]

The Advisors Fund L.P.
DEAR FELLOW SHAREHOLDER:

The Advisors Fund, L.P. (the "Fund") finished the fiscal year ended December 31, 1993 up 4.81% versus the Standard & Poor's 500 Composite Stock Price Index ("S&P 500") return of 10.12%. During the past year, the portfolio managers overall took too cautious

an approach to the market, and the resulting short positions effected positive returns gained from invested (long) positions.

<TABLE>
<CAPTION>

INCEPTION	4TH QTR	1 YEAR	2 YEARS	3 YEARS	
	9/30/93 TO 12/31/93	12/31/92 TO 12/31/93	12/31/91 TO 12/31/93*	12/31/90 TO 12/31/93*	6/28/90 TO
12/31/93*					
<S>	<C>	<C>	<C>	<C>	
<C>					
The Advisors Fund L.P.+ 11.76%	(2.07)%	4.81%	7.75%	16.81%	
S&P 500** 11.25%	2.38%	10.12%	8.86%	15.61%	
Ardsley Advisory Partners Hellman, Jordan Management, Co., Inc. 9.29	(3.28) (1.99)	9.97 (11.02)	7.84 (2.86)	22.95 15.16	18.65
Mark Asset Management Corporation 15.97	4.06	22.67	16.68	26.71	
Woodward & Associates Inc. N/A	(10.12)	(5.39)	9.24	N/A	

<FN>

*Returns for the periods greater than one year are annualized.

+Class A Shares. See page 3 for additional information.

**Results include reinvestment of all distributions.

</TABLE>

In the beginning months of 1993, the portfolio managers of the Fund believed that the new U.S. administration's plans for economic stimulation and universal health care reform would force interest rates higher and positioned the assets of the Fund accordingly. In fact, interest rates moved lower and the Fund's performance was effected accordingly. Although there were wide swings in individual stocks and sectors of the market, both domestically and internationally, the declines were not in a straight trading pattern. The momentum of the market pushed all indices higher. During the first six months of 1993, the Fund had a short position in bonds, which negated most of the long equity profits. Then, in the remaining half of the

1

year, the Fund in total had sizable bets in individual stocks, both long and short, that failed to materialize. Throughout the year, the Fund was adversely affected by the lack of volatility in the broad market as many of the trading hedges failed to capture any real gains.

In the fourth quarter the Fund posted a loss of 2.07% versus a gain of 2.38% for the S&P 500. Mark Asset Management Corporation ("MAMC") was the only manager to post a positive return for the fourth quarter. MAMC was the leading manager for the quarter and the year returning 4.06% and 22.67% for the respective time periods. MAMC's diversified portfolio benefited from the strong international move in 1993 with global franchise growth stocks performing well.

Ardsley Advisory Partners, on the other hand, found it difficult to maintain momentum as selective growth stock investments, especially in the emerging markets, did not materialize. Both the eclectic mix of stocks chosen by Woodward & Associates Inc. and the market timing of Hellman, Jordan Management Co., Inc. resulted in significant losses for the Fund.

The Fund historically has had strong fourth quarter results, but this year the overly conservative posture of the Fund coupled with defensive hedges negated any positive gains. We are not pleased with these performance results nor are the portfolio managers of the Fund. As you know, the portfolio managers receive reduced fees if the Fund underperforms the S&P 500 by a meaningful amount. This was the case in 1993 and strong outperformance in 1994 is necessary for the portfolio managers to receive an increase in fees. We view 1994 as a potentially positive investment environment with continued strong cash flows into equities

and fixed income, a pick up in the economy with solid growth prospects and modest inflationary pressures. The Advisors Fund has outperformed the S&P 500 in the past and our goal is to get back to these favorable comparisons in 1994.

2

We thank you for your support throughout 1993 as we look forward to continuing to assist you in meeting your investment goals in 1994.

Sincerely,

Heath B. McLendon
Individual General Partner

February 4, 1994

As of June 1, 1993, existing shares of the Fund were designated as Class A shares subject to a maximum 5% front-end sales charge. Prior to June 1, 1993, shares of the Fund now designated as Class A were subject to a maximum front-end sales charge of 5.5%. The Fund's average annual total returns, without the deduction of the applicable front-end sales charge, for the one-year period ended December 31, 1993, as well as from commencement of operations (June 28, 1990) to December 31, 1993, were 4.81% and 11.76%, respectively. All average annual total return figures shown reflect reinvestment of dividends and capital gains.

The Fund began offering Class B shares, subject to a maximum contingent deferred sales charge (CDSC) of 5% on June 1, 1993. The Fund ceased offering Class B shares to the public on September 16, 1993. The Fund's cumulative total return for Class B shares of the Fund without the deduction of the maximum CDSC of 5% for the period from June 1, 1993 ended December 31, 1993 was 2.92%. Assuming the deduction of the maximum 5% CDSC, this figure would have been (2.08)%. Please consult the Notes to Financial Statements for complete information on fees and expenses.

NOTE: All figures cited here and on the following pages represent past performance and are not necessarily indicative of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares upon redemption may be worth more or less than original cost.

3

The Advisors Fund L.P.

HISTORICAL PERFORMANCE -- CLASS A SHARES

<TABLE>

<CAPTION>

Year Ended December 31, <S>	Net Asset Value		Total Return+ <C>
	Beginning <C>	Ending <C>	<C>
6/28/90 - 12/31/90	\$18.90	\$17.51	(7.35)%
1991	17.51	24.04	37.29
1992	24.04	26.63	10.77
1993	26.63	27.91	4.81
Cumulative Total Return from 6/28/90 through 12/31/93			47.67%

<FN>

+As of June 1, 1993, existing shares of the Fund were designated as Class A shares subject to a maximum 5.0% front-end sales charge. Prior to June 1, 1993, shares of the Fund now designated as Class A were subject to a maximum front-end sales charge of 5.5%. All average annual total return figures shown reflect reinvestment of dividends and capital gains. All figures cited here and on the following pages represent past performance and are not necessarily indicative of future results. Investment return and principal value of an

investment will fluctuate so that an investor's shares upon redemption may be worth more or less than original cost.

</TABLE>

 AVERAGE ANNUAL TOTAL RETURN -- CLASS A SHARES**

<TABLE>
 <CAPTION>

<S>	Without Sales Charge <C>	With Sales Charge <C>
Year Ended 12/31/93	4.81%	(0.43)%
Inception 6/28/90 through 12/31/93	11.76%	10.14 %

<FN>
 **All average annual total return figures shown assume the deduction of the maximum 5.0% sales charge at the time of purchase. The Fund commenced operations on June 28, 1990.

NOTE: As of June 1, 1993, existing shares of the Fund were designated as Class A -- subject to a maximum 5.0% front-end sales charge and an annual service fee of 0.25% of average daily net assets attributable to that class. The Fund's average annual rates of return would have been lower had the service fee been in effect prior to June 1, 1993.

</TABLE>

4

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$25,000 in The Advisor's Fund Class B shares on June 1, 1993 through December 31, 1993 as compared with the growth of a \$25,000 investment in the Standard Poor's 500 Composite Stock Index. The plot points used to draw the line graph were as follows:

<TABLE>
 <CAPTION>

POOR'S MONTH ENDED <S>	GROWTH OF \$25,000 INVESTED IN CLASS B SHARES		GROWTH OF \$25,000 INVESTMENT IN THE STANDARD & 500 COMPOSITE STOCK INDEX	
	<C>	OF THE FUND	<C>	
06/28/90		\$23,750	--	
06/90		23,813		\$25,000
07/90		23,247		24,920
09/90		19,942		21,569
12/90		22,003		23,499
03/91		26,904		26,907
06/91		25,748		26,843
09/91		28,211		28,275
12/91		30,209		30,643
03/92		29,380		29,870
06/92		27,872		39,437
09/92		28,877		31,397
12/92		33,464		32,974
03/93		33,187		34,412
06/93		33,665		34,577
09/93		35,813		35,467
12/93		35,072		36,311

</TABLE>

+ Hypothetical illustration of \$25,000 invested in Class A shares on June 28, 1990 assuming deduction of the maximum 5.0% sales charge at the time of investment and reinvestment of dividends and capital gains at net asset value through December 31, 1993.

The Standard & Poor's 500 Composite Stock Price Index ("S&P 500") is an index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange and over-the-counter market. It is useful in depicting the general movement of the stock market, but because it is unmanaged, the S&P 500 is not subject to the same management and trading

expenses of a mutual fund. Index information is available at month-end only; therefore, the closest month-end to inception date of the Fund has been used.

NOTE: All figures cited here and on the following pages represent past performance of the Fund and are not indicative of future results of Class A shares.

The Advisors Fund L.P.

 HISTORICAL PERFORMANCE -- CLASS B SHARES

<TABLE>
 <CAPTION>

Year Ended December 31, <S>	Net Asset Value		Total Return* <C>
	Beginning <C>	Ending <C>	
6/1/93 - 12/31/93	\$27.01	\$27.80	2.92%
Cumulative Total Return from 6/1/93 through 12/31/93			2.92%

<FN>
 *Figures do not assume deduction of the contingent deferred sales charge ("CDSC").
 </TABLE>

 CUMULATIVE TOTAL RETURN -- CLASS B SHARES**

<TABLE>
 <CAPTION>

<S>	Without CDSC <C>	With CDSC <C>
Inception 6/1/93 through 12/31/93	2.92%	(2.08)%

<FN>
 **All cumulative total return figures shown assume the deduction of the maximum 5.0% CDSC.
 NOTE: The Fund began offering Class B shares on June 1, 1993 subject to a maximum 5.0% CDSC and annual service and distribution fees of 0.25% and 0.75%, respectively, of the value of average daily net assets attributable to that class. As of September 16, 1993 the Fund ceased all sales of Class B shares.
 </TABLE>

A line graph depicting the total growth (including reinvestment of dividends and capital gains) of a hypothetical investment of \$10,000 in Investment Funds Government Securities Fund's Class B shares on March 20, 1984 and the growth of the original shares, through June 30, 1993. The line graph demonstrates that since inception, the hypothetical investment of \$10,000 would have grown to \$13,262 including the value of reinvested dividends and capital gains of approximately \$23,372. The plot points used to draw the line graph were as follows:

<TABLE>
 <CAPTION>

POOR'S MONTH ENDED <S>	GROWTH OF \$25,000 INVESTED IN CLASS B SHARES		GROWTH OF \$25,000 INVESTMENT IN THE STANDARD & 500 COMPOSITE STOCK INDEX	
	<C>	OF THE FUND	<C>	
05/31/93	--			\$25,000
06/01/93		\$25,000	--	
06/93		24,787		25,073

09/93	26,324	25,719
12/93	24,481	26,331

+ Hypothetical illustration of \$25,000 invested in Class B shares on June 1, 1993 assuming deduction of the maximum 5.0% CDSC at the time of redemption and reinvestment of dividends and capital gains at net asset value through December 31, 1993.

