

As filed with the Securities and Exchange Commission on January 23, 1997
1940 Act File No. 811-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-2
REGISTRATION STATEMENT
UNDER
THE INVESTMENT COMPANY ACT OF 1940

BULL & BEAR GLOBAL INCOME FUND, INC.
(Exact Name of Registrant as Specified in Charter)

11 Hanover Square
New York, New York 10005
(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: 1-212-785-0900

Thomas B. Winmill
Bull & Bear Advisers, Inc
11 Hanover Square
New York, New York 10005
(Name and Address of Agent for Service)

Copy to:

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CROSS REFERENCE SHEET

BULL & BEAR GLOBAL INCOME FUND, INC.

N-2 Item Number	Prospectus (Caption)
Part A	
Item 1	Outside Front Cover Cover Page
Item 2	Inside Front and Outside Back Cover Page Not Applicable
Item 3	Fee Table and Synopsis. Expense Table
Item 4	Financial Highlights. Not Applicable
Item 5	Plan of Distribution. Not Applicable
Item 6	Selling Shareholders. Not Applicable
Item 7	Use of Proceeds. Not Applicable
Item 8	General Description of the Registrant The Fund's Investment Program; Capital Stock
Item 9	Management. The Fund's Investment Program; Investment Manager; Repurchase of Shares; Capital Stock; Custodian, Transfer Agent and Dividend Disbursing Agent
Item 10	Capital Stock, Long-Term Debt, and Other Securities Dividend Reinvestment Plan; Repurchase of Shares; Dividends, Distributions and Taxes; Capital Stock
Item 11	Defaults and Arrears on Senior Securities Not Applicable
Item 12	Legal Proceedings. Not Applicable
Item 13	Table of Contents of the Statement

of Additional Information . . . Table of Contents of the
Statement of Additional
Information

Part B

	Location in Statement of Additional Information (Caption)
Item 14 Cover Page	Outside Front Cover Page
Item 15 Table of Contents.	Outside Front Cover Page
Item 16 General Information and History. . .	Not Applicable
Item 17 Investment Objective and Policies. The Fund's Investment Program; Investment Restrictions	
Item 18 Management.	Officers and Directors; The Investment Manager; Investment Management Agreement
Item 19 Control Persons and Principal Holder of Securities	Officers and Directors; The Investment Manager; Custodian, Transfer and Dividend Disbursing Agent; Auditors
Item 20 Investment Advisory and Other Services.	Officers and Directors; The Investment Manager; Custodian, Transfer and Dividend Disbursing Agent; Auditors
Item 21 Brokerage Allocation and Other Practices.	Allocation of Brokerage
Item 22 Tax Status	Distributions and Taxes
Item 23 Financial Statements	Financial Statements

Part C

Information required to be included in Part C is set forth under the appropriate Item, so numbered, in Part C to this Registration Statement.

The primary investment objective of Bull & Bear Global Income Fund, Inc. (the "Fund"), a diversified, closed-end management investment company, is to provide for its shareholders a high level of income. This primary investment objective is fundamental and may not be changed without shareholder approval. The Fund's secondary investment objective, which may be changed by the Board of Directors of the Fund (the "Directors") without shareholders approval, is capital appreciation.

The Fund will commence operations as a diversified, closed-end management investment company on the date hereof. Prior to the date hereof, since September 1, 1983, the Fund was a diversified series of shares designated Bull & Bear Global Income Fund (and prior to October 29, 1992, Bull & Bear High Yield Fund), an open-end management investment company organized in 1974 and operating under the name Bull & Bear Incorporated until October 29, 1993.

The Fund pursues its investment objectives by investing primarily in a global portfolio of investment grade fixed income securities. There can be no assurance that the Fund will achieve its investment objectives.

The Fund may also borrow money from banks from time to time to purchase or carry securities. Such borrowing is speculative and increases both investment opportunity and investment risk.

Listings and Symbol. The Fund's shares are listed on the American Stock Exchange under the symbol "BBZ".

This prospectus contains information you should know about the

Fund before you invest. Please keep it for future reference. The Fund's Statement of Additional Information, dated February 7, 1997, has been filed with the Securities and Exchange Commission and is incorporated by reference in this prospectus. It is available at no charge by calling toll-free 1-888-847-4200.

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.

TABLE OF CONTENTS

Expense Tables 3 Dividends, Distributions and
 Prospectus Summary 4 Taxes 13
 The Fund's Investment Repurchase of Shares 14
 Program 5 Capital Stock 14
 Investment Manager 12 Custodian, Transfer Agent and
 Dividend Reinvestment Plan. 12 Dividend Disbursing Agent . . 15

EXPENSE TABLES

The table below is designed to help you understand the costs and expenses that you will bear directly or indirectly as an investor in the Fund. The amounts are based on estimates. These expenses should not be considered a representation of actual future expenses as such expenses may be greater or less than those shown.

