FORM 497

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BULL & BEAR FUNDS II INC

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Bull & Bear Global Income Fund seeks to provide shareholders a high level of income. Capital appreciation is a secondary objective. The Fund seeks to achieve its objectives by investing primarily in a global portfolio of investment grade fixed income securities. Dividends are paid monthly.

By investing in both domestic and international fixed income markets, the Fund can expand investment horizons while providing an effective means of reducing volatility associated with concentration in a single country or region. Because the economies, interest rates, and currency exchange rates of foreign countries often follow different cycles, the resulting variation of performance by the world's fixed income markets may provide an effective means of balancing an investor's portfolio. The Fund cannot guarantee it will achieve its investment objectives.

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NEWSPAPER LISTING. Shares of the Fund are sold at the net asset value per share which is shown daily in the mutual fund section of newspapers under the "Bull & Bear Group" heading.

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This Prospectus sets forth concisely information about the Fund which prospective investors ought to know before investing in the Fund and should be retained for future reference. A careful reading of the Prospectus is recommended prior to any investment. A Statement of Additional Information about the Fund dated November 1, 1994, as amended or supplemented from time to time, has been filed with the Securities and Exchange Commission, is incorporated herein by reference, and is available to prospective investors without charge upon request to the Fund's Distributor, Bull & Bear Service Center, Inc., 11 Hanover Square, New York, NY 10005, 1-800-847-4200/1-212-363-1100. Shares of the Fund are not bank deposits or obligations of, or guaranteed or endorsed by any bank or any affiliate of any bank, and are not Federally insured by, obligations of or otherwise supported by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other agency.

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.

Expense Table. The tables below are intended to assist investors in understanding the costs and expenses Fund shareholders bear directly or indirectly. A $2 monthly fee is charged where average monthly balances are less than $500, except for accounts in the Bull & Bear Automatic Investment Program where shareholders invest $100 or more each month (see "How to Purchase Shares").

Shareholder Transaction Expenses	
Sales Load Imposed on Purchases	NONE
Sales Load Imposed on Reinvested Dividends	NONE
Deferred Sales Load	NONE
Redemption Fees	NONE
Exchange Fees	NONE
Annual Fund Operating Expenses (as a percentage of average net assets)	
Management Fees	0.70%
12b-1 Fees	0.50%
Other Expenses	0.78%
Total Fund Operating Expenses	1.98%

<TABLE>
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Example	1 year	3 years	5 years	10 years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return and a redemption at the end of each time period:	$20	$62	$107	$231

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The example should not be considered a representation of past or future expenses and actual performance and expenses may be greater or lesser than shown. The percentages given for "Annual Fund Operating Expenses" are based on the Fund's operating expenses and average daily net assets during its fiscal year ended June 30, 1994. Long term shareholders may pay more than the economic equivalent of the maximum front-end sales charge permitted by the National Association of Securities Dealers, Inc.'s ("NASD") rules regarding investment companies. "Other Expenses" include amounts paid to the Fund's Custodian (net of brokerage commission credits pursuant to an arrangement not anticipated to materially increase brokerage commissions paid by the Fund -- see "The Investment Manager") and Transfer and Dividend Disbursing Agent and reimbursements to the Manager and the Distributor for certain administrative and shareholder services. The assumption in the Example of a 5% annual return is required by regulations of the Securities and Exchange Commission ("SEC") and is not a prediction of, and does not represent the Fund's projected or actual performance.

Financial Highlights for a share of capital stock outstanding throughout each period. The following information is supplemental to the Fund's financial statements and report thereon of Tait, Weller & Baker, independent accountants, appearing in the June 30, 1994 Annual Report to Shareholders and incorporated by reference in the Statement of Additional Information. Until October 29, 1992, the Fund's investment objective was to obtain for its shareholders the highest income over the long term and the Fund followed a policy of investing primarily in lower rated debt securities of U.S. companies.

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	Years Ended June 30									
	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985
Net asset value at beginning of period	$9.39	$8.56	$7.97	$8.67	$9.73	$10.83	$13.04	$14.96	$14.42	$13.25
Income from investment operations:										
Net investment income	.60	.66	.77	.81	.99	1.27	1.41	1.76	1.89	1.94
Net realized and unrealized gain (loss) on investments	(1.02)	.92	.54	(.64)	(.97)	(1.13)	(2.19)	(1.92)	.54	1.17
Total from investment operations	(.42)	1.58	1.31	.17	.02	.14	(.78)	(.16)	2.43	3.11
Less distributions:										
Distributions from net investment income	(.60)	(.66)	(.72)	(.82)	(.98)	(1.24)	(1.43)	(1.74)	(1.89)	(1.94)
Distributions in excess of net investment income	(.12)	(.09)	--	--	--	--	--	--	--	--
Distributions from net realized gains	--	--	--	--	--	--	--	(.02)	--	--
Distributions from paid-in-capital	--	--	--	(.05)	(.10)	--	--	--	--	--
Total distributions	(.72)	(.75)	(.72)	(.87)	(1.08)	(1.24)	(1.43)	(1.76)	(1.89)	(1.94)

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Net asset value at end of period	$8.25	$9.39	$8.56	$7.97	$8.67	$9.73	$10.83	$13.04	$14.96	$14.42
TOTAL RETURN	(5.12)%	19.39%	17.09%	2.45%	.54%	1.34%	(5.99)%	(1.01)%	17.99%	25.02%
- ------------										
RATIOS/SUPPLEMENTAL DATA										
Net assets at end of period (000's omitted)	$44,355	$51,768	$44,323	$42,515	$51,318	$82,520	$124,095	$206,251	$113,026	$33,489
Ratio of expenses to average net assets(a)	1.98%	1.95%	1.93%	1.95%	1.72%	1.68%	1.71%	1.50%	1.37%	1.16%
Ratio of net investment income to average net assets(b)	6.58%	7.44%	9.25%	10.08%	10.99%	12.08%	11.96%	12.40%	13.45%	13.86%
Portfolio turnover rate	223%	172%	206%	555%	134%	122%	124%	85%	77%	127%

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<FN>
(a) Ratio prior to reimbursement by the Investment Manager was 1.74% in 1989.
(b) Ratio prior to reimbursement by the Investment Manager was 12.02% in 1989.
</FN>
</TABLE>

Information relating to outstanding debt during the fiscal periods shown below.

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Fiscal Year Ended June 30	Amount of Debt Outstanding at End of Period	Average Amount of Debt Outstanding During the Period	Average Number of Shares During the Period	Average Amount of Debt Per Share Outstanding During the Period
<S>	<C>	<C>	<C>	<C>
1994	$ 0	$204,441	5,715,428	$0.04
1993	886,000	45,252	5,158,922	0.01
1992	0	189,119	5,256,156	0.04

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GENERAL

Global Income Investing. For more than three decades, the growth rate of many foreign economies has exceeded that of the United States. At times, a number of foreign fixed income markets have outperformed their U.S. counterparts. Although there can be no assurances, foreign fixed income markets could continue to offer attractive investment opportunities from time to time relative to the U.S. market. For the individual investor, buying foreign debt securities can be difficult: access to international markets is complicated, few individuals have the time or resources to evaluate foreign economies, markets and securities, and transaction costs are generally high.

Purposes of the Fund. The Fund is for long term investors seeking the yields offered worldwide by a portfolio consisting primarily of investment grade fixed income securities, together with the advantages of professional management, diversification, and liquidity. The net asset value of the Fund will change as interest rates and currency prices fluctuate and the Fund is subject to risks unique to global investing. The Fund should not be considered a complete investment program, and there is no assurance it will achieve its objectives.

Check Writing Privilege for Easy Access. Shareholders have the convenience of making redemptions without charge simply by writing a check for $250 or more. There is no limit on the number of checks a shareholder may write.

Monthly Income. The Fund pays monthly dividends to its shareholders from the income it earns on its investments and from any net foreign currency gains. The Fund also distributes to shareholders annually substantially all net realized gains from the sale of securities and foreign currencies, if any, after offsetting any capital loss carryforward. Distributions may be reinvested in shares of the Fund or any other Bull & Bear Fund (see "Dividend Sweep Privilege"), or at the shareholder's option, paid in cash.

Yield Information. Please call 1-800-847-4200 or 1-212-363-1100 to obtain the Fund's yield.

