

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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FILER

**SMITH BARNEY SHEARSON FUNDAMENTAL VALUE FUND
INC**

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Business Address
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CIK: **351934** | IRS No.: **911146641** | State of Incorporation: **WA** | Fiscal Year End: **0930**
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SMITH BARNEY SHEARSON
FUNDAMENTAL VALUE FUND INC.

Supplement to Statement of Additional Information dated November 22, 1993

The following information updates the disclosure found in the Statement of Additional Information of Smith Barney Shearson Fundamental Value Fund Inc. (the "Fund") under "Investment Objective and Management Policies:"

On June 28, 1994, at the Annual Meeting of Shareholders, the shareholders approved the modification of an investment restriction that is one of the Fund's fundamental investment policies. As a result of this modification the Fund may, for hedging purposes, purchase put options on portfolio securities. Set forth below is the Fund's policy, as modified, regarding the purchase and sale of options:

[The Fund may not] write, purchase or sell puts, calls, straddles, spreads or combinations thereof or engage in transactions involving futures contracts and related options, except as permitted under the Fund's investment goals and policies, as set forth in its current prospectus and statement of additional information.

Also on June 28, 1994, the Board of Directors approved the modification of an investment restriction that is not one of the Fund's fundamental investment policies. As a result of this modification the Fund may invest in closed-end investment companies. Set forth below is the Fund's policy, as modified, regarding investment in other investment companies:

[The Fund may not] invest in other open-end investment companies (except as part of a merger, consolidation, reorganization or acquisition of assets). This restriction does not apply to investment in closed-end, publicly traded investment companies.

Dated August 26, 1994.

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