SHAREHOLDER TRANSACTION EXPENSES
 Sales Load (as a percentage of offering price)... None
 Dividend Reinvestment Plan Fees..... None

ANNUAL FUND OPERATING EXPENSES
 (as a percentage of net assets
 attributable to common shares)
 Management Fees 0.70%
 Interest Payments on Borrowed Funds . . 0.00%
 Other Expenses 0.68%
 Total Fund Operating Expenses 1.38%

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 . . .	\$14	\$44	\$76	\$166

The example set forth above assumes a 5% annual rate of return as required by the Securities and Exchange Commission (the "SEC").

THE EXAMPLE IS AN ILLUSTRATION ONLY AND SHOULD NOT BE CONSIDERED AN INDICATION OF PAST OR FUTURE RETURNS AND EXPENSES. Actual returns and expenses may be greater or less than those shown. "Other Expenses" includes amounts paid to the Fund's custodian and transfer agent and reimbursed to Bull & Bear Advisers, Inc., the Fund's Investment Manager.

The percentages given for annual Fund expenses are based on the Fund's operating expenses restated using the current fees that would have been applicable had they been in effect during the fiscal year ended June 30, 1996 and net assets of approximately \$31 million as of October 29, 1996. Based on the same restated expenses and average daily net assets of the Fund during its fiscal year ended June 30, 1996, "Other Expenses" and "Total Fund Operating Expenses" would have been 59% and 129%, respectively. "Other Expenses" includes amounts paid to the Fund's Custodian and Transfer Agent and reimbursable to the Investment Manager for certain administrative services. Until February 7, 1997, the Fund was a diversified series of shares issued by Bull & Bear Funds

II, Inc., an open-end management investment company.

PROSPECTUS SUMMARY

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. 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.

PORTFOLIO MANAGEMENT. The investment manager of the Fund is Bull & Bear Advisers, Inc. (the "Investment Manager"). The Fund's Portfolio Manager is Steven A. Landis. Mr. Landis is also Senior Vice President and a member of the Investment Policy Committee of the Investment Manager with overall responsibility for the Bull & Bear fixed income funds. Mr. Landis was formerly Associate Director -- Proprietary Trading at Barclays De Zoete Wedd Securities Inc. and Director, Bond Arbitrage at WG Trading Company. Mr. Landis received his MBA in Finance from Columbia University. **LISTING AND SYMBOL.** The Fund's shares are listed on the American Stock Exchange under the symbol "BBZ".

REPURCHASE OF SHARES. Although the Fund does not currently intend to repurchase shares, no assurance can be given that the Fund will decide to repurchase shares in the future, or, if undertaken, that such repurchases will reduce any market discount that may develop. While the Fund does not currently intend to repurchase its shares, its officers and directors and the Investment Manager and its affiliates may do so from time to time. See "Repurchase of Shares."

ANTI-TAKEOVER PROVISIONS. Certain provisions of the Fund's Articles of Incorporation and By-Laws may be regarded as "anti- takeover" provisions. Pursuant to these provisions, only one of five classes of directors is elected each year, the affirmative vote of the holders of 80% of the outstanding shares of the Fund is necessary to amend the Articles of Incorporation, to authorize the conversion of the Fund from a closed-end to an open-end investment company and to authorize certain business combinations (including any merger, consolidation, or share exchange with any interested shareholder or any affiliate thereof), unless approved by the vote of at least a majority of the Continuing Directors (defined as (1) the persons acting as directors until the first annual meeting of the Board of Directors after effectiveness of the Articles of Incorporation and until their successors are duly elected and qualifying and (2) directors whose election is approved by a majority of the Continuing Directors then on the Board), in which case such amendment, conversion or business combination requires the affirmative vote of the holders of at least a majority of the votes entitled to be cast by holders of voting stock. The overall effect of these provisions may be to render more difficult the accomplishment of a merger with, or the assumption of control by, a principal shareholder. These provisions may have the effect of depriving Fund shareholders of an opportunity to sell their shares at a premium to the prevailing market price. See "Capital Stock - Certain Provisions of the Articles of Incorporation and By-Laws of the Fund."

MARKET PRICE OF SHARES. Shares of closed-end investment companies frequently trade at a discount from net asset value. This characteristic of shares of a closed-end investment company is a risk separate and distinct from the risk that the value of the Fund's portfolio securities and the Fund's Net Asset Value may decrease. The Fund cannot predict whether its shares will trade at, below or above net asset value. See "The Fund's Investment Program - Market and Net Asset Value."