Portfolio Management. The Fund's Portfolio Manager for the past four years has been G. Clifford McCarthy, Jr. Mr. McCarthy is Senior Vice President and a member of the Investment Policy Committee of Bull & Bear Advisers, Inc. (the "Investment Manager") with overall responsibility for the Bull & Bear fixed income funds. Mr. McCarthy was formerly a partner of Salomon Brothers and a Vice President of Citicorp Investment Management, directing its fixed income portfolios. More recently, he was an officer of Printon, Kane & Co. and Balfour, MacLaine Inc. A graduate of Wagner College, Mr. McCarthy is a member of the New York Bond Club.

THE FUND'S INVESTMENT PROGRAM

The Fund's primary investment objective, which may not be changed without shareholder approval, is to seek to provide shareholders a high level of income. The Fund's secondary objective, which may be changed by the Board of Directors without shareholder approval, is capital appreciation. An investor's return will consist of monthly dividends, capital appreciation or depreciation, and foreign currency gains or losses.

The Fund will normally invest at least 65% of its net assets in investment grade fixed income securities which are rated, at the time of purchase, BBB or better by Standard & Poor's Ratings Group ("Standard & Poor's"), Baa or better by Moody's Investors Service, Inc. ("Moody's") or, if unrated, are determined by the Investment Manager to be of comparable quality. The Fund may also invest up to 35% of its assets in fixed income securities rated BB, B, or CCC by Standard & Poor's or Ba, B, or Caa by Moody's and in other securities (including common stocks, warrants, options and securities convertible into common stock), when such investments are consistent with its investment objectives or are acquired as part of a unit consisting of a combination of fixed income securities and other securities. The Fund currently expects to invest predominately in the United States, Western Europe, Latin America, the Pacific Rim, South Africa, and Canada. The Fund will normally invest in at least three different countries, but may invest in fixed income securities of only one country for temporary defensive purposes. When the Investment Manager believes unusual circumstances warrant a defensive posture, the Fund may commit all or any portion of its assets to cash (U.S. dollars and/or foreign currencies) or money market instruments of U.S. and foreign issuers, including repurchase agreements. In seeking to identify the world's best performing bonds and other fixed income securities, the Investment Manager bases its investment decisions on fundamental market attractiveness, interest rates and trends, currency trends, and credit quality.

The Investment Manager undertakes several measures in seeking to achieve the Fund's objectives:

- First, the fixed income securities purchased by the Fund will be primarily rated at the time of purchase in the top four categories by Standard & Poor's or Moody's. Ratings are not a guarantee of quality and ratings can change after a security is purchased by the Fund. Moreover, securities rated Baa by Moody's are deemed by that rating agency to have speculative characteristics.

- Second, the Investment Manager actively manages the average maturity of the Fund's portfolio in response to expected interest rate movements in pursuit of capital appreciation or to protect against depreciation. Debt securities generally change in value inversely to changes in market interest rates. Increases in market rates generally cause the market values of debt securities to decrease, and vice versa. Movements in interest rates typically have a greater effect on the prices of longer term bonds than on those with shorter maturities. When anticipating a decline in interest rates, the Investment Manager will attempt to lengthen the portfolio's maturity to capitalize on the appreciation potential of such securities. Conversely, when anticipating rising rates, the Investment Manager will seek to shorten the Fund's maturity to protect against capital depreciation. The Fund's portfolio may consist of long, intermediate, and short maturities. Consistent with seeking to maximize current income, the proportion invested in each category can be expected to vary depending upon the Investment Manager's evaluation of the market outlook.

- Third, the Investment Manager may employ certain investment techniques to seek to reduce the Fund's exposure to risks involving foreign currency exchange rates. An increase in value of a foreign currency relative to the U.S. dollar (the dollar weakens) will increase the U.S. dollar value of securities denominated in that foreign currency. Conversely, a decline in the value of a foreign currency relative to the U.S. dollar (the dollar strengthens) causes a decline in the U.S. dollar value of these securities. The percentage of the Fund's investments in foreign securities that will be hedged back to the U.S. dollar will vary depending on anticipated trends in currency prices and the relative attractiveness of such techniques and other strategies.

There is, of course, no guarantee that these investment strategies will accomplish their objectives.

Foreign Investments. Investors should understand and consider carefully the substantial risks involved in foreign investing. Foreign securities, which are generally denominated in foreign currencies, and utilization of forward contracts on foreign currencies involve certain considerations comprising both risk and opportunity not typically associated with investing in U.S. securities. These considerations include: fluctuations in currency exchange rates; restrictions on foreign investment and repatriation of capital; costs of converting foreign currency into U.S. dollars; greater price volatility and trading illiquidity; less public information on issuers of securities; difficulty in enforcing legal rights outside of the United States; lack of uniform accounting, auditing, and financial reporting standards; the possible imposition of foreign taxes, exchange controls, and currency restrictions; and, the possible greater political, economic, and social instability of developing as well as developed countries including without limitation nationalization,

expropriation of assets, and war. Furthermore, individual foreign economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position. Securities of many foreign companies may be less liquid and their prices more volatile than securities issued by comparable U.S. issuers. Transactions in foreign securities may be subject to less efficient settlement practices. These risks are often heightened when the Fund's investments are concentrated in a small number of countries. In addition, because transactional and custodial expenses for foreign securities are generally higher than for domestic securities, the expense ratio of the Fund can be expected to be higher than investment companies investing exclusively in domestic securities.

Since investments in foreign securities usually involve foreign currencies and since the Fund may temporarily hold funds in bank deposits in foreign currencies in order to facilitate portfolio transactions, the value of the assets of the Fund as measured in U.S. dollars may be affected favorably or unfavorably by changes in foreign currency exchange rates and exchange control regulations. For example, if the value of the U.S. dollar decreases relative to a foreign currency in which a Fund investment is denominated or which is temporarily held by the Fund to facilitate portfolio transactions, the value of such Fund assets and the Fund's net asset value per share will increase, all else being equal. Conversely, an increase in the value of the U.S. dollar relative to such a foreign currency will result in a decline in the value of such Fund assets and its net asset value per share. The Fund may incur additional costs in connection with conversions of currencies and securities into U.S. dollars. The Fund will conduct its foreign currency exchange transactions either on a spot (i.e., cash) basis, or through entering into forward contracts. The Fund generally will not enter into a forward contract with a term of greater than one year.

The Fund may invest in securities of issuers located in emerging market countries. The risks of investing in foreign securities may be greater with respect to securities of issuers in, or denominated in the currencies of, emerging market countries. The economies of emerging market countries generally are heavily dependent upon international trade and accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The securities markets of emerging market countries are substantially smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and other developed countries. Disclosure and regulatory standards in many respects are less stringent in emerging market countries than in the U.S. and other major markets. There also may be a lower level of monitoring and regulation of emerging markets and the activities of investors in such markets, and enforcement of existing regulations may be extremely limited. Investing in local markets, particularly in emerging market countries, may require the Fund to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the Fund. Certain emerging markets countries may also restrict investment opportunities in issuers in industries deemed important to national interests.

U.S. and Foreign Government Securities. The U.S. Government securities in which the Fund may invest include direct obligations of the U.S. Government (such as Treasury bills, notes and bonds) and obligations issued by U.S. Government agencies and instrumentalities. Agencies and instrumentalities include executive departments of the U.S. Government or independent Federal organizations supervised by Congress. Although all obligations of agencies and instrumentalities are not direct obligations of the U.S. Treasury, payment of the interest and principal on these obligations is generally backed directly or indirectly by the U.S. Government. This support can range from securities supported by the full faith and credit of the United States (for example, U.S. Treasury securities), to securities that are supported solely or primarily by the creditworthiness of the issuer (for example, securities of the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and the Tennessee Valley Authority). In the case of obligations not backed by the full faith and credit of the United States, the Fund must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitments. Accordingly, these securities may involve more risk than securities backed by the U.S. Government's full faith and credit.

The foreign government securities in which the Fund invests generally consist of obligations supported by national, state or provincial governments or similar political subdivisions. The foreign government securities in which the Fund may also invest include the obligations of supranational agencies, such as the International Bank for Reconstruction and Development (the World Bank). Supranational agencies rely on funds from participating countries, often including the United States, from which they must request funds. Such requests may not always be honored. The obligations of supranational agencies, depending on where and how are issued, may be subject to some of the risks discussed above with respect to foreign securities.

Investments in foreign government debt securities involve special risks. The issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to pay interest or repay interest or repay principal when due in accordance with the terms of such debt, and the Fund may have limited legal recourse in the event of default. Political conditions, especially a sovereign entity's willingness to meet the terms of its debt obligations, are of considerable significance.