The Standard & Poor's 500 Composite Stock Price Index ("S&P 500") Stock Index is an index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange and over-the-counter market. It is useful in depicting the general movement of the stock market, but because it is unmanaged, the S&P 500 is not subject to the same management and trading expenses of a mutual fund.

NOTE: All figures cited here and on the following pages represent past performance of the Fund and are not indicative of future results of Class B shares.

* Value does not assume deduction of applicable CDSC.

** Value assumes deduction of applicable CDSC (assuming redemption on December 31, 1993).

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The Advisors Fund L.P.

 PORTFOLIO HIGHLIGHTS

DECEMBER 31, 1993

SUMMARY OF PORTFOLIO OF INVESTMENTS

<TABLE>				
<S>	<C>	<C>	<C>	<C>
COMMON STOCKS				
Domestic	67.4%	\$ 88,042,758		
Foreign	13.4	17,458,324		

</TABLE>

<TABLE>			
<S>	<C>	<C>	
Total Common Stocks	80.8%	\$105,501,082	
Warrants	0.0	26,209	
Options Purchased	2.2	2,927,102	
U.S. Treasury Obligations	18.4	24,046,021	
Units	0.0	14,463	
Certificates of Deposit	2.7	3,474,300	

Total Investments	104.1	135,989,177	

Other Assets and Liabilities (Net)	8.2	10,684,633	
Futures Contracts	(9.5)	(12,374,175)	
Put Options Written	(0.0)	(2,500)	
Investments Sold Short	(2.8)	(3,722,312)	

Net Assets	100.0%	\$130,574,823	

</TABLE>

TOP TEN HOLDINGS

<TABLE>		
<CAPTION>		Percentage of
Issuer		Net Assets
<S>		<C>

U.S. TREASURY BILLS, 3.20% DUE 04/07/94		12.9%
U.S. TREASURY BILLS, 3.25% DUE 01/27/94		4.9
MICROSOFT CORPORATION		3.1

GRUPO TELEVISIA ADR	2.4
ORACLE SYSTEMS CORPORATION	2.0
FLEET FINANCIAL CORPORATION, INC. NEW	1.8
COCA-COLA COMPANY	1.6
LENNAR CORPORATION	1.6
VODAPHONE GROUP PLC, ADR	1.5
MCDONALD'S CORPORATION	1.5

8

The Advisors Fund L.P.

 PORTFOLIO OF INVESTMENTS DECEMBER 31, 1993

<TABLE>
 <CAPTION>

SHARES <C>	<S>	MARKET VALUE (NOTE 1) <C>

COMMON STOCKS -- DOMESTIC -- 67.4%		
COMPUTER SOFTWARE -- 9.0%		
15,000	BMC Software Inc.+	\$ 720,000
12,600	Broadway & Seymour Inc.+	126,000
15,971	Electronic Arts+	479,130
25,000	Gupta Corporation+	490,625
2,875	Informix Corporation+	61,094
3,826	Lotus Development Corporation+	210,430
50,000	Microprose+	450,000
50,657	Microsoft Corporation+	4,084,221
90,116	Oracle Systems Corporation+	2,590,835
40,000	Ross Systems, Inc.+	260,000
35,818	Santa Cruz Operation Inc.+	241,771
20,000	Sierra On-Line Inc.+	367,500
19,691	Sybase Inc.+	827,022
50,000	Symantec Corporation+	912,500

		11,821,128

COMMUNICATIONS -- 8.8%		
62,133	Associated Communications Corporation, Class B+	1,770,791
1,464	Cellular Communications, Inc.+	32,940
12,001	Cellular Communications, International+	258,021
30,000	Cellular, Inc.+	525,000
47,706	Comcast Corporation, Class A, Special	1,717,416
6,491	Comcast Corporation, Class A	236,110
30,000	Compression Labs, Inc.+	367,500
15,000	DSC Communications Corporation+	922,500
15,891	General Instrument Corporation+	891,882
55,000	Intelcom Group Inc.+	962,500
20,000	MFS Communication Company, Inc.+	650,000
135,000	Mitel Corporation+	793,125
21,883	Pactel Corporation+	544,340
7,101	Starsight Telecast Inc.+	131,369
58,419	Tele-Communications Inc., Class A+	1,767,175

		11,570,669

FINANCIAL SERVICES -- 8.0%		
35,000	Albank Financial Corporation+	686,875
18,216	Citicorp+	669,438

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

9

The Advisors Fund L.P.

<TABLE>
<CAPTION>

SHARES		MARKET VALUE (NOTE 1)

<C>	<S>	<C>
COMMON STOCKS -- DOMESTIC -- (CONTINUED)		
FINANCIAL SERVICES -- (CONTINUED)		
25,000	First Interstate Bancorp	\$ 1,603,125
70,000	Fleet Financial Group, Inc. New	2,336,250
55,600	Life Partners Group, Inc.	1,118,950
45,032	Merrill Lynch & Company, Inc.	1,891,344
35,000	ONBANCorp, Inc.	1,229,375
6,950	Wells Fargo & Company	899,156

		10,434,513

HEALTH CARE -- 6.8%		
30,000	Alpha Beta Technology Inc.+	967,500
15,000	ALZA, Corporation+	420,000
5,300	Amrion, Inc.+	40,413
40,000	CellPro Inc.+	1,390,000
65,000	Centocor Inc.+	771,875
15,000	Collagen Corporation+	416,250
40,000	Cortech, Inc.+	550,000
5,333	Cytel Corporation+	25,332
30,000	Cytotherapeutics, Inc.+	367,500
80,000	Liposome Company+	530,000
28,500	Medical Care America, Inc.+	651,938
30,000	Merck and Company, Inc.	1,031,250
40,000	Perseptive Biosystems Inc.+	1,150,000
40,000	Recognition International Inc.+	600,000

		8,912,058

COMPUTERS -- 4.5%		
30,000	Auspex Systems, Inc.+	285,000
25,000	Chipcom Corporation+	1,262,500
20,000	Cisco Systems, Inc.+	1,292,500
8,544	Intel Corporation	529,728
8,950	International Business Machines	505,675
4,136	Motorola Inc.	382,063
40,000	Seagate Technology+	950,000
20,174	Sequent Computer Systems Inc.+	307,653
10,336	Wang Labs, Inc., New+**	175,712
15,213	Western Digital Corporation+	138,819

		5,829,650

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

<TABLE>
<CAPTION>

SHARES		MARKET VALUE (NOTE 1)

<C>	<S>	<C>
COMMON STOCKS -- DOMESTIC -- (CONTINUED)		
RESTAURANTS AND HOTELS -- 3.9%		
1,460	Hilton Hotels Corporation	\$ 88,695
10,582	Hospitality Franchise Systems+	562,169
87,964	Host Marriott Corporation	802,671

5,864	La Quinta Inns Inc.	206,706
44,408	Marriott Corporation	1,287,832
34,300	McDonald's Corporation	1,955,100
7,007	Mirage Resorts, Inc.+	167,292

5,070,465

	LEISURE AND ENTERTAINMENT -- 3.4%	
1,500	Boyd Gaming Corporation+	20,062
35,000	Delta Queen Steamboat Company	608,125
30,889	Disney (Walt) Company	1,316,644
40,000	Funco Inc.+	600,000
15,923	Paramount Communications Inc.	1,232,042
14,982	Time Warner, Inc.	662,954

4,439,827

	CONSUMER PRODUCTS -- 3.3%	
55,000	Carter-Wallace Inc.	1,175,625
15,000	Eastman Kodak Company	840,000
19,609	Gillette Company, Inc.	1,169,187
25,041	Nike, Inc., Class B	1,161,276

4,346,088

	BROADCASTING AND CABLE TELEVISION -- 3.3%	
53,257	Liberty Media Corporation, Class A+	1,551,110
10,000	Preferred Entertainment, Inc.+	205,000
44,066	QVC Network Inc.+	1,729,590
2,250	Viacom, Inc., Class A+	109,969
14,735	Viacom, Inc., Class B, Non-Voting+	661,233

4,256,902

	HOME AND BUILDING SUPPLIES -- 2.8%	
20,000	Home Depot Inc.	790,000
17,831	Kaufman & Broad Home Corporation	423,486
59,370	Lennar Corporation	2,026,001

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

11

The Advisors Fund L.P.