DIVIDEND REINVESTMENT PLAN. Under the Fund's Dividend Reinvestment Plan (the "Plan"), all dividends and capital gain distributions will be automatically reinvested in additional Fund shares instead of being paid in cash, unless at any time prior to the record date for a particular dividend or distribution a shareholder elects otherwise by notifying the Fund in writing. There are no sales or other charges in

connection with the reinvestment of dividends or capital gain distributions. Shareholders who intend to hold their Fund shares through a broker or nominee should contact such broker or nominee to confirm that they may participate in the Plan. The Fund has no fixed dividend rate, and there can be no assurance that the Fund will pay any dividends or realize any capital gain. See "Dividend Reinvestment Plan" and "Dividends, Distributions and Taxes."

THE FUND'S INVESTMENT PROGRAM

Prior to February 7, 1997, the Fund was a diversified series of shares issued by Bull & Bear Funds II, Inc., an open-end management investment company organized under Maryland law in 1974. On February 7, 1997, upon shareholder approval, the Fund converted from open-end to closed-end status. The Fund's primary, fundamental, investment objective is to provide a high level of income. The Fund's secondary, non-fundamental, investment objective is capital appreciation. The Fund pursues its investment objectives by investing primarily in a global portfolio of investment grade fixed income securities. There can be no assurance that the Fund will achieve its investment objectives.

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 ("S&P"), 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 S&P 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. Pending investment or for temporary defensive purposes, the Fund may commit all or any portion of its assets to cash (U.S. dollars and/or foreign currencies) or invest in 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:

- (X) First, the fixed income securities purchased by the Fund will be primarily rated at the time of purchase in the top four categories by S&P or Moody's or, if unrated, are determined by the Investment Manager to be of comparable quality. 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.
- (X) 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 interest rates. Increases in interest 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 securities with 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.

(X) 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 the 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 currencies 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 possible 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. Foreign securities trading practices, including those involving securities settlement where Fund assets may be released prior to receipt of payment, may expose the Fund to increased risk in the event of a failed trade or insolvency of a foreign broker/dealer. Legal remedies for defaults and disputes may have to be pursued in foreign courts, whose procedures differ substantially from those of U.S. courts.

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 by 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 developed countries. 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. Emerging market 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 U.S. 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 and independent Federal organizations supervised by Congress. The types of support for these obligations can range from the full faith and credit of the United States (for example, U.S. Treasury securities), to 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 include obligations issued or supported by national, state or provincial governments or similar political subdivisions or 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.

Foreign government securities, depending on where and how they are issued, may be subject to some of the risks discussed above with respect to foreign securities. In addition, 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 will normally invest at least 65% of its net assets in investment grade fixed income securities. Securities rated BBB or better by S&P 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 issuers of 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 S&P 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 S&P 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 the Fund acquires 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 S&P 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. In the past, the prices of many lower rated securities declined substantially, 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 securities 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 fiscal year ended June 30, 1996, the Fund invested 92% of its average annual net assets in debt securities that had received a rating from S&P. The remaining 8% 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 -- 14%, AA -- 5%, A -- 17%, BBB -- 26%, BB -- 9%, B -- 14%; 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, 1996 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 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 may 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 meeting redemptions 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.

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. When the Fund enters into reverse repurchase agreements, its custodian will set aside in a segregated account cash or liquid securities whose value is marked to the market daily 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 of 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.

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, as well as the risk of price fluctuation. When the Fund purchases securities on a when-issued basis, its custodian will set aside in a segregated account cash or liquid securities whose value is marked to the market daily 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. If the Fund engages in lending transactions, it will enter into 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 to be of good standing. 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, 1996 and 1995, the portfolio's turnover rate was 585% and 385%, respectively. Higher portfolio turnover involves correspondingly greater transaction costs and increases the potential for short term capital gains and taxes (see "Dividends, Distributions and Taxes" below).

LEVERAGE. The Fund may borrow money from banks (including its custodian bank) and may issue senior securities, including debt and preferred stock, to purchase and carry securities and will pay interest thereon. These practices are referred to as leverage, are speculative, and increase both investment opportunity and investment risk. If the investment income on securities purchased with leverage exceeds the interest paid on the leverage, the Fund's income will be correspondingly higher. If the investment income fails to cover the Fund's costs, including interest on leverage, or if there are losses, the net asset value of the Fund's shares will decrease faster than would otherwise be the case. The 1940 Act requires the Fund to have asset coverage of at least 200% for preferred securities and 300% for debt. Interest on money borrowed is an expense the Fund would not otherwise incur, and it may therefore have little or no investment income during periods of substantial borrowings.

Use of leverage by the Fund would increase the Fund's total return to shareholders if the Fund's returns on its investments out of the proceeds of such leverage exceed the cost of such leverage. Although in the past the Fund has not used leverage and there can be no assurance that if employed, it will be successful, the Directors and Investment Manager believe that increased capacity to employ leverage may potentially increase yields and total returns.