Securities of Private Issuers. The securities of U.S. and foreign private issuers in which the Fund invests may be denominated in U.S. dollars or other currencies, including obligations of U.S. and foreign issuers payable in U.S. dollars outside the United States ("Euros") and obligations of foreign issuers payable in U.S. dollars and issued in the United States ("Yankees"). The securities of private issuers may include corporate bonds, notes and commercial paper, as well as certificates of deposit, time deposits, bankers' acceptances and other obligations of U.S. banks and their branches located outside the United States, U.S. branches of foreign banks, foreign branches of foreign banks and U.S. agencies of foreign banks and wholly owned banking subsidiaries of foreign banks located in the United States. The securities of private issuers also may include common stocks and other equity securities such as warrants, options and securities convertible into common stock, when such investments are consistent with the Fund's investment objectives or are acquired as part of a unit consisting of fixed income and equity securities.

Fixed Income Securities. The Fund is permitted to purchase investment grade fixed income securities. Securities rated BBB or better by Standard & Poor's or Baa or better by Moody's are investment grade but Moody's considers securities rated Baa to have speculative characteristics. Changes in economic conditions or other circumstances are more likely to lead to a weakened capacity for such securities to make principal and income payments than is the case for higher-rated securities. The Fund also may invest up to 35% of its assets in fixed income securities rated below investment grade but not lower than CCC by Standard & Poor's or Caa by Moody's. These securities are deemed by those agencies to be in poor standing and predominantly speculative; the issuers may be in default on such securities or deemed without capacity to make scheduled payments of income or repay principal, involving major risk exposure to adverse conditions. The Fund is also permitted to purchase fixed income securities that are not rated by Standard & Poor's or Moody's but that the Investment Manager determines to be of comparable quality to that of rated securities in which the Fund may invest. Such securities are included in percentage limitations applicable to the comparable rated securities.

Ratings of fixed income securities represent the rating agencies' opinions regarding their quality, are not a guarantee of quality, and may be lowered after a fund has acquired the security. The Investment Manager will consider such an event in determining whether the Fund should continue to hold the security but is not required to dispose of it. Credit ratings attempt to evaluate the safety of principal and income payments and do not evaluate the risk of fluctuations in market value. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's financial condition may be better or worse than the rating indicates. See the Appendix to the Statement of Additional Information for a further description of Standard & Poor's and Moody's ratings.

Lower rated fixed income securities generally offer a higher current yield than that available on higher grade issues. However, lower rated securities involve higher risks, in that they are especially subject to adverse changes in general economic conditions and in the industries in which the issuers are engaged, to changes in the financial condition of the issuers, and to price fluctuations in response to changes in interest rates. During periods of economic downturn or rising interest rates, highly leveraged issuers may experience financial stress which could adversely affect their ability to make payments of principal and income and increase the possibility of default.

In addition, such issuers may not have more traditional methods of financing available to them, and may be unable to repay debt at maturity by refinancing. The risk of loss due to default by such issuers is significantly greater because such securities frequently are unsecured and subordinated to the prior payment of senior indebtedness. The market for lower rated securities has expanded rapidly in recent years, and its growth paralleled a long economic expansion. The prices of many lower rated securities have declined substantially in the past, reflecting an expectation that many issuers of such securities might experience financial difficulties. As a result, the yields on lower rated securities rose dramatically, but such higher yields did not reflect the value of the income stream that holders of such securities expected, but rather the risk that holders of such securities could lose a substantial portion of their value as a result of the issuers' financial restructuring or default. There can be no assurance that such price declines will not recur. The market for lower rated issues generally is thinner and less active than that for higher quality securities, which may limit the Fund's ability to sell such securities at fair value in response to changes in the economy or financial markets. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of lower rated securities, especially in a thinly traded market.

During its 1994 fiscal year, the Fund invested 64% of its average annual net assets in debt securities that had received a rating from Standard & Poor's. The remaining 36% can be classified as non-rated debt securities, other fixed income securities, equities and other net assets. The Fund had the following percentages of its average net assets invested in rated securities: AAA -- 8%, AA-- 9%, A -- 5%, BBB -- 24%, BB -- 8%, B -- 8%; CCC -- 2%. It should be noted that this information reflects the average composition of the Fund's assets during the fiscal year ended June 30, 1994 and is not necessarily representative of the Fund's assets as of the end of that fiscal year, the current year or at any time in the future.

Preferred Securities. The fixed income securities in which the Fund may invest includes preferred share issues of U.S. and foreign companies. Such securities involve greater risk of loss of income than debt securities because issuers are not obligated to pay dividends. In addition, preferred securities are subordinate to debt securities, and are more subject to changes in economic and industry conditions and in the financial conditions of the issuers of such securities.

Convertible Securities. The Fund may invest in convertible securities which are bonds, debentures, notes, preferred stocks or other fixed income securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest generally paid or accrued on debt or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying stock since they have fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors also may have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value and generally the conversion value decreases as the convertible security approaches maturity. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. In addition, a convertible security will sell at a premium over its conversion value determined by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security. The Fund will exchange or convert the convertible securities held in its portfolio into shares of the underlying common stock when, in the Investment Manager's opinion, the investment characteristics of the underlying common shares will assist the Fund in achieving its investment objectives.

Otherwise, the Fund may hold or trade convertible securities. In selecting convertible securities for the Fund, the Investment Manager evaluates the investment characteristics of the convertible security as a fixed income instrument and the investment potential of the underlying equity security for capital appreciation. In evaluating these matters with respect to a particular convertible security, the Investment Manager considers numerous factors, including the economic and political outlook, the value of the security relative to other investment alternatives, trends in the determinants of the issuer's profits, and the issuer's management capability and practices.

Hedging and Income Strategies. The Fund may purchase call options on securities that the Investment Manager intends to include in the Fund's portfolio in order to fix the cost of a future purchase or to attempt to enhance return by, for example, participating in an anticipated price increase of a security. The Fund may purchase put options to hedge against a decline in the market value of securities held in the Fund's portfolio or to attempt to enhance return. The Fund may write (sell) covered put and call options on securities in which it is authorized to invest. The Fund may purchase and write straddles, purchase and write put and call options on bond indexes, and take positions in options on foreign currencies to hedge against the risk of foreign exchange rate fluctuations on foreign securities the Fund holds in its portfolio or that it intends to purchase. The Fund may purchase and sell interest rate futures contracts, bond index futures contracts and foreign currency futures contracts, and may purchase put and call options and write covered put and call options on such futures contracts.

The Fund may enter into forward currency contracts to set the rate at which currency exchanges will be made for contemplated or completed transactions. The Fund might also enter into forward currency contracts in amounts approximating the value of one or more portfolio positions to fix the U.S. dollar value of those positions. For example, when the Investment Manager believes that the currency of a particular foreign country may suffer a substantial decline against the U.S. dollar, the Fund may enter into a forward contract to sell, for a fixed amount of dollars, the amount of foreign currency approximating the value of some or all of the Fund's portfolio securities denominated in such foreign currency. The Fund has no specific limitation on the percentage of assets it may commit to foreign currency exchange contracts, except that it will not enter into a forward contract if the amount of assets set aside to cover the contract would impede portfolio management or the Fund's ability to meet redemption requests.

Strategies with options, financial futures, and forward currency contracts may be limited by market conditions, regulatory limits and tax considerations, and the Fund might not employ any of the strategies described above. There can be no assurance that any strategy used will be successful. The loss from investing in futures transactions is potentially unlimited. Options and futures may fail as hedging techniques in cases where price movements of the securities underlying the options and futures do not follow the price movements of the portfolio securities subject to the hedge. Gains and losses on investments in options and futures depend on the Investment Manager's ability to predict correctly the direction of stock prices, interest rates, and other economic factors. In addition, the Fund will likely be unable to control losses by closing its position where a liquid secondary market does not exist and there is no assurance that a liquid secondary market for hedging instruments will always exist. It also may be necessary to defer closing out hedged positions to avoid adverse tax consequences. The percentage of the Fund's assets segregated to cover its obligations under options, futures, or forward currency contracts could impede effective portfolio management or the ability to meet redemption or other current obligations.