PORTFOLIO OF INVESTMENTS (CONTINUED)

DECEMBER 31, 1993

<TABLE>
<CAPTION>

SHARES		MARKET VALUE (NOTE 1)
<C>	<S>	<C>
COMMON STOCKS -- DOMESTIC -- (CONTINUED)		
	HOME AND BUILDING SUPPLIES -- (CONTINUED)	
8,553	Pulte Corporation	\$ 310,046
5,600	Southern Energy Homes Inc.+	105,700
		----- 3,655,233 -----
	OIL AND GAS -- 2.3%	
80,000	American Oil & Gas Corporation+	810,000
20,000	Associated Natural Gas Corporation	632,500
120,000	Forest Oil Corporation+	525,000
25,000	Hornbeck Offshore Services, Inc.+	362,500
4,000	Mercer International Inc.+	56,500
75,000	Noble Drilling Corporation+	656,250
		----- 3,042,750 -----

AUTOMOTIVE -- 2.3%

25,700	Chrysler Corporation	1,368,525
25,000	Ford Motor Company	1,612,500
		2,981,025

FOOD AND BEVERAGE -- 2.0%		
65,000	Chock Full O Nuts, Corporation+	520,000
46,566	Coca-Cola Company	2,078,007
250	Snapple Beverage Corporation+	6,563
		2,604,570

ELECTRONICS -- 1.6%		
15,000	Arrow Electronics+	626,250
24,946	Best Buy Company+	1,159,989
30,000	Brooktree Corporation+	315,000
3,300	TSS Ltd.+	1,547
		2,102,786

TECHNOLOGY -- 1.3%		
15,000	Newbridge Networks Corporation+	821,250
13,300	Valence Technology+	202,825
100,000	Vtel Corporation+	650,000
		1,674,075

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

12

The Advisors Fund L.P.

PORTFOLIO OF INVESTMENTS (CONTINUED)

DECEMBER 31, 1993

<TABLE>

<CAPTION>

SHARES		MARKET VALUE (NOTE 1)
<C>	<S>	<C>
COMMON STOCKS -- DOMESTIC -- (CONTINUED)		
MANUFACTURING -- 1.3%		
7,764	Caterpillar Inc.	\$ 690,996
25,000	Ventritex Inc.+	981,250
		1,672,246

RETAIL -- 1.1%		
1,093	Barnes and Noble+	27,188
22,500	CompUSA Inc.+	450,000
1,125	Sportmart Inc.+	19,969
21,957	Toys "R" Us Inc.+	897,492
		1,394,649

CONSUMER DURABLES -- 0.9%		
11,600	Code Alarm Inc.+	139,200
9,865	Duracell International, Inc.	353,907
20,965	United International Holdings Inc., Class A+	718,051
		1,211,158

PHARMACEUTICALS -- 0.4%		
28,500	Chronimed Inc.+	477,375

REAL ESTATE -- 0.2%		
13,359	Spieker Properties, Inc.	250,481

1,268	TRANSPORTATION -- 0.1% UAL Corporation+	185,128
4,126	ENERGY -- 0.1% Consolidated Electric Power Asia@	70,658
3,550	MINING -- 0.0% TVX Gold Inc.+	23,519
1,090	CONSTRUCTION -- 0.0% Engle Homes Inc.	15,805
	TOTAL COMMON STOCKS -- DOMESTIC (Cost \$70,221,091)	88,042,758

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

13

The Advisors Fund L.P.

PORTFOLIO OF INVESTMENTS (CONTINUED)

DECEMBER 31, 1993

<TABLE>

<C>	<S>	<C>
	COMMON STOCKS -- FOREIGN -- 13.4%	
	MEXICO -- 6.7%	
7,854	Coca-Cola Femsa ADR+	\$ 257,218
30,000	Empresas ICA Sociedad Controllee SA ADR	847,500
50,000	Grupo Carso SA de CV ADR+	1,070,313
55,700	Grupo Fin Serfin SA de CV SP ADR+	1,643,150
44,603	Grupo Televisa ADR+	3,122,210
18,133	Panamerican Beverage Inc. ADR+	693,587
15,000	Telefonos de Mexico SA, ADR+	1,012,500
		8,646,478
	HONG KONG -- 3.2%	
200,000	Cheung Kong Holdings+	1,222,906
200,000	Dah SIng Financial Holdings+	957,618
1,000,000	Fairwood Holdings+	417,340
800,000	Giordano Holdings+	414,104
410,000	Hanny Magnetics Holdings, Ltd.+	183,049
200,000	Hutchison Whampoa	996,442
		4,191,459
	GREAT BRITAIN -- 1.5%	
22,333	Vodafone Group Plc ADR	1,993,220
	ARGENTINA -- 0.7%	
20,000	Buenos Aires Embotella SA, Class B ADR	900,000
	OTHER -- 1.3%	
273,894	Cifra ADR	876,460
100,000	Flextech Ord., 10P+	556,734
40,731	Hopewell Holdings Ltd. ADR	264,751
1,500	Videotron Com NPV	29,222
		1,727,167
	TOTAL COMMON STOCKS -- FOREIGN (Cost \$12,501,849)	17,458,324

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

14

PORTFOLIO OF INVESTMENTS (CONTINUED)

DECEMBER 31, 1993

<TABLE>

<CAPTION>

SHARES		MARKET VALUE (NOTE 1)
<C>	<S>	<C>
WARRANTS -- 0.0%		
4,558	International Finance Corporation expires 09/25/95+	\$ 26,209
7,962	Xoma Corporation, expire 6/12/95+	0
TOTAL WARRANTS (Cost \$19,554)		26,209
UNITS -- 0.0% (COST \$26,413)		
8,900	TSS Ltd., 0% 1998 unit 3&2+	14,463

<CAPTION>

CONTRACTS

<C>	<S>	<C>
CALL OPTIONS PURCHASED -- 2.0%		
24	Advanced Micro Devices, Inc., January, \$15.00	7,200
150	Alza Corporation, January, \$25.00	52,500
92	Apple Computer, Inc., January, \$25.00	42,550
13	Compaq Computer Corporation, January, \$65.00	11,700
26	Compaq Computer Corporation, January, \$70.00	11,375
42	Disney Walt Company, January, \$35.00	34,125
72	Echo Bay Mines, Ltd., January, \$10.00	20,700
13	Hilton Hotels Corporation, January, \$40.00	27,788
26	Hilton Hotels Corporation, January, \$45.00	39,000
13	Hilton Hotels Corporation, April, \$40.00	26,650
62	Intel Corporation, January, \$45.00	106,950
32	Intel Corporation, January, \$50.00	42,800
33	International Business Machines Corporation, January, \$45.00	383,050
34	Lotus Development Corporation, January, \$35.00	68,000
21	Lotus Development Corporation, January, \$50.00	11,025
400	Merck & Company Inc., January, \$30.00	175,000
30	Microsoft Corporation, January, \$70.00	31,875
19	Mirage Resorts, Inc., January, \$20.00	7,600
47	Motorola Inc., January, \$75.00	81,663
50	Motorola Inc., January, \$80.00	67,500
350	National Medical Enterprises Inc., January \$10.00	131,250
250	Oryx Energy Company, July, \$15.00	81,250
231	Paramount Communications Inc., January, \$70.00	190,575
53	Paramount Communications Inc., January, \$75.00	22,525
86	Standard & Poor's 100, January, \$425.00++	83,850
26	Snapple Beverage Corporation, January, \$20.00	15,925
78	Snapple Beverage Corporation, January, \$17.50	67,275

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

PORTFOLIO OF INVESTMENTS (CONTINUED)

DECEMBER 31, 1993

<TABLE>

<CAPTION>

CONTRACTS		MARKET VALUE (NOTE 1)
<C>	<S>	<C>
CALL OPTIONS PURCHASED -- (CONTINUED)		
300	Telefonos de Mexico SA, January, \$50.00	\$ 525,000
25	Times Mirror Co., Series A, March, \$25.00	20,938
32	UAL Corporation, January, \$130.00	51,600
16	UAL Corporation, January, \$135.00	18,600
8	UAL Corporation, January, \$140.00	5,900
8	UAL Corporation, February, \$130.00	13,900
56	Wells Fargo & Company, January, \$85.00	248,500
TOTAL CALL OPTIONS PURCHASED (Cost \$2,310,371)		2,726,139
PUT OPTIONS PURCHASED -- 0.2%		
111	Glaxo, January, \$25.00	43,013
56	International Game Technology, January, \$40.00	60,200
26	Limited, Inc., January, \$20.00	8,125
344	Standard & Poor's 100 Index, January, \$425.00++	79,550
26	Storage Technology Corporation, January, \$35.00	10,075
TOTAL PUT OPTIONS PURCHASED (Cost \$219,804)		200,963
<CAPTION>		
FACE VALUE		
<C>	<S>	<C>
U.S. TREASURY OBLIGATIONS -- 18.4%		
\$ 6,500,000	U.S. Treasury Bills, 3.25%# due 1/27/94+++	6,408,295
800,000	U.S. Treasury Bills, 3.23%# due 2/3/94+++	796,536
17,000,000	U.S. Treasury Bills, 3.20%# due 4/7/94+++	16,841,190
TOTAL U.S. TREASURY OBLIGATIONS (Cost \$24,045,163)		24,046,021
CERTIFICATES OF DEPOSIT -- FOREIGN -- 2.7%		
1,500,000	Bayerische Landesbank, 4.00% due 3/11/94***	1,737,150
1,500,000	Deutsche Bank, 4.00% due 3/11/94***	1,737,150
TOTAL CERTIFICATES OF DEPOSIT (Cost \$3,000,000)		3,474,300
TOTAL INVESTMENTS (Cost \$112,344,245*)		104.1% 135,989,177

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

PORTFOLIO OF INVESTMENTS (CONTINUED)

DECEMBER 31, 1993

<TABLE>

<CAPTION>

MARKET VALUE

<C>	<S>	<C>
FUTURES CONTRACTS --	SHORT POSITIONS -- (9.5)% (COST \$12,373,223)	
(53)	Standard & Poor's 500 Index Futures, March 1994++	\$ (12,374,175)
PUT OPTIONS WRITTEN --	(0.0)% (PREMIUM RECEIVED \$83,173)	
400	Merck & Company Inc., January, \$30.00	(2,500)

<CAPTION>
SHARES

<C>	<S>	<C>
INVESTMENTS SOLD SHORT --	(2.8)%	
(10,000)	Apple Computer	(292,500)
(56,100)	Glaxo Holdings Plc, ARD	(1,171,088)
(50,000)	Greenwich Pharmaceuticals	(137,500)
(100)	International Game Technology	(2,950)
(20,000)	Merrill Corporation	(540,000)
(7,800)	Price/Costso Inc.	(150,150)
(15,000)	Ultratech Stepper	(275,625)
(20,000)	U.S. Healthcare	(1,152,500)
TOTAL INVESTMENTS SOLD SHORT (Contract amount \$3,704,899)		(3,722,312)
OTHER ASSETS & LIABILITIES (NET)	8.2%	10,684,633
NET ASSETS	100.0%	\$ 130,574,823

<FN>

- *Aggregate cost for Federal tax purposes.
- **When issued security (see Note 1).
- ***The principal amount to be received upon maturity is indexed to the average of the offer yields quoted on two, five, and seven year French Franc swaps. The redemption amount received may be more or less than the security's original face amount.
- +Non-income producing securities.
- ++In the case of exercise, settlement is made in cash.
- +++U.S. Treasury Bills aggregating \$24,046,021 have been pledged to collateralize futures contracts, written options and short investment positions in accordance with the Fund's Prospectus.
- #Annualized yield to maturity (unaudited).
- @Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

The Advisors Fund L.P.

STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 31, 1993

<TABLE>

<S>	<C>	<C>
ASSETS:		
Investments, at value (Cost \$112,344,245) (Note 1)		
See accompanying schedule		\$ 135,989,177
Cash		332,411
Aggregate exercise cost of futures -- short position		12,373,223
Receivable for short sales		3,704,899
Receivable for investment securities sold		1,051,638
Unamortized organization costs (Note 6)		232,018
Interest and dividends receivable		206,401
Receivable for short sales closed		35,000

Other assets	15,687

TOTAL ASSETS	153,940,454

LIABILITIES:	
Financial futures contracts -- short position, at value (Contract amount \$12,373,223) (Note 1) See accompanying schedule	\$ 12,374,175
Notes payable (Note 7)	4,601,806
Investments sold short, at value (Contract amount \$3,704,899) (Note 1) See accompanying schedule	3,722,312
Payable for investment securities purchased	2,250,436
Investment advisory fee payable (Note 2)	107,490
Custodian fees payable (Note 2)	65,713
Payable for shares redeemed	34,888
Administration fee payable (Note 2)	27,670
Service fees payable (Note 3)	27,670
Transfer agent fees payable (Note 2)	7,700
Distribution fee payable (Note 3)	2,611
Put Options written, at value (Premium received \$83,173) (Note 1) See accompanying schedule	2,500
Accrued expenses and other payables	140,660

TOTAL LIABILITIES	23,365,631

NET ASSETS	\$ 130,574,823

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

STATEMENT OF ASSETS AND LIABILITIES (CONTINUED)

DECEMBER 31, 1993

<TABLE>

<S>	<C>
SHARES represented by:	
Individual General Partners	79,370
Shareholders	4,599,131

Total Shares	4,678,501

NET ASSETS consist of:	
Accumulated net investment loss	\$ (7,483,748)
Accumulated net realized gain on securities transactions, foreign currency transactions, futures contracts, written options and investments sold short	38,681,696
Unrealized appreciation of securities, futures contracts, written options and short positions	23,707,240
Paid-in capital	75,669,635

TOTAL NET ASSETS	\$ 130,574,823

NET ASSET VALUE

CLASS A SHARES:

NET ASSET VALUE and redemption price
per share

(\$126,428,124 DIVIDED BY 4,529,314
shares outstanding) \$27.91

MAXIMUM OFFERING PRICE PER SHARE
(\$27.91 DIVIDED BY 0.95)
(based on sales charge of 5% of the
offering price at December 31, 1993) \$29.38

CLASS B SHARES:
NET ASSET VALUE and offering price per
share+
(\$4,146,699 DIVIDED BY 149,187 shares
outstanding) \$27.80

<FN>
+Redemption price per share is equal to Net Asset Value less any applicable
contingent deferred sales charge. The Fund ceased selling Class B shares on
September 16, 1993.
</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1993

	<C>	<C>
<TABLE>		
<S>		
INVESTMENT INCOME:		
Interest		\$ 2,142,868
Dividends (net of foreign withholding taxes of \$5,595)		
720,495		

TOTAL INVESTMENT INCOME		
2,863,363		

EXPENSES:		
Investment advisory fee (Note 2)	\$3,258,285	
Administration fee (Note 2)	342,499	
Legal and audit fees	234,211	
Service fees (Note 3)	198,561	
Custodian fees (Note 2)	186,715	
Distribution fee (Note 3)	158,824	
Amortization of organization costs (Note 6)	153,728	
Transfer agent fees (Note 2)	82,047	
Individual General Partners' fees and expenses (Note 2)	77,681	
Other	166,772	

Total Operating Expenses Before Interest Expense		
4,859,323		
Interest expense (Note 7)		1,380,453

TOTAL EXPENSES		6,239,776

NET INVESTMENT LOSS		
(3,376,413)		

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS (NOTES 1 AND 4):		
Net realized gain/(loss) on:		
Securities transactions		15,610,723
Written options		(228,902)
Futures contracts		(51,791)
Investments sold short		(3,294,420)
Foreign currency transactions		(5,166)

Net realized gain on investments during the year		12,030,444

Net change in unrealized appreciation/(depreciation) of:		
Securities		(2,690,537)

Written options
 Futures contracts
 Investments sold short

77,224
 92,449
 236,303

 Net unrealized depreciation of investments during the year
 (2,284,561)

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS
 9,745,883

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS
 \$ 6,369,470

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

 STATEMENT OF CHANGES IN NET ASSETS

<TABLE>
 <CAPTION>

	YEAR ENDED 12/31/93	YEAR ENDED 12/31/92
<S>	<C>	<C>
Net investment loss (1,469,246)	\$ (3,376,413)	\$
Net realized gain on securities, written options, futures contracts, investments sold short and foreign currency transactions during the year 9,795,481	12,030,444	
Net unrealized appreciation/(depreciation) of securities, written options, futures contracts, and investments sold short during the year 5,009,126	(2,284,561)	
-----	-----	-----
Net increase in net assets resulting from operations 13,335,361	6,369,470	
Net increase/(decrease) in net assets from:		
Class A share transactions (Note 5) (27,621,974)	(24,034,146)	
Class B share transactions (Note 5)	4,004,568	--
-----	-----	-----
Net decrease in net assets (14,286,613)	(13,660,108)	
NET ASSETS:		
Beginning of year 158,521,544	144,234,931	
-----	-----	-----
End of year (including accumulated net investment loss of \$7,483,748 and \$4,107,335, respectively)	\$130,574,823	
\$144,234,931		

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

 STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 1993

<TABLE>

<S>	<C>	<C>
NET INCREASE IN CASH:		
Cash flows from operating activities:		
Interest received	\$ 2,222,089	

Dividends received	710,524	
Operating expenses paid	(4,858,225)	
Interest expense	(1,380,453)	

Net cash used in operating activities		\$ (3,306,065)

Cash flows from investing activities:		
Increase in short-term portfolio securities, net	(3,443,337)	
Purchase of investment securities and purchased options	(343,143,466)	
Proceeds from disposition of investment securities and purchased options	406,737,743	
Net proceeds used to close short sales and written option transactions	(3,502,348)	
Net proceeds from futures transactions	(51,791)	

Net cash provided by investing activities		56,596,801

NET CASH PROVIDED BY OPERATING AND INVESTING ACTIVITIES		53,290,736

Cash flows from financing activities:		
Proceeds from shares sold		
Class A	7,453,087	
Class B	4,058,038	
Payments on shares redeemed		
Class A	(31,198,817)	
Class B	(53,470)	
Decrease in loans outstanding	(33,304,669)	

NET CASH USED IN FINANCING ACTIVITIES		(53,045,831)

NET INCREASE IN CASH		244,905
CASH -- BEGINNING OF PERIOD		87,506

CASH -- END OF PERIOD		\$ 332,411

RECONCILIATION OF NET INCREASE IN NET ASSETS FROM OPERATIONS TO CASH PROVIDED BY OPERATING AND INVESTING ACTIVITIES:		
Net increase in net assets resulting from operations		\$ 6,369,470
Decrease in investments	\$ 41,378,221	
Increase in futures contracts	(92,449)	
Decrease in payable for securities sold short and written options	(6,724,088)	
Increase in receivable for investment securities sold and short sales	14,636,089	
Decrease in payable for investment securities purchased	(2,346,855)	
Decrease in dividends and interest receivable	69,250	
Decrease in other assets	188,999	
Decrease in accrued expenses	(187,901)	

TOTAL ADJUSTMENTS		46,921,266

NET CASH PROVIDED BY OPERATING AND INVESTING ACTIVITIES		\$ 53,290,736

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

FINANCIAL HIGHLIGHTS

FOR A CLASS A SHARE OUTSTANDING THROUGHOUT EACH PERIOD.

<TABLE>
<CAPTION>

PERIOD	YEAR	YEAR	YEAR	
	ENDED	ENDED	ENDED	
ENDED	12/31/93++	12/31/92++	12/31/91	
12/31/90*				
<S>	<C>	<C>	<C>	
<C>				
Net Asset Value, beginning of period	\$ 26.63	\$ 24.04	\$ 17.51	\$
18.90				

Investment income from operations:				
Net investment loss	\$ (0.66)	\$ (0.24)	\$ (0.37)	\$
(0.03)				
Net realized and unrealized gain/(loss)				
on investments	1.94	2.83	6.90	(1.36)

Total from investment operations	1.28	2.59	6.53	
(1.39)				

Net Asset Value, end of period	\$ 27.91	\$ 26.63	\$ 24.04	\$
17.51				

Total return+++	4.81%	10.77%	37.29%	
(7.35)%				

Ratios to average net assets/ supplemental data				
Net assets, end of period (000's)	\$ 126,428	\$ 144,235	\$ 158,522	\$
140,447				
Ratio of expenses to average net assets**	4.54%	3.12%	3.86%	
3.27%+				
Ratio of net investment loss to				
average net assets	(2.45)%	(1.00)%	(1.60)%	
(0.31)%+				
Portfolio turnover rate	247%	312%	304%	
149%				

<FN>
 *The Fund commenced operations on June 28, 1990.
 **The annualized operating expense ratio includes interest expense. The annualized ratio excluding interest expense was 3.54%, 2.28%, 3.60% and 2.99% for the years ended December 31, 1993, 1992, and 1991 and for the period ended December 31, 1990, respectively.
 +Annualized.
 ++Per share amounts have been calculated using the monthly average share method which more appropriately presents the per share data as the undistributed income method does not accord with results of operations for these periods.
 +++Total return represents aggregate total return for the periods indicated and does not reflect any applicable sales charges.
 </TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

The Advisors Fund L.P.