Leverage is a speculative investment technique and, as such, entails two primary risks. The first risk is that the use of leverage magnifies the impact on the common shareholders of changes in net asset value. For example, a fund that uses leverage of one third of its total assets will show a 1.5% increase or decline in net asset value for each 1% increase or decline in the value of its total assets. The second risk is that if the cost of leverage exceeds the return on the securities acquired with the proceeds of that leverage, it will diminish rather than enhance the return to common shareholders. These two risks would generally make the Fund's total return to common shareholders more volatile. However, if the Fund is able to provide total returns on its assets exceeding the costs of leverage, the use of leverage would over the longer term enhance the Fund's yields and total returns, although there can be no assurance that this can be achieved.

The Fund may invest without limit in illiquid securities, including securities with legal or contractual conditions on resale. Investing in such securities entails certain risks. The primary risk is that the Fund may not be able to dispose of a security at the desired price at the time it wishes to make such disposition. In addition, such securities often sell at a discount from liquid and freely tradable securities of the same class or type, although they are also usually purchased at an equivalent discount which enhances yield while the securities are held by the Fund. Such securities may also be more difficult to price accurately although this is less significant in a closed-end fund where shares are not purchased or sold solely on the basis of net asset value.

MARKET VALUE AND NET ASSET VALUE. The Fund was recently converted from a diversified series of shares of an open-end management investment company to a diversified, closed-end management investment company. Shares of closed-end investment companies are bought and sold in the open market and may trade at either a premium to or discount from net asset value, although they frequently trade at a discount. This is a risk separate and distinct from the risk that the value of the Fund's portfolio securities, and as a result its net asset value, may

decrease. The Fund cannot predict whether its shares will trade at, above or below net asset value. Shareholders will incur brokerage and possibly other transaction costs to buy and sell shares in the open market, provided, however, that the Investment Manager has arranged with its affiliate, Bull & Bear Securities, Inc., that for two years after February 7, 1997, any Fund shares may be bought or sold at the market price without commission through Bull & Bear Securities, Inc.

A decline in net asset value could affect the Fund's ability to pay dividends, make capital gain distributions or effect any share repurchases with respect to its common stock if the Fund has outstanding any preferred stock or debt securities, because the Fund would be required by the 1940 Act to have asset coverage immediately after such dividend, distribution or repurchase of two hundred percent for any preferred stock and three hundred percent for any debt securities, in each case after giving effect to such dividend, distribution or repurchase. In addition, if the Fund's current investment income were not sufficient to meet dividend requirements on any outstanding preferred stock, the Fund may be required to sell a portion of its portfolio securities when it might be disadvantageous to do so, which would reduce the net asset value attributable to the Fund's common stock.

OTHER INFORMATION. The Fund is not obligated to deal with any particular broker, dealer or group thereof. Certain broker/dealers that the Investment Manager and its affiliates do business with may, from time to time, own more than 5% of the publicly traded Class A non-voting Common Stock of Bull & Bear Group, Inc., the parent of the Investment Manager, and may provide clearing services to Bull & Bear Securities, Inc. ("BBSI").

The Fund's primary investment objective of providing a high level of income is fundamental and may not be changed without shareholder approval. The Fund is also subject to 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 of capital appreciation and the other investment policies described herein, unless otherwise stated, are not fundamental and may be changed by the Directors without shareholder approval.

INVESTMENT MANAGER

Bull & Bear Advisers, Inc. 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 oversight of the Directors. 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 weekly net assets of the Fund, at the annual rate of 7/10 of 1% of the first \$250 million, 5/8 of 1% from \$250 million to \$500 million, and 1/2 of 1% 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, 1996, the investment management fees paid by the Fund represented 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.

DIVIDEND REINVESTMENT PLAN

The Directors have adopted a Dividend Reinvestment Plan (the

"Plan"). Under the Plan, shareholders have the option of reinvesting distributions automatically, unless such shareholders elect to receive cash. Each dividend and capital gain distribution, if any, declared by the Fund on outstanding shares will, unless elected otherwise by each shareholder by notifying the Fund in writing at any time prior to the record date for a particular dividend or distribution, be paid on the payment date fixed by the Directors in that number of additional shares equal to (a) the amount of such dividend divided by the Fund's net asset value per share if the average closing market prices on the five trading days prior to the valuation date (the "Market Price") is at or above such net asset value per share on the record date for such distribution and (b) the amount of such dividend divided by the Market Price if the Market Price is less than such net asset value per share on the record date for such distribution. Upon a shareholder's request to receive a certificate for shares, a certificate will be issued for such shares in whole share amounts and fractional share amounts will be paid in cash. There are no sales or other charges in connection with the reinvestment of dividends and capital gain distributions. There is no fixed dividend rate and there can be no assurance that the Fund will pay any dividends or realize any capital gain.