Repurchase Agreements. The Fund may enter into repurchase agreements with U.S. banks or dealers involving securities in which the Fund is authorized to invest. A repurchase agreement is an instrument under which the Fund purchases securities from a bank or dealer and simultaneously commits to resell the securities to the bank or dealer at an agreed upon date and price. The Fund's custodian maintains custody of the underlying securities until their repurchase; thus the obligation of the bank or dealer to pay the repurchase price is, in effect, secured by such securities. The Fund's risk is limited to the ability of the seller to pay the agreed upon amount on the repurchase date; if the seller defaults, the security constitutes collateral for the seller's obligation to pay. If, however, the seller defaults and the value of the collateral declines, the Fund may incur loss and expenses in selling the collateral. To attempt to limit the risk in engaging in repurchase agreements, the Fund enters into repurchase agreements only with banks and dealers believed by the

Investment Manager to present minimum credit risks in accordance with guidelines established by the Board of Directors. The Fund will not enter into a repurchase agreement with a maturity of more than seven days if, as a result, more than 15% of its net assets would then be invested in such agreements and other illiquid securities.

Reverse Repurchase Agreements. The Fund may enter into reverse repurchase agreements. In such agreements, the Fund sells the underlying security to a creditworthy securities dealer or bank and the Fund agrees to repurchase it at an agreed-upon date and price reflecting a market rate of interest. Such agreements are considered to be borrowings and involve leveraging which is speculative and increases both investment opportunity and investment risk. The Fund will limit its investments in reverse repurchase agreement transactions and other borrowings to one third of the total value of the Fund's assets taken at market value, less liabilities other than borrowings. When the Fund enters into reverse repurchase agreements, its custodian will set aside in a segregated account cash or securities of the U.S. Government, its agencies or instrumentalities with a market value at least equal to the repurchase price. If necessary, assets will be added to the account daily so that the value of the account will not be less than the amount of the Fund's purchase commitment. Such agreements are subject to the risk that the benefit of purchasing a security with the proceeds of the sale by the Fund will be less than the cost to the Fund of transacting the reverse repurchase agreement. Such agreements will be entered into when, in the judgment of the Investment Manager, the risk is justified by the potential advantage to the Fund's total return.

Private Placements and Rule 144A Securities. The Fund may purchase securities in private placements or pursuant to the Rule 144A exemption from Federal registration requirements. Because an active trading market may not exist for such securities, the sale of such securities may be subject to delay and greater discounts than the sale of registered securities. Investing in such securities could have the effect of increasing the level of Fund illiquidity to the extent that qualified institutional buyers become less interested in buying these securities. The Fund will not invest more than 15% of its net assets in illiquid assets and will not invest more than 10% of its total assets in assets that are illiquid due to restrictions on the sale of such securities to the public without registration under the Securities Act of 1933.

When-Issued Securities. The Fund may purchase securities on a "when-issued" basis. In such transactions delivery and payment occur at a date subsequent to the date of the commitment to make the purchase. Although the Fund will enter into when-issued transactions with the intention of acquiring the securities, the Fund may sell the securities prior thereto for investment reasons, which may result in a gain or loss. Acquiring securities in this manner involves a risk that yields available on the delivery date may be higher than those received in such transactions. When the Fund agrees to purchase securities on a when-issued basis, its custodian will set aside in a segregated account cash or securities of the U.S. Government, its agencies or instrumentalities with a market value at least equal to the amount of the commitment. If necessary, assets will be added to the account daily so that the value of the account will not be less than the amount of the Fund's purchase commitment. Failure of the issuer to deliver the security may result in the Fund incurring a loss or missing an opportunity to make an alternative investment.

Lending. Pursuant to an arrangement with its custodian, the Fund may lend portfolio securities or other assets of the Fund to other parties limited to one third of the Fund's total assets. If the Fund engages in lending transactions, it will enter into lending agreements that require that the loans be continuously secured by cash, securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, or any combination of cash and such securities, as collateral equal at all times to at least the market value of the assets lent. To the extent of such activities, the custodian will apply credits against its custodial charges. There are risks to the Fund of delay in receiving additional collateral and risks of delay in recovery of, and failure to recover, the assets lent should the borrower fail financially or otherwise violate the terms of the lending agreement. Loans will be made only to borrowers deemed by the Investment Manager to be of good standing and when, in the judgment of the Investment Manager, the consideration which can be earned currently from such lending transactions justifies the attendant risk. Any loan made by the Fund will provide that it may be terminated by either party upon reasonable notice to the other party.

Portfolio Turnover. Given the investment objectives of the Fund, the rate of portfolio turnover will not be a limiting factor when the Investment Manager deems changes in the composition of the portfolio appropriate, and the investment strategy pursued by the Fund therefore includes the possibility of short term transactions. The Fund's portfolio turnover rate will vary from year to year depending on world market conditions. For the fiscal years ended June 30, 1994 and 1993, the portfolio's turnover rate was 223% and 172%, respectively. Higher portfolio turnover involves correspondingly greater transaction costs and increases the potential for short term capital gains and taxes.

Other Information. In addition to the Fund's primary investment objective, the Fund has adopted certain investment restrictions, set forth in the Statement of Additional Information, that are fundamental and cannot be changed without shareholder approval. The Fund's secondary investment objective and all other investment policies are nonfundamental and may be changed by the Board of Directors without shareholder approval. The Fund may borrow money from banks for temporary or emergency purposes (not for leveraging or investment) but not in excess of an amount to one third of the Funds total assets. The Fund may not purchase securities for investment while any bank borrowing equaling 5% or more of its total assets is outstanding.

HOW TO PURCHASE SHARES

The Fund's shares are sold on a continuing basis at the net asset value per share next determined after receipt and acceptance of the order by Bull & Bear Service Center (see "Determination of Net Asset Value"). The minimum initial investment is $1,000 for regular accounts and $500 for Individual Retirement Accounts ("IRAs") and profit sharing plans. The minimum subsequent investment is $100. The initial investment minimums are waived for investors electing to invest $100 or more each month in the Fund through the Bull & Bear Automatic Investment Program.

Bull & Bear Automatic Investment Program. By participating in the Bull & Bear Automatic Investment Program, a shareholder can establish a convenient and affordable long term investment program. The Program is designed to facilitate the automatic monthly investment of $100 or more into the shareholder's account.

- The Bull & Bear Bank Transfer Plan lets shareholders electronically purchase Fund shares on a certain day each month by transferring a specified dollar amount from the shareholder's regular checking account, NOW account, or bank money market deposit account.

- Through the Bull & Bear Salary Investing Plan, part or all of a shareholder's salary may be invested electronically in shares of the Fund at each pay period, depending upon the direct deposit program of the shareholder's employer.

- The Bull & Bear Government Direct Deposit Plan allows the shareholder to deposit automatically part or all of certain U.S. Government checks in the shareholder's Fund account. Eligible U.S. Government checks include payments for Social Security, pension benefits, military or retirement benefits, salary, veteran's benefits and most other recurring payments.

For more information concerning this Program, or to request the necessary authorization form(s), please call Bull & Bear Service Center, 1-800-847-4200. Shareholders may terminate participation in the Program at any time by written notice received at least 10 days prior to the scheduled investment date. The Fund reserves the right to redeem any account if participation in the Program is terminated and the account's value is less than $500. The Plans do not assure a profit or protect against loss in a declining market.

Initial Investment. The Account Application that accompanies this Prospectus should be completed, signed and, with a check or other negotiable bank draft payable to Global Income Fund mailed to Bull & Bear Service Center, P.O. Box 419789, Kansas City, MO 64141-6789. Initial investments also may be made by having your bank wire money, as set forth below, in order to avoid mail delays.

Subsequent Investments. Subsequent investments may be made at any time by wiring money as set forth below, or by mailing a check or other negotiable bank draft ($100 minimum), made payable to Global Income Fund together with a Bull & Bear FastDeposit form to Bull & Bear Service Center, P.O. Box 419789, Kansas City, MO 64141-6789. If that form is not used, a letter should indicate the Fund and account number to which the subsequent investment is to be credited, and name(s) of the registered owner(s).

Investment by Telephone. Shareholders may purchase additional shares of the Fund by telephone through the Automated Clearing House (ACH) system as long as the shareholder's bank is a member of the ACH system and the shareholder has a completed, approved authorization on file. The funding for the purchase will be automatically deducted from the bank account designated on the shareholder's authorization. For requests received by 3:00 p.m., eastern time, the investment normally will be credited to the Fund account on the next business day of the Fund. There is a minimum of $100 for each investment by telephone. Any subsequent changes in bank account information must be submitted in writing, signature guaranteed, and with a voided check or deposit slip. To initiate an investment by telephone, please call 1-800-847-4200.