 FINANCIAL HIGHLIGHTS

FOR A CLASS B SHARE OUTSTANDING THROUGHOUT THE PERIOD.

<TABLE>
<CAPTION>

PERIOD	PERIOD
	ENDED
ENDED	12/31/93***
<S>	<C>
Net Asset Value, beginning of period	\$ 27.01

Investment income from operations:	
Net investment loss	\$ (.53)
Net realized and unrealized gain on investments	1.32

Total from investment operations	0.79

Net Asset Value, end of period	\$ 27.80

Total return+++	2.92%

Ratios to average net assets/supplemental data	
Net assets, end of period (000's)	\$ 4,147
Ratio of expenses to average net assets**	5.29%+
Ratio of net investment loss to average net assets	(3.20)%+
Portfolio turnover rate	247%

<FN>
 *The Fund commenced selling Class B shares on June 1, 1993. The Fund ceased all sales of Class B shares on September 16, 1993.
 **The annualized operating expense ratio includes interest expense. The annualized ratio excluding interest expense was 4.29% for the period ended December 31, 1993.
 +Annualized.
 ++Per share amounts have been calculated using the monthly average share method which more appropriately presents the per share data as the undistributed income method does not accord with results of operations for this period.
 +++Total return represents aggregate total return for the period indicated and does not reflect any applicable CDSC.
 </TABLE>

SEE NOTES TO FINANCIAL STATEMENTS.

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The Advisors Fund L.P.

 NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The Advisors Fund L.P. (the "Fund") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as an open-end, non-diversified management investment company established as a limited partnership under Delaware law. The Fund issues shares of limited partnership interest and is governed by a board of Individual General Partners in lieu of a corporate board of directors. The Fund commenced operations on June 28, 1990. As of June 1, 1993, the Fund offered two classes of shares to the general public: Class A shares and Class B shares. As of September 16, 1993, the Fund ceased all sales of Class B shares of the Fund. Class A shares are sold with a front-end sales charge. Class B shares may be subject to a contingent deferred sales charge ("CDSC") at the time of redemption. Class B shares will automatically convert to Class A shares eight years after the original purchase date. Each class of shares has identical rights and privileges except with respect to the effect of the respective sales charges, the distribution and/or service fees borne by each class, expenses allocable exclusively to each class, voting rights on matters affecting a single class, the exchange privilege of each class and the conversion feature of Class B shares. The policies described below are followed consistently by the Fund in the preparation of its financial statements in conformity with generally accepted accounting principles.

PORTFOLIO VALUATION: The Fund's investments are valued at market value or, in the absence of a market value with respect to any investment, at fair market value as determined by or under the direction of the Individual General Partners. A security that is primarily traded on a United States or foreign exchange is valued by reference to the last sale price on the exchange or, if no sales occur during the day, at the current quoted bid price. Over-the-counter securities are valued on the basis of the bid price at the close of business each day. Debt securities (other than U.S. government securities and short-term obligations) are valued by The Boston Company Advisors, Inc. ("Boston Advisors"), after consultation with independent valuation services approved by the Individual General Partners. Investments in U.S. government securities (other than short-term securities) are valued at the average of the quoted bid and asked prices in the over-the-counter market. Options are generally valued at

the last sale price or, in the absence of a last sale price, the last bid price. The value of a futures contract equals the unrealized gain or loss on the contract that is determined by marking it to

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the current settlement price for a like contract acquired on the day on which the futures contract is being valued. A settlement price may not be used if the market makes a limit move with respect to a particular commodity. Forward contracts and futures contracts, when no market quote is available, are valued at their fair market value as determined by the Individual General Partners, upon consultation with their agents. Short-term investments that mature in 60 days or less are valued at amortized cost.

OPTIONS: Upon the purchase of a put option or a call option by the Fund, the premium paid is recorded as an investment, the value of which is marked-to-market daily. When a purchased option expires, the Fund will realize a loss in the amount of the cost of the option. When the Fund enters into a closing sale transaction, the Fund will realize a gain or loss depending on whether the sales proceeds from the closing sale transaction are greater or less than the cost of the option. When the Fund exercises a put option, the proceeds from such sale will be decreased by the premium originally paid. When the Fund exercises a call option, the cost of the security which the Fund purchases upon exercise will be increased by the premium originally paid. When purchased index options are exercised, settlement is made in cash.

When the Fund writes a call option or a put option, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily. When a written option expires, the Fund realizes a gain equal to the amount of the premium received. When the Fund enters into a closing purchase transaction, the Fund realizes a gain (or loss if the cost of the closing purchase transaction exceeds the premium received when the option was sold) without regard to any unrealized gain or loss on the underlying security or index, and the liability related to such option is eliminated. When a call option is exercised, the Fund realizes a gain or loss from the sale of the underlying security and the proceeds from such sale are increased by the premium originally received. When a put option is exercised, the amount of the premium originally received will reduce the cost of the security which the Fund purchased upon exercise. When written index options are exercised, settlement is made in cash.

The risk associated with purchasing options is limited to the premium originally paid. The risk in writing a call option is that the Fund may forego the opportunity of profit if the market value of the underlying security or

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

index increases and the option is exercised. The risk in writing a put option is that the Fund may incur a loss if the market value of the underlying security or index decreases and the option is exercised. In addition, there is the risk the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

FUTURES CONTRACTS: Upon entering into a futures contract, the Fund is required to deposit with the broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by the Fund each day, depending on the daily fluctuation of the value of the contract.

For financial statement purposes, an amount equal to the settlement amount of the contract is included in the Fund's Statement of Assets and Liabilities as an

asset and as an equivalent liability. For long futures positions, the asset is marked-to-market daily. For short futures positions, the liability is marked-to-market daily. The daily changes in the contract are recorded as unrealized gains or losses. The Fund recognizes a realized gain or loss when the contract is closed.

There are several risks in connection with the use of futures contracts as a hedging device. The change in value of futures contracts primarily corresponds with the value of their underlying instruments or index, which may not correlate with the change in value of the hedged investments. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

FOREIGN CURRENCY: The books and records of the Fund are maintained in United States dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of each business day, and purchases and sales of investment securities, income and expenses are translated on the respective dates of such transactions. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses on foreign currency transactions and the difference between the amounts of interest and dividends recorded on the books of the Fund and the amount actually received. The portion of foreign currency gains and losses related to

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gains and losses on investment securities sold.

FORWARD FOREIGN CURRENCY CONTRACTS: Forward foreign currency contracts are valued at the forward rate and are marked-to-market daily. The change in market value is recorded by the Fund as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of forward foreign currency contracts does not eliminate fluctuations in the underlying prices of the Fund's portfolio securities, but it does establish a rate of exchange that can be achieved in the future. Although forward foreign currency contracts limit the risk of loss due to a decline in the value of the currency holdings, they also limit any potential gain that might result should the value of the currency increase. In addition, the Fund could be exposed to risks if the counterparties to the contracts are unable to meet the terms of the contracts.

SHORT SALES: A short sale is a transaction in which the Fund sells securities it does not own (but has borrowed) in anticipation of a decline in the market price of the securities. To complete a short sale, the Fund must arrange through a broker to borrow the securities to be delivered to the buyer. The proceeds received by the Fund from the short sale are retained by the broker until the Fund replaces the borrowed securities. In borrowing the securities to be delivered to the buyer, the Fund becomes obligated to replace the securities borrowed at their market price at the time of replacement, whatever that price may be.

Possible losses from short sales differ from losses that could be incurred from a purchase of a security, because losses from short sales may be unlimited, whereas losses from purchases can equal only the total amount invested.

SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded as of the trade date. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

date. Interest income is not accrued until settlement date. The Fund instructs the custodian to segregate assets in a separate account with a current value at least equal to the amount of its when-issued purchased commitments. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Investment income and realized and unrealized gains and losses are allocated based upon relative net assets of each class. The Fund must pay any dividends or interest payable on securities while those securities are in short position. During the year ended December 31, 1993, the Fund paid, as an offset to dividend income, dividends totalling \$154,787 on securities that were in short positions.

DISTRIBUTIONS TO SHAREHOLDERS: The Fund intends to make distributions to shareholders in such amounts and at such times as the Individual General Partners, in their sole discretion, shall determine.

FEDERAL INCOME TAXES: No Federal income tax provision has been made in the financial statements because the Fund intends to qualify as a partnership for Federal income tax purposes. The Fund will only be treated as a partnership for Federal income tax purposes through 1997.

DISSOLUTION OF FUND: The term of the Fund shall expire on December 31, 2037, unless earlier dissolved.

CASH FLOW INFORMATION: The Fund issues and redeems its shares and invests in securities as reported in the Statement of Changes in Net Assets. Information on cash payments is presented in the Statement of Cash Flows. Accounting practices that do not affect reporting activity on a cash basis include unrealized gain or loss on investment securities. In addition, cash flows on future and option contracts are included in the same category as the cash flows for items being hedged.

REPURCHASE AGREEMENTS: The Fund may engage in repurchase agreement transactions. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed upon price and time, thereby determining the yield during the Fund's holding

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

period. This arrangement results in a fixed rate of return that is not subject to market fluctuations during the Fund's holding period. The value of the collateral is at least equal at all times to the total amount of the repurchase obligations, including interest. In the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred. There is potential loss to the Fund in the event the Fund delayed or was prevented from exercising its rights to dispose of the collateral securities including the risk of a possible decline in the value of the underlying securities during the period while the Fund seeks to assert its rights. The Fund's investment adviser or sub-investment adviser, acting under the supervision of the Board of Trustees, reviews the value of the collateral and the creditworthiness of those banks and dealers with which the Fund enters into repurchase agreements to evaluate potential risks.