DST Systems, Inc. (the "Transfer Agent") maintains all shareholder accounts in the Plan and furnishes written confirmations of all transactions in the account, including information needed by shareholders for personal and tax records. Shares in the account of each Plan participant will be held by the Transfer Agent in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares purchased pursuant to the Plan, unless otherwise requested by a shareholder.

In the case of shareholders such as banks, brokers or nominees, which hold shares for others who are the beneficial owners, the Transfer Agent will administer the Plan on the basis of the number of shares certified from time to time by the shareholder as representing the total amount registered in the shareholder's name and held for the account of beneficial owners who participate in the Plan.

There is no charge to participants for reinvesting dividends or capital gain distributions payable in either stock or cash. The Transfer Agent's fees for handing the reinvestment of such dividends and capital gain distributions are paid by the Fund. There are no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gain distributions payable in stock or in cash. However, each participant bears a pro rata share of brokerage commissions incurred with respect to open market purchases in connection with the reinvestment of dividends or capital gain distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any income tax which may be payable on such dividends or distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan and any dividend or distribution paid subsequent to written notice of the change sent to the members of the Plan at least 30 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by the Transfer Agent on at least 30 days' written notice to participants in the Plan. All correspondence concerning the Plan should be directed to the Transfer Agent at P.O. Box 419789, Kansas City, MO 64141-6789.

DIVIDENDS, DISTRIBUTIONS AND TAXES

Under the Fund's Dividend Reinvestment Plan, all dividends and capital gain distributions will be automatically reinvested in additional Fund shares instead of being paid in cash, unless at any time prior to the record date for a particular dividend or distribution a shareholder elects otherwise by notifying the Fund in writing. There are no sales or other charges in connection with the reinvestment of dividends or capital gain distributions. Shareholders who intend to hold their Fund shares through a broker or nominee should contact such broker or nominee to confirm that they may participate in the Plan. The Fund has no fixed dividend rate, and there can be no assurance that the

Fund will pay any dividends or realize any capital gain.

The Fund intends to qualify as a "regulated investment company" under Subchapter M of the Code. If the Fund qualifies as a regulated investment company and complies with certain distribution requirements, the Fund will be relieved of Federal income tax on that part of its net investment income and realized capital gain which it distributes to its shareholders.

To qualify as a regulated investment company, the Fund must meet certain relatively complex tests. The loss of such status would result in the Fund being subject to Federal income tax on its taxable income and gain without regard to dividends and distributions paid to shareholders.

Dividends out of net investment income and distributions of net realized short-term capital gain are taxable to the recipient shareholders as ordinary income whether paid in cash or shares. In the case of corporate shareholders, such distributions are unlikely to be eligible for the 70% dividends received deduction, since the Fund does not anticipate investing in stocks of domestic corporations. Distributions out of net capital gain of which shareholders will be notified are taxable to the recipient as long term capital gain, whether paid in cash or shares.

In any year, if the Fund has excess net realized long-term capital gain over its net realized short-term capital losses, the Fund reserves the authority not to distribute such excess in any year. If such excess is not distributed, a shareholder must include in taxable income as long-term capital gain his share of the excess. However, the Fund will pay the taxes imposed on any such undistributed gain and such shareholder will receive a credit or refund for taxes on his share of the excess. If, for any year, the total distributions exceed accumulated undistributed net investment income and net realized capital gain, the excess will generally be treated as a tax-free return of capital (up to the amount of such shareholder's tax basis in his shares). The amount treated as a tax-free return of capital will reduce the shareholder's adjusted basis in his shares, thereby increasing his potential gain (or decreasing his potential loss) on the sale of his shares. In the event the Fund distributes amounts in excess of its net investment income and net realized capital gain, such distributions will decrease the Fund's total assets and, therefore, have the likely effect of increasing the Fund's expense ratios.

The Fund will be required to back-up withhold an amount equal to 31% of a shareholder's dividend or capital gain distribution or the proceeds of a redemption unless such shareholder furnishes the Fund with his taxpayer identification number (a social security number in the case of an individual) and certifies that the number is correct and that he has not been notified by the Internal Revenue Service that he is subject to back-up withholding.

In order to make distributions, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment might not dictate such action. Such sales, if they involve assets held for less than three months, could also adversely affect the Fund's status as a regulated investment company since, in order for the Fund to qualify as a regulated investment company, for each taxable year, less than 30% of the Fund's gross income must be derived from gain realized on the sale or other disposition of stocks or securities held for less than three months.

The foregoing is a general and abbreviated summary of the provisions of the Code applicable to a shareholder's investment in the Fund. Dividends and distributions declared by the Fund may also be subject to state and local taxes. Prior to investing in shares of the Fund, prospective shareholders are urged to consult their tax advisors concerning the Federal, state and local tax consequences of such investment.