Investment by Wire. When making an initial investment by wire, investors must first telephone Bull & Bear Service Center, 1-800-847-4200, to give the name(s) under which the account is to be registered, tax identification number, the name of the bank sending the wire, and to be assigned a Bull & Bear Global Income Fund account number. Investors may then purchase shares by requesting their bank to transmit immediately available funds ("Federal funds") by wire to the Transfer Agent at: United Missouri Bank NA, ABA #10-10- 00695; for Account Number 98-7052-724-3; Global Income, investor's name(s) and account number. The account number and the investor's name(s) must be specified in the wire as they are to appear on the account registration. In addition, the account number the investor(s) has been assigned should be entered on the completed Account Application and promptly forwarded to Bull & Bear Service Center, P.O. Box 419789, Kansas City, MO 64141-6789. This service is not available on days when the Federal Reserve wire system is closed. Subsequent investments may be made at any time through the wire procedure described above, which must include the shareholder name(s) and account number, after notifying Bull & Bear Service Center by telephone.

Shareholder Accounts. By investing in the Fund, a shareholder has an account established to which all full and fractional shares (to three decimal places) will be credited, together with any dividends that are paid in additional shares (see "Distributions and Taxes"). Stock certificates will be issued only for full shares when requested in writing. In order to facilitate redemptions and exchanges, it is recommended that shareholders not request certificates. Shareholders receive quarterly statements showing monthly dividends and confirmation statements for any other purchase or sale of Fund shares.

When Orders are Effective. The purchase price for shares of the Fund is the net asset value of such shares next determined after receipt and acceptance by Bull & Bear Service Center of a purchase order in proper form. All checks are accepted subject to collection at full face value in Federal funds and must be drawn in U.S. dollars on a U.S. bank. The Fund reserves the right to reject any order. Accounts are charged $30 by the Transfer Agent for investment checks which are not honored by the investor's bank. The Fund may waive or lower the investment minimums with respect to any person or class of persons.

SHAREHOLDER SERVICES

An investor participating in any of the Fund's special plans or services may terminate or modify such participation at any time. Shares or cash should not be withdrawn from any Tax-Advantaged Retirement Plan described below, however, without consulting a tax adviser concerning possible adverse tax consequences. Additional information regarding any of the following services is available from the Fund's Distributor, Bull & Bear Service Center, 1-800-847-4200.

Check Writing Privilege for Easy Access. The Transfer Agent will, upon request, provide shareholders with free, unlimited checks that may be made payable to the order of anyone in any amount of not less than $250. The Fund will arrange for the checks to be honored by United Missouri Bank ("UMB") for this purpose. This Check Writing Privilege enables the shareholder to continue receiving dividends on shares redeemed by check until such time as the check is presented to UMB for payment. UMB has the right to refuse any checks which do not conform with its requirements. The shareholder will be subject to UMB's rules and regulations governing checking accounts, including a $20 charge for refused checks, which may change without notice. When such a check is presented to UMB for payment, the Transfer Agent, as the shareholder's agent, will cause the Fund to redeem a sufficient number of full and fractional shares in the shareholder's account to cover the amount of the check. The Fund generally will not honor for up to 10 days a check written by a shareholder that requires the redemption of shares recently purchased by check or until it is reasonably assured of payment of the check representing the purchase. Since the value of Fund shares and of a shareholder's account changes daily, shareholders should not attempt to close an account by writing a check.

Dividend Sweep Privilege. Shareholders may elect to have invested automatically either all dividends or all dividends and capital gain distributions paid by the Fund in any other Bull & Bear Fund. Shares of the other Bull & Bear Fund will be purchased at the current net asset value calculated on the payment date. For more information concerning this privilege and the other Bull & Bear Funds, or to request a Dividend Sweep Authorization Form, please call Bull & Bear Service Center, 1-800-847-4200. Shareholders may cancel this privilege by mailing written notification to Bull & Bear Service Center, P.O. Box 419789, Kansas City, MO 64141-6789. To select a new Fund after cancellation, shareholders must submit a new Authorization Form. Enrollment in or cancellation of this privilege is generally effective three business days following receipt. This privilege is available only for existing accounts and may not be used to open new accounts. The Fund may modify or terminate this privilege at any time or charge a service fee. No such fee currently is contemplated.

Systematic Withdrawal Plan. Shareholders who own Fund shares with a value of at least $20,000 may elect an automatic withdrawal of cash in fixed or variable amounts from their Fund accounts at monthly or quarterly intervals in the minimum amount of $100. Under the Systematic Withdrawal Plan, all dividends and other distributions, if any, are reinvested in the Fund.

Assignment. Shares of the Fund may be transferred to another owner. Instructions are available from Bull & Bear Service Center, 1-800-847-4200.

Exchange Privileges. Shareholders may exchange at least $500 worth of shares of the Fund for shares of any other Bull & Bear Fund (provided the registration is exactly the same, the shares may be sold in the shareholder's state of residence, and the exchange may otherwise legally be made). Information, including a free prospectus, on any of the Funds listed below is available from Bull & Bear Service Center, 11 Hanover Square, New York, NY 10005, 1-800-847-4200. The other Fund's prospectus should be read in advance.

To implement an exchange, shareholders should call Bull & Bear Service Center toll-free at 1-800-847-4200 between 9 a.m. and 5 p.m. eastern time, on any business day of the Fund and provide the following information: account registration including address and number; taxpayer identification number; percentage, number, or dollar value of shares to be redeemed; name and, if different, the account number of the Bull & Bear Fund to be purchased; and, the identity and telephone number of the caller. A "business day of the Fund" is any day on which the New York Stock Exchange is open for business. The following are not business days of the Fund: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The other Bull & Bear Funds are:

- Bull & Bear Dollar Reserves is a high quality money market fund investing in U.S. Government securities. Income is free from state income taxes. Free unlimited check writing ($250 minimum per check). Pays monthly dividends.

- Bull & Bear U.S. Government Securities Fund invests for a high level of current income, liquidity, and safety of principal. Free unlimited check writing ($250 minimum per check). Pays monthly dividends.

- Bull & Bear Municipal Income Fund invests for the highest possible income exempt from Federal income tax consistent with preservation of principal. Free unlimited check writing ($250 minimum per check). Pays monthly dividends.

- Bull & Bear Quality Growth Fund seeks growth of capital and income from a portfolio of common stocks of large, quality companies with potential for significant growth of earnings and dividends.

- Bull & Bear U.S. and Overseas Fund invests worldwide for the highest possible total return.

- Bull & Bear Special Equities Fund invests aggressively for maximum capital appreciation.

- Bull & Bear Gold Investors seeks long term capital appreciation in investments with the potential to provide a hedge against inflation and preserve the purchasing power of the dollar.

Exchange requests received between 9 a.m. and 4 p.m. eastern time, on any business day of the Fund, will be effected at the net asset values of the Fund and the other Bull & Bear Fund as determined at the close

of regular trading on that business day. Exchange requests received between 4 p.m. and 5 p.m. eastern time, on any business day of the Fund, will be effected at the close of regular trading on the next business day of the Fund. Shareholders unable to reach Bull & Bear Service Center at the above telephone number may, in emergencies, call 1-212-363-1100 or communicate by fax 1-212-363-1103 or cable to the address BULLNBEAR NEWYORK. Exchanges may be difficult or impossible to implement during periods of rapid changes in economic or market conditions. Exchange privileges may be terminated or modified by the Fund upon 60 days' notice. For tax purposes, exchanges are treated as a redemption and purchase of shares. Shareholders may give exchange instructions to Bull & Bear Service Center by telephone without further documentation. If certificates have been issued to the shareholder, this procedure may be utilized only if, prior to giving telephone instructions, the shareholder delivers the certificates to the Transfer Agent for deposit into the shareholder's account.

o Bull & Bear Securities (Discount Brokerage Account) Transfers. Shareholders with an account at Bull & Bear Securities, Inc., an affiliate of the Investment Manager and a wholly owned subsidiary of Bull & Bear Group, Inc. offering discount brokerage services, may access their investment in any of the Bull & Bear Funds to pay for securities purchased in their brokerage account and purchase Bull & Bear Funds in their brokerage account. Shareholders may request a Discount Brokerage Account Application from Bull & Bear Securities, Inc., 1-800-262-5800.