**2. INVESTMENT ADVISORY FEE, PORTFOLIO MANAGEMENT FEES,
ADMINISTRATION FEE AND
OTHER RELATED PARTY TRANSACTIONS**

Prior to the close of business on July 30, 1993, the Fund was a party to an investment advisory agreement with Shearson Lehman Investment Strategy Advisors Inc. ("Strategy Advisors"), a wholly owned subsidiary of Shearson Lehman Brothers, Inc. ("Shearson Lehman Brothers").

As of the close of business on July 30, 1993, The Travelers Inc. (formerly known as Primerica Corporation) and Smith Barney, Harris Upham & Co. Incorporated completed the acquisition of the domestic retail brokerage and asset management business of Shearson Lehman Brothers and Smith Barney, Harris Upham & Co. Incorporated was renamed Smith Barney Shearson Inc. ("Smith Barney Shearson").

Subsequent to such acquisition, Smith Barney Shearson Strategy Advisors Inc. ("SBSSA"), a division of Mutual Management Corp., which is controlled by Smith Barney Shearson Holdings Inc. ("Holdings"), succeeded Strategy Advisors as the Fund's investment adviser. Holdings is a wholly owned subsidiary of Travelers. The Fund pays SBSSA a fee adjusted to reflect performance of its Class B shares. This monthly performance adjustment is based upon the performance of the Class B shares, after deducting all expenses, including the investment advisory fee, relative to the performance of the Standard & Poor's 500 Composite Stock Price Index (the "S&P 500") on a rolling twelve month basis. The investment advisory fee paid to SBSSA

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

can range on an annual basis from 0% to 4.00% of the value of the Fund's average daily net assets. For the year ended December 31, 1993, the effective rate was 2.38% for Class A shares and for the period from June 1, 1993 to December 31, 1993, the effective rate was 2.42% for Class B shares.

The Fund and SBSSA have entered into portfolio management agreements ("Portfolio Management Agreements") with various portfolio managers (collectively, the "Portfolio Managers"). The Fund's current Portfolio Managers are as follows: Ardsley Advisory Partners; Hellman, Jordan Management Co., Inc.; Mark Asset Management Corporation; and Woodward & Associates Inc. SBSSA pays each Portfolio Manager a monthly management fee based upon the Portfolio Manager's performance compared to the performance of the S&P 500 on a rolling twelve month basis. The Fund pays no direct investment advisory fee to any of the Portfolio Managers. On November 20, 1992, Strategy Advisors gave notice of its intention to terminate the Portfolio Management Agreement by and between the Fund, Strategy Advisors and McKenzie, Walker Investment Management, Inc. ("McKenzie, Walker"). Pursuant to such Portfolio Management Agreement, termination was effective 60 days from the date of notification, January 19, 1993. Strategy Advisors began reallocation of the Fund assets managed by McKenzie, Walker on December 1, 1992 in accordance with the terms of such Portfolio Management Agreement.

Tremont Partners, Inc. ("Tremont") assists SBSSA in monitoring and evaluating the performance of the Portfolio Managers pursuant to a consulting agreement among the Fund, SBSSA and Tremont. SBSSA pays Tremont a fee for its services equal to 0.20% of any investment advisory fee retained by SBSSA. The Fund pays no direct fees to Tremont.

The Fund has also entered into an administration agreement (the "Administration Agreement") with Boston Advisors, an indirect wholly owned subsidiary of Mellon Bank Corporation ("Mellon"). Under the Administration Agreement, Boston Advisors is paid a fee computed and paid monthly at the annual rate of 0.25% of the value of the Fund's average daily net assets. Prior to the close of business on May 21, 1993 Boston Advisors served as sub-investment advisor and administrator to the Fund and received fees equal to the current rates for its services.

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the year ended December 31, 1993, the Fund incurred total brokerage commissions on portfolio transactions of \$1,172,270, of which \$15,684 was paid to Smith Barney Shearson, Inc. or its predecessor and \$18,029 was paid to Lehman Brothers, Inc.

For the year ended December 31, 1993, Smith Barney Shearson or its predecessor received from investors \$231,564 representing commissions (sales charges) on sales of Class A shares.

A CDSC is generally payable by a shareholder in connection with the redemption of Class B shares within five years after the date of purchase. In circumstances in which the charge is imposed, the amount of the charge ranges between 5% and 1% of net asset value depending on the number of years since the date of purchase. For the year ended December 31, 1993, Smith Barney Shearson or its predecessor received \$1,884 in compensation from investors in CDSCs on the redemption of Class B shares.

No officer, director or employee of Smith Barney Shearson, SBSSA, the Portfolio Managers, Boston Advisors, Tremont or any of their affiliates received any compensation from the Fund for serving as an Individual General Partner. The Fund pays each Individual General Partner who is not an officer, director or employee of Smith Barney Shearson, SBSSA, the Portfolio Managers, Boston Advisors, Tremont or any of their affiliates, a fee of \$15,000 per annum plus \$1,000 per meeting attended, and reimburses each such Individual General Partner for travel and out-of-pocket expenses.

Boston Safe Deposit and Trust Company, an indirect wholly owned subsidiary of Mellon, serves as the Fund's custodian. The Shareholder Services Group, Inc., a subsidiary of First Data Corporation, serves as the Fund's transfer agent.

3. DISTRIBUTION AGREEMENT

Smith Barney Shearson acts as distributor of the Fund's shares pursuant to a distribution agreement with the Fund, and sells shares of the Fund through Smith Barney Shearson or its affiliates.

Pursuant to Rule 12b-1 under the 1940 Act, the Fund has adopted a Services and Distribution Plan (the "Plan"). Under this Plan, the Fund compensates

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Smith Barney Shearson for servicing accounts for Class A and Class B shareholders. Smith Barney Shearson is paid an annual service fee with respect to Class A and Class B shares of the Fund at the rate of 0.25% of the value of the average daily net assets of each respective class of shares. Smith Barney Shearson is also paid an annual distribution fee with respect to Class B shares at the rate of 0.75% of the value of the average daily net assets attributable to those shares. During the period from June 1, 1993 through December 31, 1993, the Fund incurred \$193,599 and \$4,962 in service fees for Class A and Class B shares, respectively. During the period from January 1, 1993 through May 28, 1993, the Fund incurred \$143,939 in distribution fees for Class A shares. For the period from June 1, 1993 through December 31, 1993, the Fund incurred \$14,885 in distribution fees for Class B shares. Prior to June 1, 1993, the Fund paid distribution fees at an annual rate of 0.25% of the value of the average daily net assets for Class A shares.

4. PURCHASES AND SALES OF INVESTMENTS

Purchases and proceeds from sales of securities, excluding U.S. government securities and short-term obligations, during the year ended December 31, 1993, were \$303,717,615 and \$364,218,145, respectively. Purchases and proceeds from sales of U.S. government securities during the year ended December 31, 1993 were \$3,877,545 and \$3,862,857, respectively.

Written option activity for the year ended December 31, 1993 was as follows:

<TABLE>
<CAPTION>

	Premiums	Number of Contracts
<S>	<C>	<C>

Options outstanding at December 31, 1992	\$ 27,199	100
Options written during the period	1,204,484	4,668
Options expired during the period	(292,782)	(825)
Options cancelled in closing purchase transactions	(855,728)	(3,543)
Options outstanding at December 31, 1993	\$ 83,173	400

</TABLE>

At December 31, 1993, aggregate gross unrealized appreciation of all securities in which there was an excess of value over tax cost was \$28,444,523 and aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$4,799,591.

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. SHARES OF PARTNERSHIP INTEREST

The Fund has authorized and may issue an unlimited number of shares, divided into two classes, Class A and Class B. As of September 16, 1993, the Fund ceased all sales of Class B shares of the Fund. The Individual General Partners of the Fund reserve the right in their sole discretion to offer Class B shares of the Fund for purchase in the future.

Changes in shares outstanding for the Fund were as follows:

<TABLE>

<CAPTION>

	YEAR ENDED 12/31/93		YEAR ENDED 12/31/92	
	Shares <C>	Amount <C>	Shares <C>	Amount <C>
CLASS A SHARES:				
Sold	266,743	\$ 7,199,559	568,336	\$ 13,834,909
Redeemed	(1,154,680)	(31,233,705)	(1,744,759)	(41,456,883)
Net decrease	(887,937)	\$(24,034,146)	(1,176,423)	\$(27,621,974)

</TABLE>

<TABLE>

<CAPTION>

	PERIOD ENDED 12/31/93*		<C>
	Shares <C>	Amount <C>	
CLASS B SHARES:**			
Sold	151,161	\$ 4,058,038	
Redeemed	(1,974)	(53,470)	
Net increase	149,187	\$ 4,004,568	

<FN>

*The Fund commenced selling Class B shares on June 1, 1993. Any shares outstanding prior to June 1, 1993 have been designated as Class A shares.

**The Fund ceased all sales of Class B shares on September 16, 1993.

</TABLE>

6. ORGANIZATION COSTS

All costs incurred in connection with the organization of the Fund, including the fees and expenses of registering and qualifying its shares for distribution under Federal and state securities regulations, are being amortized on the straight-line method over a period of sixty months from June 28, 1990, the date that the Fund commenced operations. In the event that any of the initial shares of the Fund are redeemed during such amortization period, the Fund will be

reimbursed for any unamortized organization costs in the same proportion as the number of shares redeemed bears to the number of initial shares outstanding at the time of redemption.