The Fund is a closed-end, management investment company and as such its shareholders do not have the right to redeem their shares. The Fund, however, may repurchase its shares from time to time as and when it deems such a repurchase advisable. The Fund may repurchase its shares on a securities exchange, provided that the Fund has informed its shareholders within the preceding six months of its intention to repurchase such shares.

The Fund may also repurchase its shares other than in the open market if certain conditions are met regarding, among other things, distribution of net income for the preceding fiscal year, identity of the seller, price paid, brokerage commissions, prior notice to shareholders of the Fund's intention to effect such a repurchase, and the manner in which such a repurchase is effected so as not to discriminate unfairly against other Fund shareholders. Shares repurchased by the Fund will constitute authorized and unissued shares available for reissuance. No assurances can be given that the Directors will decide to undertake any repurchases, or if undertaken, that repurchases would have the desired effect on market price.

If the Fund repurchases its shares at a price representing a discount to net asset value, the net asset value of the remaining outstanding shares will be enhanced but the market price of the remaining outstanding shares will not necessarily be affected. Furthermore, the Fund may incur debt to finance share repurchases, and the interest on such borrowings would increase the Fund's expenses and reduce its net income. See "The Fund's Investment Program."

The Fund does not currently have an established tender offer program or an established schedule for considering tender offers. No assurance can be given that the Directors will decide to undertake any tender offers in the future, or if undertaken, that a tender offer would affect the market price of the Fund's shares.

CAPITAL STOCK

On January 22, 1997, shareholders approved a proposal to change the status of the Fund to a closed-end fund. The Fund's Articles of Incorporation (the "Charter") were filed on December 12, 1996. 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, shareholders will be entitled to receive ratably per share the net assets of the Fund. Shareholders 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. The Fund is authorized to issue up to twenty million (20,000,000) shares (\$.01 par value).

The Directors can reclassify unissued shares as preferred stock with such terms and conditions as determined by the Directors.

Anti-Takeover Provisions. The Fund presently has provisions in its Charter and By-Laws (collectively, the "Governing Documents") which could have the effect of limiting (i) the ability of other entities or persons to acquire control of the Fund, (ii) the Fund's freedom to engage in certain transactions, or (iii) the ability of the Fund's directors or shareholders to amend the Governing Documents or effectuate changes in the Fund's management. These provisions of the Governing Documents of the Fund may be regarded as "anti-takeover" provisions. The Directors are divided into five classes, each having a term of five years (except, to ensure that the term of a class of the Fund's directors expires each year, the first class of the Fund's directors will serve an initial one-year term and five-year terms thereafter, the second class of its directors will serve an initial two-year term and five-year terms thereafter, the third class will serve an initial three-year term and five-year terms thereafter, and the fourth class will serve an initial four-year term and five-year terms thereafter). Each year the term of one class of directors will expire. Accordingly, only those directors in one class may be changed in any one year, and it would require three years to change a majority of the Directors. Such system of electing directors may have the effect

of maintaining the continuity of management and, thus, make it more difficult for the shareholders of the Fund to change the majority of directors. A director of the Fund may be removed only with cause by a vote of eighty percent (80%) of the shares then entitled to be cast for the election of directors. In addition, the affirmative vote of the holders of 80% of the outstanding shares of the Fund is required to authorize its conversion from a closed-end to an open-end investment company, to amend certain provisions of the Charter involving conversion to an open-end fund, or to authorize any business combination (including any merger, consolidation, or share exchange with any interested shareholder or any affiliate thereof), unless approved by the vote of at least a majority of the Continuing Directors, in which case the affirmative vote of the holders of at least a majority of the votes entitled to be cast by holders of voting stock is required. Reference is made to the Governing Documents, on file with the SEC, for the full text of these provisions.

Except as otherwise provided in the Charter and notwithstanding any other provision of the Maryland General Corporation Law to the contrary, any action submitted to a vote by stockholders requires the affirmative vote of at least 80% of the outstanding shares of all classes of voting stock, voting together, in person or by proxy at a meeting at which a quorum is present, unless such action is approved by the vote of a majority of the Continuing Directors, in which case such action requires (A) if applicable, the proportion of votes required by the 1940 Act, or (B) the lesser of (1) a majority of all the votes cast at a meeting at which a quorum is present in person or by proxy with the shares of all classes of voting stock voting together, or (2) if such action may be taken or authorized by a lesser proportion of votes under applicable law, such lesser proportion. In the absence of action by the Directors to remove the foregoing 80% requirement, such requirement would have the effect of making it very difficult for stockholders to elect Directors or modify the composition of the Board.

The Fund has asked not to be governed by any provision of Section 3-602 of Subtitle 6 of the Maryland General Corporation Law.