Tax-Advantaged Retirement Plans. These plans provide an opportunity for individuals to set aside money for retirement in a tax-advantaged account in which earnings can be compounded without incurring a tax liability until the money and earnings are withdrawn. Contributions may be fully or partially deductible for Federal income tax purposes as noted below. Information on any of the plans described below is available from Bull & Bear Service Center, 1-800-847-4200.

The minimum investment to establish a Bull & Bear IRA or other retirement plan is $500. Minimum subsequent investments are $100. The initial investment minimums are waived for investors electing to invest $100 or more each month in the Fund through the Bull & Bear Automatic Investment Program. There are no set-up fees for any Bull & Bear Retirement Plans. Subject to change on 30 days' notice, the plan custodian charges Bull & Bear IRAs a $10 annual fiduciary fee and $10 for each distribution prior to age 59 1/2; however, the annual fiduciary fee is waived for IRAs with assets of $10,000 or more and for shareholders investing regularly through the Bull & Bear Automatic Investment Program.

o Individual Retirement Accounts. Anyone with earned income who is less than age 70 1/2at the end of the tax year, even if also participating in another type of retirement plan, may establish an IRA and contribute each year up to $2,000 or 100% of earned income, whichever is less, and an aggregate of up to $2,250 when a non-working spouse is also covered in a separate spousal account. If each spouse has at least $2,000 of earned income each year, they may contribute up to $4,000 annually. Also, employers may make contributions to an IRA on behalf of an individual under a Simplified Employee Pension Plan ("SEP") in an amount up to 15% of up to $150,000 of compensation. Generally, taxpayers may contribute to an IRA during the tax year and through the next year until the income tax return for that year is due, without regard to extensions. For example, most individuals may contribute for the 1994 tax year from January 1, 1994 through April 15, 1995.

  Deductibility. Contributions to IRAs are fully deductible for most taxpayers. For a taxpayer who is an active participant in an employer-maintained retirement plan (or whose spouse is), a portion of IRA contributions is deductible if adjusted gross income (before the IRA deductions) is $40,000-$50,000 (if married) and $25,000-$35,000 (if single). Only IRA contributions by a taxpayer who is an active participant in an employer-maintained retirement plan (or whose spouse is) and has adjusted gross income of more than $50,000 (if married) and $35,000 (if single) will not be deductible. An eligible individual may establish a Bull & Bear IRA under the prototype plan available through the Fund, even though such individual or spouse actively participates in an employer-maintained retirement plan.

- IRA Transfer and Rollover Accounts. Special forms are available from Bull & Bear Service Center, 1-800- 847-4200, which make it easy to transfer or roll over IRA assets to a Bull & Bear IRA. An IRA may be transferred from one financial institution to another without adverse tax consequences. Similarly, no taxes

need be paid on a lump-sum distribution which an individual may receive as a payment from a qualified pension or profit sharing plan due to retirement, job termination or termination of the plan, so long as the assets are put into an IRA Rollover account within 60 days of the receipt of the payment. Withholding for Federal income tax purposes is required at the rate of 20% for "eligible rollover distributions" made from any retirement plan (other than an IRA) that are not directly transferred to an "eligible retirement plan," such as a Bull & Bear Rollover Account.

- Profit Sharing and Money Purchase Plans provide an opportunity to accumulate earnings on a tax-deferred basis by permitting corporations, self-employed individuals (including partners) and their employees generally to contribute (and deduct) up to $30,000 annually or, if less, 25% (15% for profit sharing plans) of compensation or self-employment earnings up to a maximum of $150,000. Corporations and partnerships, as well as all self-employed persons, are eligible to establish these Plans. In addition, a person who is both salaried and self-employed, such as a college professor who serves as a consultant, may adopt these retirement plans based on self-employment earnings.

- Section 403(b)(7) Accounts. Section 403(b)(7) of the Internal Revenue Code of 1986, as amended ("Code"), permits the establishment of custodial accounts on behalf of employees of public school systems and certain tax-exempt organizations. A participant in such a plan does not pay taxes on any contributions made by the participant's employer to the participant's account pursuant to a salary reduction agreement, up to a maximum amount, or "exclusion allowance." The exclusion allowance is generally computed by multiplying the participant's years of service times 20% of the participant's compensation included in gross income received from the employer (reduced by any amount previously contributed by the employer to any 403(b)(7) account for the benefit of the participant and excluded from the participant's gross income). However, the exclusion allowance may not exceed the lesser of 25% of the participant's compensation (limited as above) or $30,000. Contributions and subsequent earnings thereon are not taxable until withdrawn, when they are received as ordinary income.

HOW TO REDEEM SHARES

Liquidity. Generally, shareholders may require the Fund to redeem their shares by submitting a written request to Bull & Bear Service Center, P.O. Box 419789, Kansas City, MO 64141-6789, signed by the record owner(s). If a written redemption request is sent to the Fund, it will be forwarded to the above address. If stock certificates have been issued for shares being redeemed, they must accompany the written request. In addition, shareholders may redeem shares by writing checks against their Fund account and also expedite redemption requests by telephoning as described below.

Check Writing Privilege. See "Shareholder Services" above for redemption of shares by writing free, unlimited, personalized checks, provided by the Fund, in amounts of $250 or more.

Redemption by Telephone. You may redeem shares by telephone and receive the proceeds through the Automated Clearing House (ACH) system as long as your bank is a member of the ACH system and you have a completed, approved authorization on file. The funding for your redemption will be automatically deducted from the Fund account. The proceeds will normally be credited to your bank account within two business days following the telephone request. The request must be received no later than 3:00 p.m., eastern time. There is a minimum of $250 for each redemption by telephone. Any subsequent changes in bank account information must be submitted in writing, signature guaranteed, and accompanied by a sample voided check or deposit slip. To initiate a redemption by telephone, please call 1-800-847-4200.

Expedited Redemption. Shareholders redeeming at least $1,000 worth of shares (for which certificates have not been issued) may obtain expedited redemption by calling Bull & Bear Service Center, 1-800-847-4200. If this automatic benefit has been declined by the shareholder on the Account Application, a separate

Authorization Form must be completed and returned to the Transfer Agent before the request can be accepted. Shareholders may request that payment be sent to the shareholder's bank designated on the authorization by Federal funds wire or the shareholder's address of record by regular mail.

To implement an expedited redemption, shareholders should call Bull & Bear Service Center toll-free at 1- 800-847-4200 between 9 a.m. and 5 p.m. eastern

time, on any business day of the Fund, and provide the following information: Fund account registration including address, account number, and taxpayer identification number; number, percentage, or dollar value of shares to be redeemed; whether the proceeds are to be mailed to the shareholder's address of record or wired to the shareholder's bank; the bank's name, address, ABA routing number, bank account registration and account number, and a contact person's name and telephone number; and the identity and telephone number of the caller. Shareholders unable to reach Bull & Bear Service Center at the above telephone number may, in emergencies, call 1-212-363-1100 or communicate by fax 1-212-363-1103 or cable to the address BULLNBEAR NEWYORK. Expedited redemptions may be difficult or impossible to implement during periods of rapid changes in economic or market conditions. Expedited redemption privileges may be terminated or modified by the Fund upon 60 days' notice. Expedited redemption requests received between 9 a.m. and 4 p.m., eastern time, on any business day of the Fund, will be effected at the net asset values of the Fund and the other Bull & Bear Fund as determined at the close of business that day. Exchange requests received between 4 p.m. and 5 p.m., eastern time, on any business day of the Fund, will be effected at the close of business on the next day the New York Stock Exchange is open for trading. Shareholders unable to reach Bull & Bear Service Center at the above telephone number may, in emergencies, call 1-212-363-1100 or communicate by fax 1-212-363-1103 or cable to the address BULLNBEAR NEWYORK.

Redemption Price. The redemption price is the net asset value per share next determined after receipt of the redemption request in proper form. Registered broker/dealers, investment advisers, banks, and insurance companies may open accounts and redeem shares by telephone or wire and may impose a charge for handling purchases and redemptions when acting on behalf of others. Payment for shares redeemed will be made as soon as possible, ordinarily within 7 days after receipt of the redemption request in proper form. The right of redemption may not be suspended, or date of payment delayed more than 7 days, except for any period (i) when the New York Stock Exchange is closed or trading thereon is restricted as determined by the SEC; (ii) under emergency circumstances as determined by the SEC that make it not reasonably practicable for the Fund to dispose of securities owned by it or fairly to determine the value of its assets; or (iii) as the SEC may otherwise permit. The mailing of proceeds on redemption requests involving any shares purchased by personal, corporate, or government check or ACH transfer is generally subject to a 10 day delay to allow the check or transfer to clear. The 10 day clearing period does not affect the trade date on which a purchase or redemption order is priced, or any dividends and capital gain distributions to which a shareholder may be entitled through the date of redemption. Fund check writing redemption checks received during the 10 day clearing period will be rejected and marked uncollected. The clearing period does not apply to purchases made by wire, or cashier's, treasurer's, or certified checks. Due to the relatively higher cost of maintaining small accounts, the Fund reserves the right, upon 60 days' notice, to redeem any account, other than IRA and other Bull & Bear prototype retirement plan accounts, worth less than $500 except if solely from market action, unless an investment is made to restore the minimum value.