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The Advisors Fund L.P.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. NOTES PAYABLE

The Fund has a line of credit agreement (the "Agreement") provided by Continental Bank N.A. primarily for the purpose of allowing the Fund to leverage investments. Under this Agreement, the Fund may borrow up to the lesser of \$50 million or 25% of its adjusted net assets. Interest is payable either at the bank's Money Market Rate or the London Interbank Offered Rate (LIBOR) plus a percentage ranging from 0.375% to 1.250% based on the aggregate loan outstanding balance on an annualized basis. The Fund is charged a commitment fee equal to 0.25% per annum of the credit available under the Agreement. The Fund is required to maintain a ratio of net assets to aggregate amount of indebtedness of no less than 3 to 1. At December 31, 1993, the Fund had outstanding borrowings of \$4,601,806. During the year ended December 31, 1993, the Fund had an average outstanding daily balance of \$30,104,558 with interest rates ranging from 3.370% to 5.125%. Interest expense totalled \$1,380,453 for the year ended December 31, 1993.

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The Advisors Fund L.P.

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE PARTNERS OF THE ADVISORS FUND L.P.:

We have audited the accompanying statement of assets and liabilities of The Advisors Fund L.P., including the schedule of portfolio investments, as of December 31, 1993, and the related statement of operations and cash flows for the year then ended, the statement of changes in net assets for each of the two years then ended and the financial highlights for each of the three years in the period then ended and for the period June 28, 1990 (commencement of operations) to December 31, 1990. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 1993 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The Advisors Fund L.P. as of December 31, 1993, the results of its operations and cash flows for the year then ended, the changes in its net assets for each of the two years then ended and the financial highlights for each of the three years in the period then ended and for the period June 28, 1990 (commencement of operations) to December 31, 1990, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND

Boston, Massachusetts
February 16, 1994

The Advisors Fund L.P.

 OATH OF THE COMMODITY POOL OPERATORS
 1994

FEBRUARY 22,

UNDER REGULATION 4.22(H) (I)

The undersigned hereby certify that, to the best of their knowledge and belief, the information contained in The Advisors Fund L.P. Annual Report dated December 31, 1993 was accurate and complete as of the date thereof.

Richard P. Roelofs
 Chief Executive Officer
 Smith Barney Shearson Strategy Advisers
 Inc.

Heath B. McLendon
 The Advisors Fund L.P.

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The Advisors Fund L.P.

 PARTICIPANTS

DISTRIBUTOR

Smith Barney Shearson Inc.
 388 Greenwich Street
 World Financial Center
 New York, New York 10285

INVESTMENT ADVISER

Smith Barney Shearson Strategy
 Advisers Inc.
 Two World Trade Center
 New York, New York 10048

CONSULTANT TO INVESTMENT
 ADVISER

Tremont Partners, Inc.
 555 Theodore Fremd Avenue
 Rye, New York 10580

ADMINISTRATOR

The Boston Company Advisors, Inc.
 One Boston Place
 Boston, Massachusetts 02108

TRANSFER AGENT

TSSG
 Exchange Place
 Boston, Massachusetts 02109

PORTFOLIO MANAGERS

Ardsley Advisory Partners
 646 Steamboat Road
 Greenwich, CT 06830

Hellman, Jordan Management
 Co., Inc.
 75 State Street
 Boston, Massachusetts 02109

Mark Asset Management
767 Fifth Avenue
New York, New York 10153

Woodward & Associates Inc.
17 State Street
New York, New York

AUDITORS AND COUNSEL

Coopers & Lybrand
One Post Office Square
Boston, Massachusetts 02109

Dechert Price & Rhoads
1500 K. Street N.W.
Washington, D.C. 20005

CUSTODIAN

Boston Safe Deposit and
Trust Company
One Boston Place
Boston, Massachusetts 02108

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THE
ADVISORS
FUND L.P.

INDIVIDUAL GENERAL PARTNERS
Walter E. Auch, Sr.
Martin Brody
Stephen E. Kaufman
Heath B. McLendon
Madelon DeVoe Talley

THIS REPORT IS SUBMITTED FOR
THE GENERAL INFORMATION OF THE
SHAREHOLDERS OF THE ADVISORS
FUND L.P. IT IS NOT AUTHORIZED FOR DISTRIBUTION TO PROSPECTIVE
INVESTORS UNLESS
ACCOMPANIED OR PRECEDED BY AN EFFECTIVE PROSPECTUS FOR THE FUND,
WHICH CONTAINS
INFORMATION CONCERNING THE FUND'S INVESTMENT POLICIES AND
APPLICABLE CHARGES,
DISTRIBUTION FEES, RISK OF LOSS AND EXPENSES, AS WELL AS OTHER
PERTINENT
INFORMATION.

PERFORMANCE CITED IS THROUGH DECEMBER 31, 1993. PLEASE CONSULT THE
SMITH BARNEY
SHEARSON MUTUAL FUNDS QUARTERLY PERFORMANCE UPDATE FOR FIGURES
THROUGH THE MOST
RECENT CALENDAR QUARTER.

[LOGO]

Smith Barney Shearson
Mutual Funds
Two World Trade Center
New York, New York 10048

Fund 134, 205

FD0413 B4

PART C

OTHER INFORMATION

(a) Financial Statements:

Included in Part A:

Financial Highlights

Included in Part B:

Annual Report dated December 31, 1993

Portfolio of Investments
Statement of Assets and Liabilities
Statement of Operations
Statement of Cash Flows
Statement of Changes in Net Assets
Condensed Financial Information
Notes to Financial Statements
Report of Independent Accountants

(b) Exhibits:

(1) (a) Amended and Restated Certificate of Limited Partnership, dated October 2, 1992, is incorporated by reference to Post-Effective Amendment No. 9 to the Registration Statement ("Post-Effective Amendment No. 9") as filed with the SEC on April 26, 1993.

(1) (b) Amended and Restated Agreement of Limited Partnership dated October 2, 1992, is incorporated by reference to Post-Effective Amendment No. 9.

(2) Not Applicable.

(3) Not Applicable.

(4) (a)

Specimen Share Certificate for Class A shares is incorporated by reference to Post-Effective Amendment No. 10 to the Registration Statement ("Post-Effective Amendment No. 10").

(4) (b) Specimen Share Certificate for Class B shares is incorporated by reference to Post-Effective Amendment No. 10.

(5) (a) Amended and Restated Investment Advisory Agreement, dated July 30, 1993, is incorporated by reference to Post-Effective Amendment No. 10.

(5) (b) Portfolio Management Agreement, dated July 30, 1993 between the Fund, Smith Barney Shearson Strategy Advisers Inc. and Ardsley Advisory Partners, is incorporated by reference to Post-Effective Amendment No. 10.

(5) (c) Portfolio Management Agreement, dated July 30, 1993 between the Fund, Smith Barney Shearson Strategy Advisers Inc. and Hellman, Jordan Management Co., Inc., is incorporated by reference to Post-Effective Amendment No. 10.

(5) (d) Portfolio Management Agreement, dated July 30, 1993 between the Fund, Smith Barney Shearson Strategy Advisers Inc. and Mark Asset Management Company, is incorporated by reference to Post-Effective Amendment No. 10.

(5) (e) Portfolio Management Agreement, dated July 30, 1993 between the Fund, Smith Barney Shearson Strategy Advisers Inc. and Woodward & Associates Inc., is incorporated by reference to Post-Effective Amendment No. 10.

(5) (f) Consulting Agreement, dated July 30, 1993, is

incorporated by reference to Post-Effective Amendment No. 10.

(6) Distribution Agreement, dated July 30, 1993, is incorporated by reference to Post-Effective Amendment No. 10.

(7) Not Applicable.

(8) (a) Custody Agreement is incorporated by reference to Pre-Effective Amendment No. 3 to the Registration Statement as filed with the SEC on April 13, 1990.

(8) (b) Amendment, dated March 7, 1991, to the Custody Agreement is incorporated by reference to Post-Effective Amendment No. 4 to the Registration Statement ("Post-Effective Amendment No. 4") as filed with the SEC on February 28, 1992.

(8) (c) Transfer Agency and Registrar Agreement, dated September 2, 1993, is incorporated by reference to Post-Effective Amendment No. 10.

(9) Administration Agreement, dated May 21, 1993, is incorporated by reference to Post-Effective Amendment No. 10.

(10) Opinion of Counsel, regarding share registration pursuant to Rule 24e-2 is filed herein.

(11) Consent of Independent Accountants is filed herein.

(12) Not applicable.

(13) Initial Subscription Agreement is incorporated by reference to Pre-Effective Amendment No. 4 to the Registration Statement ("Pre-Effective Amendment No. 4") as filed with the SEC on May 8, 1990.

(14) Not applicable.

(15) Services and Distribution Plan, dated June 1, 1993, is incorporated by reference to Post-Effective Amendment No. 10.

(16) Performance Data is incorporated by reference to Post-Effective Amendment No. 1.

(17) Powers of Attorney are incorporated by reference to Post-effective Amendment No. 10.

Item 25.

Persons Controlled by or Under Common Control with Registrant

Not applicable.

Item 26. Number of Record Holders of Securities

(1) (2)

Number of Record Holders

Title of Class as of February 22, 1994

Class A	
Shares of partnership interest, no par value	2,375

Class B	
Shares of partnership interest, no par value	140

Item 27. Indemnification

The response to this item is incorporated by reference to Pre-Effective Amendment No. 4.

Item 28(a) Business and Other Connection of Investment Adviser

Investment Adviser -- Smith Barney Shearson Strategy Advisers
Inc.

Smith Barney Shearson Strategy Advisers Inc. ("Strategy Advisers") was incorporated on October 22, 1986 under the laws of the State of Delaware. Strategy Advisers is a wholly owned subsidiary of Smith, Barney Advisers, Inc. ("SBA"), which was incorporated under the laws of the state of Delaware in 1968. SBA is a wholly owned subsidiary of Smith Barney Shearson Holdings Inc., which in turn is a wholly owned subsidiary of The Travelers Inc. ("Travelers"), formerly known as Primerica Corporation. Strategy Advisers is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act"). Strategy Advisers is also registered with the Commodity Futures Trading Commission (the "CFTC") as a commodity pool operator under the Commodity Exchange Act (the "CEA"), and is a member of the National Futures Association (the "NFA").