The provisions of the Governing Documents described above could have the effect of depriving owners of shares in the Fund of opportunities to sell their shares at a premium over prevailing market prices, by discouraging a third party from seeking to obtain control of the Fund in a tender offer or similar transaction. The overall effect of these provisions is to render more difficult the accomplishment of a merger or the assumption of control by a third party, unless approved by the Directors.

CUSTODIAN, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

Investors Bank & Trust Company, 89 South Street, Boston, MA 02111, acts as custodian of the Fund's assets. The custodian also performs certain accounting services for the Fund. The Fund's transfer and dividend disbursing agent is DST Systems, Inc., P.O. Box 419789, Kansas City, MO 64141-6789. DST also provides shareholder services to the Fund and is reimbursed its cost by the Fund.

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BULL & BEAR BULL & BEAR
GLOBAL INCOME GLOBAL INCOME
FUND, INC. FUND, INC.

11 HANOVER SQUARE
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TOLL-FREE 1-888-847-4200

E-MAIL: BULBEAR@AOL.COM

Prospectus
February 7, 1997

BULL
& BEAR
PERFORMANCE DRIVEN

Statement of Additional Information February 7, 1997

BULL & BEAR GLOBAL INCOME FUND, INC.
11 Hanover Square
New York, NY 10005
Toll-free 1-888-847-4200

Bull & Bear Global Income Fund, Inc. (the "Fund") is a diversified, closed-end management investment company organized as a Maryland corporation. Until February 7, 1997, the Fund was a diversified series of shares of Bull & Bear Funds II, Inc. (the "Corporation"), an open-end management investment company organized in 1974 as a Maryland corporation. Prior to October 29, 1993, the Corporation operated under the name Bull & Bear Incorporated. This Statement of Additional Information regarding the Fund is not a prospectus and should be read in conjunction with the Fund's prospectus dated February 7, 1997. The prospectus is available without charge upon written request to the Fund at 11 Hanover Square, New York, NY 10005, or by calling toll-free telephone 1-888-847-4200.

TABLE OF CONTENTS

THE FUND'S INVESTMENT PROGRAM	18
INVESTMENT RESTRICTIONS	18
OFFICERS AND DIRECTORS	26
THE INVESTMENT MANAGER	27
INVESTMENT MANAGEMENT AGREEMENT	28
DETERMINATION OF NET ASSET VALUE	28
ALLOCATION OF BROKERAGE	29
DISTRIBUTIONS AND TAXES	30
REPORTS TO SHAREHOLDERS	31
CUSTODIAN, TRANSFER AND DIVIDEND DISBURSING AGENT	32
AUDITORS	32
FINANCIAL STATEMENTS	32

THE FUND'S INVESTMENT PROGRAM

The following information supplements the information concerning the investment objectives, policies and limitations of the Fund found in the prospectus.

LOAN PARTICIPATIONS. The Fund may invest in loan participations in which the Fund purchases from a lender a portion of a larger loan to a U.S. or foreign private or governmental entity. The Fund receives a portion of the amount due the lender, except for any servicing fees received by the lender. Investing in loan participations may enable the Fund to obtain undivided interests in loans that Bull & Bear Advisers, Inc. (the "Investment Manager") considers attractive, but which would not be available to the Fund otherwise. Although normally available without recourse to the lender, such loans may be backed by a letter of credit and may include the right to demand accelerated payment of principal and interest. Loan participations may be subject to credit risks of the borrower, the lender or both. Loans to foreign borrowers may involve risks not typically associated with domestic investments. The Fund has no current intention to engage in loan participations in excess of 5% of total net assets of the Fund.

COLLATERALIZED MORTGAGE OBLIGATIONS. CMOs are debt obligations collateralized by mortgage loans or mortgage pass-through securities. The CMOs in which the Fund invests are collateralized by GNMA certificates or other government mortgage-backed securities (such collateral are called mortgage assets). Multi-class pass-through securities are interests in trusts that are comprised of mortgage

assets and that have multiple classes similar to those in CMOs. Unless the context indicates otherwise, references herein to CMOs include multi-class pass-through securities. Payments of principal and interest on the mortgage assets, and any reinvestment income thereon, provide the means to pay debt service on the CMOs or to make scheduled distributions on the multi-class pass-through securities. Principal prepayments on the mortgage assets may cause the CMOs to be retired substantially earlier than their stated maturities or final distribution dates. Rising interest rates may cause prepayments to occur at a slower than expected rate, which is known as "extension risk". Extension risk may effectively change a security which was considered short or intermediate term at the time of purchase into a long term security. Long term securities generally fluctuate more widely in response to changes in interest rates than short or intermediate term securities.