Telephone Privileges. Shareholders automatically have all telephone privileges to, among other things, authorize an expedited redemption or exchange, unless declined on the Account Application or otherwise in writing. Neither the Fund nor Bull & Bear Service Center shall be liable for any loss or damage for acting in good faith upon instructions received by telephone and believed to be genuine. The Fund employs reasonable procedures to confirm that instructions communicated by telephone are genuine and if it does not, it may be liable for any losses due to unauthorized or fraudulent transactions. These procedures include requiring some form of personal identification prior to acting upon instructions received by telephone, providing written confirmation of such transactions, or tape recording of telephone instructions. The Fund may modify or terminate any telephone privileges or shareholder services (except as noted) at any time without notice.

Signature Guarantees. No signature guarantees are required when payment is to be made to the shareholder of record at the shareholder's address of record. If the proceeds of the redemption are to be paid to a non- shareholder of record, or to an address other than the address of record, or the shares are to be assigned, the Transfer Agent may require that the owner's signature be guaranteed by an entity acceptable to the Transfer Agent, such as a commercial bank or trust company or member firm of a national securities exchange or of the NASD. A notary public may not guarantee signatures. The Transfer Agent may require further documentation. The Transfer Agent may restrict the mailing of redemption

proceeds to a shareholder's address of record within 30 days of such address being changed unless the shareholder provides a signature guarantee, as described above.

DISTRIBUTIONS AND TAXES

Distributions. The Fund declares and pays monthly dividends to its shareholders from its net investment income, if any. In any month in which the Fund fails to earn net investment income equal to the average of the two lowest monthly distributions in the preceding three months, the Fund will make an additional distribution equal to such deficiency, payable initially from any undistributed net investment income, secondly from any net realized gains from foreign currency transactions, thirdly from any net realized short term capital gains including gains from writing call options (after off setting any capital loss carryover), and lastly from paid-in capital. The Fund also makes an annual distribution to its shareholders of net long term and undistributed net short term capital gain (after offsetting any capital loss carryover), if any, and any undistributed net realized gains from foreign currency transactions. Such distributions, if any, are declared and payable to shareholders of record on a date in December of each year. Such amounts may be paid in January of the following year (in which event they will be deemed received by the shareholders on the preceding December 31 for tax purposes). The Fund may also make an additional distribution following the end of its fiscal year out of any undistributed income and capital gain. Dividends and other distributions are made in additional shares of the Fund, unless the shareholder elects to receive cash on the Account Application or so elects subsequently by calling Bull & Bear Service Center, 1-800-847-4200. For Federal income tax purposes, such dividends and other distributions are treated in the same manner whether received in shares or cash. Any election will remain in effect until Bull & Bear Service Center is notified by the shareholder to the contrary.

Taxes. The Fund intends to continue to qualify for treatment as a regulated investment company under the Code so that it will be relieved of Federal income tax on that part of its investment company taxable income (generally consisting of net investment income, net short term capital gains, and net gains from certain foreign currency transactions) and net capital gain (the excess of net long term capital gain over net short term capital loss) that is distributed to its shareholders. Dividends paid by the Fund from its investment company taxable income (whether paid in cash or in additional Fund shares) generally are taxable to shareholders, other than shareholders that are not subject to tax on their income, as ordinary income to the extent of the Fund's earnings and profits; a portion of those dividends may be eligible for the corporate dividends-received deduction. Distributions by the Fund of its net capital gain (whether paid in cash or in additional Fund shares) when designated as such by the Fund, are taxable to the shareholders as long term capital gains, regardless of how long they have held their Fund shares. The Fund notifies its shareholders following the end of each calendar year of the amounts of dividends and capital gain distributions paid (or deemed paid) that year and of any portion of those dividends that qualifies for the corporate dividends-received deduction. Any dividend or other distribution paid by the Fund will reduce the net asset value of Fund shares by the amount of the distribution. Furthermore, such distribution, although similar in effect to a return of capital, will be subject to taxes. The Fund is required to withhold 31% of all dividends, capital gain distributions, and redemption proceeds payable to any individuals and certain other noncorporate shareholders who do not provide the Fund with a correct taxpayer identification number. Withholding at that rate from dividends and capital gain distributions also is required for such shareholders who otherwise are subject to backup withholding. The foregoing is only a summary of some of the important Federal income tax considerations generally affecting the Fund and its shareholders; see the Statement of Additional Information for a further discussion. Because other Federal, state and local tax considerations may apply, investors are urged to consult their tax advisers.

DETERMINATION OF NET ASSET VALUE

The value of a share of the Fund is based on the value of its net assets. The Fund's net assets are the total of the Fund's investments and all other assets minus any liabilities. The value of one share is determined by dividing the net assets by the total number of shares outstanding. This is referred to as "net asset value per share," and is determined as of the close of regular trading on the New York Stock Exchange (currently, 4 p.m. eastern time, unless weather, equipment failure or other factors contribute to an earlier closing) each business day of the Fund. Portfolio securities and other assets of the Fund are valued primarily on the basis of market quotations, if readily available. Foreign securities, if any, are valued on the basis of quotations from a primary

market in which they are traded and are translated from the local currency into U.S. dollars using current exchange rates. Securities, and other assets for which quotations are not readily available will be valued at fair value as determined in good faith by or under the direction of the Board of Directors.

THE INVESTMENT MANAGER

Bull & Bear Advisers, Inc. (the "Investment Manager") acts as general manager of the Fund, being responsible for the various functions assumed by it, including the regular furnishing of advice with respect to portfolio transactions. The Investment Manager manages the investment and reinvestment of the assets of the Fund, subject to the control and final direction of the Board of Directors. The Investment Manager is authorized to place portfolio transactions with Bull & Bear Securities, Inc., an affiliate of the Investment Manager, and may allocate brokerage transactions by taking into account the sales of shares of the Fund and the other Bull & Bear Funds. The Investment Manager may also allocate portfolio transactions to broker/dealers that remit a portion of their commissions as a credit against the Fund's expenses. For its services, the Investment Manager receives an investment management fee, payable monthly, based on the average daily net assets of the Fund, at the annual rate of 0.70% of the first $250 million, 0.625% from $250 million to $500 million, and 0.50% over $500 million. From time to time, the Investment Manager may reimburse all or part of this fee to improve the Fund's yield and total return. The Investment Manager provides certain administrative services to the Fund at cost. During the fiscal year ended June 30, 1994, the investment management fees paid by the Fund represented approximately 0.70% of its average daily net assets. The Investment Manager is a wholly owned subsidiary of Bull & Bear Group, Inc. ("Group"). Group, a publicly owned company whose securities are listed on NASDAQ and traded in the over-the-counter market, is a New York based manager of mutual funds and discount brokerage services. Bassett S. Winmill may be deemed a controlling person of Group and, therefore, may be deemed a controlling person of the Investment Manager.