The list required by this Item 28 of officers and directors of SBA and Strategy Advisers, together with information as to any other business, profession, vocation or employment of a substantial nature engaged in by such officers and directors during the past two years, is incorporated by reference to Schedules A and D of FORM ADV filed by SBA on behalf of Strategy Advisers pursuant to the Advisers Act (SEC File No. 801-8314).

Prior to the close of business on July 30, 1993 (the "Closing"), Shearson Lehman Investment Strategy Advisors Inc. ("Shearson Lehman Strategy Advisors"), a wholly owned subsidiary of Shearson Lehman Brothers Inc. ("Shearson Lehman Brothers"), served as the Registrant's investment adviser. On the Closing, Travelers and Smith Barney, Harris Upham & Co. Incorporated acquired the domestic retail brokerage and asset management business of Shearson Lehman Brothers which included the business of the Registrant's prior investment adviser. Shearson Lehman Brothers was a wholly owned subsidiary of Shearson Lehman Brothers Holdings Inc. ("Shearson Holdings"). All of the issued and outstanding common stock of Shearson Holdings (representing 92% of the voting stock) was held by American Express Company. Information as to any past business vocation or employment of a substantial nature engaged in by officers and directors of Shearson Lehman Investment Strategy Advisors can be located in Schedules A and D of FORM ADV filed by Shearson Lehman Investment Strategy Advisors prior to July 30, 1993. (SEC FILE NO. 801-28715)

Portfolio Managers and Consultant

Reference is made to the Form ADV of Ardsley Advisory Partners (SEC File No. 801-28944); Hellman, Jordan Management Co., Inc. (SEC File No. 801-14071); Mark Asset Management Corporation (SEC File No. 801-28992); Woodward & Associates Inc. (SEC File No. 801-39146); and Tremont Partners, Inc. (SEC File No. 801-23822).

The list required by this Item 28(a) of officers and directors of each of the above-mentioned investment advisers, together with information as to any other business profession, vocation or employment of a substantial nature engaged in by such officers and directors during the past two years, is incorporated by reference to Schedules A and D of each firm's respective Form ADV.

Item 29. Principal Underwriters

Smith Barney Shearson Inc. ("Smith Barney Shearson") currently acts as distributor for Smith Barney Shearson Managed Municipals Fund Inc., Smith Barney Shearson New York Municipals Fund Inc., Smith Barney Shearson California Municipals Fund Inc., Smith Barney Shearson Massachusetts Municipals Fund, Smith Barney Shearson Global Opportunities Fund, Smith Barney Shearson Small Capitalization Fund, Smith Barney Shearson Worldwide Prime Assets Fund, Smith Barney Shearson Short-Term World Income Fund, Smith Barney Shearson Principal Return Fund, Smith Barney Shearson Municipal Money Market

Fund Inc., Smith Barney Shearson Daily Dividend Fund Inc., Smith Barney Shearson Government and Agencies Fund Inc., Smith Barney Shearson Managed Governments Fund Inc., Smith Barney Shearson New York Municipal Money Market Fund, Smith Barney Shearson California Municipal Money Market Fund, Smith Barney Shearson Income Funds, Smith Barney Shearson Equity Funds, Smith Barney Shearson Investment Funds Inc., Smith Barney Shearson Precious Metals and Minerals Fund Inc., Smith Barney Shearson Telecommunications Trust, Smith Barney Shearson Arizona Municipals Fund Inc., Smith Barney Shearson New Jersey Municipals Fund Inc., The USA High Yield Fund N.V., Garzarelli Sector Analysis Portfolio N.V., The Advisors Fund L.P., Smith Barney Shearson Fundamental Value Fund Inc., Smith Barney Shearson Series Fund, The Trust for TRAK Investments, Smith Barney Shearson Income Trust, Smith Barney Shearson FMA Trust, Smith Barney Shearson Adjustable Rate Government Income Fund, Smith Barney Shearson Florida Municipals Fund, Smith Barney Funds, Inc., Smith Barney Equity Fund, Inc., Smith Barney Muni Funds, Smith Barney World Funds, Inc., Smith Barney Money Funds, Inc., Smith Barney Tax Free Money Fund, Inc., Smith Barney Variable Account Funds, Smith Barney U.S. Dollar Reserve Fund (Cayman), Worldwide Special Fund, N.V., Worldwide Securities Limited, (Bermuda) and various series of unit investment trusts.

Smith Barney Shearson is a wholly owned subsidiary of Smith Barney Shearson Holdings Inc., which in turn is a wholly owned subsidiary of Travelers. The information required by this Item 29 with respect to each director, officer and partner of Smith Barney Shearson is incorporated by reference to Schedule A of FORM BD filed by Smith Barney Shearson pursuant to the Securities Exchange Act of 1934 (SEC File No. 812-8510).

Item 30. Location of Accounts and Records

The accounts, books and other documents required to be maintained by the Registrant pursuant to Section 31(a) of the Investment Company Act of 1940 and the rules thereunder will be maintained at the following offices:

- (1) Smith Barney Shearson Strategy Advisers Inc.
Two World Trade Center
New York, New York 10048
- (2) The Boston Company Advisors, Inc.
One Boston Place
Boston, Massachusetts 02108
(Records relating to its function as
Registrant's Administrator)
- (3) Ardsley Advisors Partners
646 Steamboat Road
Greenwich, CT 06830
(Records relating to its function as
one of Registrant's Portfolio Managers)
- (4) Hellman, Jordan Management Co., Inc.
75 State Street
Boston, MA 02109
(Records relating to its function as
one of Registrant's Portfolio Managers)
- (5) Mark Asset Management Corporation
767 Fifth Avenue
New York, NY 10153
(Records relating to its function as one of
Registrant's Portfolio Managers)
- (6) Woodward & Associates Inc.
17 State Street
New York, NY 10153
(Records relating to its function as
one of Registrant's Portfolio Managers)
- (7) Tremont Partners, Inc.

One Corporate Center at Rye
555 Theodore Fremd Avenue
Rye, New York 10580
(Records relating to its function as
Consultant to Registrant's Investment
Adviser)

(8) The Shareholder Services Group, Inc.
Exchange Place
Boston, MA 02109
(Records relating to its function as
Registrant's Transfer Agent)

(9) Boston Safe Deposit and Trust Company
One Boston Place
Boston, MA 02108
(Records relating to its function as
Registrant's Custodian)

Item 31. Management Services

Not applicable.

Item 32. Undertakings

(a) Not applicable.

(b) Not applicable.

(c) Registrant undertakes to furnish to each person to whom a prospectus is delivered a copy of Registrant's latest annual report to shareholders, upon request and without charge.

(d) Registrant undertakes to call a meeting of shareholders for the purpose of voting upon the question of removal of a General Partner or General Partners when requested to do so by the holders of at least 10% of Registrant's outstanding shares and in connection with such meeting to comply with the provisions of Section 16(c) of the Investment Company Act of 1940 relating to shareholder communications.

THE ADVISORS FUND L.P.

EXHIBIT INDEX

Exhibit No.
Description

10
Opinion of Counsel for Rule 24e-2 Registration.

11
Consent of Independent Accountants

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, The Advisors Fund L.P., has duly caused this Amendment to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York, State of New York, on the 1st of March, 1994.

THE ADVISORS FUND L.P.

By: /s/ Heath B. McLendon
Heath B. McLendon
Individual General Partner
and Designated Agent
(Chief Executive Officer)

Witness our hands on the date set forth below.

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURES	TITLE	DATE
/s/ Heath B. McLendon Heath B. McLendon	Individual General Partner and Designated Agent (Chief Executive Officer)	March 1, 1994
/s/ Vincent Nave Vincent Nave	Designated Agent (Chief Financial and Accounting Officer)	March 1, 1994
/s/ Walter E. Auch Walter E. Auch	Individual General Partner	March 1, 1994
/s/ Martin Brody Martin Brody	Individual General Partner	March 1, 1994
/s/ Stephen E. Kaufman Stephen E. Kaufman	Individual General Partner	March 1, 1994
/s/ Madelon DeVoe Talley Madelon DeVoe Talley	Individual General Partner	March 1, 1994

shared/global/advisors/peas/pea#11

February 25, 1994

The Advisors Fund L.P.
Two World Trade Center
New York, New York 10048

Dear Sir or Madam:

As counsel for The Advisors Fund L.P. (the "Fund"), we are familiar with the registration of the Fund under the Investment Company Act of 1940 (File No. 811-5391) and the registration statement relating to its shares representing limited partnership interests (the "Shares") under the Securities Act of 1933 (File No. 33-18584). We also have examined such other corporate records, agreements, documents and instruments as we deemed appropriate.

Based upon the foregoing, it is our opinion that the Shares being registered pursuant to Post-Effective Amendment No. 11 to the Fund's Registration Statement will, when sold in accordance with the terms of the Registration Statement and the prospectus included therein, and delivered by the Fund against receipt of the net asset value of the Shares, have been duly and validly authorized and issued as fully paid and non-assessable Shares of the Fund.

We consent to the filing of this opinion in connection with Post-Effective No. 11 which is filed on behalf of the Fund pursuant to Section 24(e) of the Investment Company Act of 1940.

Very truly yours,

/s/ Dechert price & Rhoads

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CONSENT OF INDEPENDENT ACCOUNTANTS

To the Partners of The Advisors Fund L.P.:

We hereby consent to the following with respect to Post-Effective Amendment No. 11 to the Registration Statement on Form N-1A (File No. 33-18584) under the Securities Act of 1933, as amended, of The Advisors Fund L.P.:

1. The incorporation by reference of our report dated February 16, 1994 accompanying the Annual Report dated December 31, 1993 of The Advisors Fund L.P., in the Statement of Additional information.

2. The reference to our firm under the heading "Financial Highlights" in the Prospectus.

3. The reference to our firm under the heading "Counsel and Auditors" in the Statement of Additional Information.

COOPERS & LYBRAND

Boston, Massachusetts

February 25, 1994