DISTRIBUTION OF SHARES

Pursuant to a Distribution Agreement, between the Fund and Bull & Bear Service Center, Inc. (the "Distributor") the Distributor acts as the Fund's exclusive agent for the sale of its shares. The Fund has also adopted a plan of distribution (the "Plan") pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the "1940 Act"). Pursuant to the Plan, the Fund pays the Distributor monthly a fee in the amount of one-quarter of one percent per annum of the Fund's average daily net assets as compensation for service activities and a fee in an amount of up to one-quarter of one percent per annum of the Fund's average daily net assets as compensation for distribution activities. The fee for service activities is intended to cover personal services provided to shareholders in the Fund and the maintenance of shareholder accounts. The fee for distribution activities is intended to cover all other activities and expenses primarily intended to result in the sale of the Fund's shares. The fee may be retained or passed through by the Distributor to brokers, banks and others who provide services to Fund shareholders. The Fund will pay the fees to the Distributor until either the Plan is terminated or not renewed. In that event, the Distributor's expenses in excess of fees received or accrued through the termination day will be the Distributor's sole responsibility and not obligations of the Fund. During the period they are in effect, the Distribution Agreement and Plan obligate the Fund to pay fees to the Distributor as compensation for its service and distribution activities. If the Distributor's expenses exceed the fees, the Fund will not be obligated to pay any additional amount to the Distributor and, if the Distributor's expenses are less than such fees, it may realize a profit. Certain other advertising and sales materials may be prepared which relate to the promotion of the sale of shares of the Fund and one or more other Bull & Bear Funds. In such cases, the expenses will be allocated among the Funds involved based on the inquiries resulting from the materials or other factors deemed appropriate by the Board of Directors. The costs of personnel and facilities of the Distributor to respond to inquiries by shareholders and prospective shareholders will also be allocated based on such relative inquiries or other factors. There is no certainty that the allocation of any of the foregoing expenses will precisely allocate to the Fund costs commensurate with the benefits it receives, and it may be that the other Bull & Bear Funds and Bull & Bear Securities, Inc. will benefit therefrom.

PERFORMANCE INFORMATION

[THE FOLLOWING TABLE IS REPRESENTED BY A LINE GRAPH IN THE PRINTED MATERIAL]

[***** INSERT TABLE OF PLOT POINTS *****]

From time to time the Fund advertises its current and compound yield. Current yield is computed by dividing the Fund's net investment income per share for the most recent month, determined in accordance with SEC rules and regulations, by the net asset value per share on the last day of such month and annualizing the result. Compounded yield is the annualized current yield which is compounded by assuming the current income to be reinvested. The Fund may also publish a dividend distribution rate in sales material from time to time. The dividend distribution rate of the Fund is the current rate of distribution paid per share by the Fund during a specified period divided by the net asset value per share at the end of such period and annualizing the result. When considering the Fund's performance, fluctuations in share value must be considered together with any published dividend distribution rate. Whenever the Fund advertises its current yield and its dividend distribution rate, it will also advertise its average annual total return over specified periods. For these purposes, the Fund's average annual total return is based on an increase (or decrease) in a hypothetical $1,000 invested in the Fund at the beginning of each of the specified periods, assuming the reinvestment of any dividends and distributions paid by the Fund during such periods. The Fund does not impose any sales charge or redemption fee on the purchase or redemption of its shares. The investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Until October 29, 1992, the Fund's investment objective was to obtain for its shareholders the highest income over the long term and the Fund followed a policy of investing primarily in lower rated debt securities of U.S. companies. The Fund's yield and total return is based upon historical performance information and is not predictive of future performance.

Average Annual Total Return for
Periods Ended June 30, 1994

One Year:	- 5.12%
Five Years:	6.44%
Ten Years:	6.63%

The Fund's performance for the past year was materially affected by the Investment Manager's strategy of investing the Fund's assets in a global portfolio of investment grade fixed income securities. At the June 30, 1994 year end, the Fund's investments were diversified among 14 different countries: Argentina, Brazil, and Mexico in Central and South America; Denmark, France, Germany Ireland, Italy, and Spain in the European Economic Community; Australia and the Philippines in the Pacific Rim; Canada and the United States in North America; plus South Africa. The Fund's recent strategy in the face of significant volatility, rising interest rates, and a weak dollar was to improve overall credit quality and shorten maturities. While these steps are designed to reduce longer term risk, they also reduce current yield, as has been the case. Investment opportunities in Latin America have increased substantially over the past several years, which have contributed importantly to the Fund's total return. At the June 30, 1994 fiscal year end, the Fund had investments in securities of issuers based in Argentina, Brazil, and Mexico representing 12.9% of the portfolio. U.S. fixed income markets also continued to react favorably during the past year to the restrained growth in economic activity and moderate levels of inflation. The Fund was more heavily weighted in dollar denominated investments during the past year. The Fund engaged in forward currency selling to lessen the impact of foreign currency fluctuations in the Fund. The Fund did not utilize options or futures in hedging strategies.

CAPITAL STOCK

The Fund is a series of Bull & Bear Funds II, Inc. (the "Corporation"), a Maryland corporation incorporated in 1974. Prior to October 29, 1993, the Corporation operated under the name Bull & Bear Incorporated. The Corporation is a series investment company, and is authorized to issue up to 1,000,000,000 shares ($.01 par value). The Board of Directors has designated 500,000,000 shares as Bull & Bear Dollar Reserves, 250,000,000 shares as Bull & Bear Global Income Fund, and 250,000,000 shares as Bull & Bear U.S. Government Securities Fund. The Board of Directors of the Corporation may establish one or more new series, although it has no current intention to do so. The Fund's stock is fully paid and non-assessable and is freely assignable by way of pledge (as, for example, for collateral purposes), gift, settlement of an estate, and also by an investor to another investor. In case of dissolution or other liquidation of the Fund or the Corporation, shareholders will be entitled to receive ratably per share the net assets of the Fund. Shareholders of all series of the Corporation vote for Directors with each share entitled to one vote. Each share entitles the holder to one vote for all purposes. Shares have no preemptive or conversion rights. Except to the extent that the Board of Directors might provide by resolution that the holders of shares of a particular series are entitled to vote as a class on specified matters, and except for approval of investment management agreements, plans of distribution, and changes in fundamental investment objectives and limitations which are voted upon by each series, separately as a class, there will be no right for any series to vote as a class unless such right exists under Maryland law. The Corporation's Articles of Incorporation contain no provision entitling the holders of the present classes of capital stock to a vote as a class on any matter other than the foregoing. Where a matter is to be voted upon separately by series, the matter is effectively acted upon for such series if a majority of the outstanding voting securities of that series approves the matter, notwithstanding that: (1) the matter has not been approved by a majority of the outstanding voting securities of any other series, or (2) the matter has not been approved by a majority of the outstanding voting securities of the Corporation.

In accordance with the General Corporation Law of the State of Maryland applicable to open-end investment companies incorporated in Maryland and registered under the 1940 Act, as is the Corporation, the Corporation's By-Laws provide that there will be no annual meeting of shareholders in any year except as required by law. In practical effect, this means that the Fund will not hold an annual meeting of shareholders in years in which the only matters which would be submitted to shareholders for their approval are the election of Directors and ratification of the Directors' selection of accountants, although holders of 10% of the Corporation's shares may call a meeting at any time. There will normally be no meetings of shareholders for the purpose of electing Directors unless fewer than a majority of the Directors holding office have been elected by shareholders. Shareholder meetings will be held in years in which shareholder approval of the Fund's investment management agreement, plan of distribution, or changes in its fundamental investment objective, policies or restrictions is required by the 1940 Act.

CUSTODIAN AND TRANSFER AGENT

Investors Bank & Trust Company, 89 South Street, Boston, MA 02111, acts as custodian of the Fund's assets and may appoint one or more subcustodians provided such subcustodianship is in compliance with the rules and regulations promulgated under the 1940 Act. The Fund may maintain a portion of its assets in foreign countries pursuant to an agreement with Citibank, N.A. and through the custodian with Euro-clear. Utilization by the Fund of such foreign custodial arrangements will increase the Fund's expenses. The custodian also performs certain accounting services for the Fund. The Fund's transfer and dividend disbursing agent is Supervised Service Company, Inc., P.O. Box 419789, Kansas City, MO 64141-6789. The Distributor provides certain transfer agency services to the Fund and is reimbursed its cost by the Fund. The costs of facilities, personnel and other related expenses are allocated among the Bull & Bear Funds based on the relative number of inquiries and other factors deemed appropriate by the Board of Directors.

BULL
&
BEAR ---
Performance Driven(R)

April 12, 1995

BULL & BEAR Global
Income Fund
Supplement to Prospectus
Dated November 1, 1994

The paragraph entitled "Portfolio Management" on page 3 is revised as follows:

The Fund's Portfolio Manager is Steven A. Landis. Mr. Landis is Senior Vice President and a member of the Investment Policy Committee of Bull & Bear Advisers, Inc. (the "Investment Manager") with overall responsibility for the Bull and Bear fixed income funds. Mr. Landis was formerly Associated Director - -- Proprietary Trading at Barclay De Zoete Wedd Securities Inc. and Director, Bond Arbitrage at WG Trading Company. Mr. Landis received his MBA in Finance from Columbia University.

USG-9504-Sup