SHORT SALES. The Fund may engage in short sales if it owns or, by virtue of its ownership of other securities, has the right to obtain securities equivalent in kind or amount. This investment technique is known as a short sale "against the box." In a short sale, the Fund sells a borrowed security and has a corresponding obligation to the lender to return the identical security. The Fund will not dispose of the securities underlying a short sale while a short sale is outstanding. The Fund intends to engage in short sales against the box for hedging purposes. The Investment Manager expects that the Fund will engage in short sales against the box as a hedge when the Investment Manager believes that the price of a security may decline, or when the Fund wants to sell the security it owns at the current price, but wants to defer recognition of gain or loss for tax purposes. The Investment Manager currently anticipates that no more than 5% of the Fund's total assets would be involved in short sales against the box.

INVESTMENT RESTRICTIONS

The following fundamental investment restrictions may not be changed without the approval of the lesser of (a) 67% or more of the voting securities of the Fund present at a meeting if the holders of more than 50% of the outstanding voting securities of the Fund are present or represented by proxy or (b) more than 50% of the outstanding voting securities of the Fund. Any investment restriction which involves a maximum percentage of securities or assets shall not be considered to be violated unless an excess over the percentage occurs immediately after, and is caused by, an acquisition of securities or assets of, or borrowing by, the Fund. The Fund may not:

- (1) Purchase a security if, as a result, more than 5% of the Fund's total assets would be invested in the securities of any one issuer or the Fund would own or hold 10% of the outstanding securities of that issuer, except that up to 25% of the Fund's total assets may be invested without regard to this limitation and provided that this limitation does not apply to securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities or securities of other investment companies;
- (2) Purchase a security, if as a result, 25% or more of the value of the Fund's total assets would be invested in the securities of issuers in a single industry, provided that this limitation does not apply to securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities;
- (3) Purchase or sell real estate (although it may purchase securities of companies whose business involves the purchase or sale of real estate);
- (4) Invest in commodities or commodities futures contracts, although it may enter into financial and foreign currency futures contracts and options thereon, options on foreign currencies, and forward contracts on foreign currencies;
- (5) Lend its assets, except as permitted by applicable law;
- (6) Underwrite the securities of other issuers except to the extent

the Fund may be deemed to be an underwriter under the Federal securities laws in connection with the disposition of the Fund's authorized investments; or

- (7) Issue senior securities as defined in the Investment Company Act of 1940, as amended (the "1940 Act") (including borrowing money), except as permitted by applicable law.

The Fund, notwithstanding any other investment policy or restriction (whether or not fundamental), may invest all of its assets in the securities or beneficial interests of a single pooled investment fund having substantially the same investment objectives, policies and restrictions as the Fund.

The Directors have established the following non-fundamental investment restrictions that may be changed by the Board without shareholder approval:

- (i) The Fund may not make short sales of securities or purchase securities on margin, except (a) the Fund may buy and sell options, futures contracts, options on futures contracts, and forward currency contracts, (b) the Fund may obtain such short term credits as may be necessary for the clearance of transactions, (c) the Fund may make initial margin deposits and variation margin payments in connection with transactions in futures contracts and options thereon, and forward currency contracts, and (d) the Fund may sell "short against the box" where, by virtue of its ownership of the other securities, the Fund owns or has the right to obtain securities equivalent in kind and amount to the securities sold and, if the right is conditional, the sale is made upon the same conditions;
- (ii) The Fund may not purchase the securities of any investment company except (a) by purchase in the open market where no commission or profit to a sponsor or dealer results from such purchase, provided that immediately after such purchase no more than: 10% of the Fund's total assets are invested in securities issued by investment companies, 5% of the Fund's total assets are invested in securities issued by any one investment company, or 3% of the voting securities of any one such investment company are owned by the Fund, and (b) when such purchase is part of a plan of merger, consolidation, reorganization or acquisition of assets; and
- (iii) With respect to financial and foreign currency futures and related options (including options traded on a commodities exchange), the Fund will not purchase or sell futures contracts or related options other than for bona fide hedging purposes if, immediately thereafter, the sum of the amount of initial margin deposits on the Fund's existing futures positions and related options and premiums paid for related options would exceed 5% of the Fund's total assets.

OPTIONS, FUTURES AND FORWARD CURRENCY CONTRACT STRATEGIES

REGULATION OF THE USE OF OPTIONS, FUTURES AND FORWARD CURRENCY CONTRACT STRATEGIES. As discussed in the prospectus, the Investment Manager may engage in certain options strategies to attempt to enhance return or for hedging purposes. The Investment Manager also may use securities index futures contracts, interest rate futures contracts, foreign currency futures contracts (collectively, "futures contracts" or "futures"), options on futures contracts and forward currency contracts for hedging purposes or in other circumstances permitted by the Commodity Futures Trading Commissions ("CFTC"). Certain special characteristics of and risks associated with using these instruments are discussed below. In addition to the investment guidelines (described below) adopted by the Fund to govern investment in these instruments, use of options, forward currency contracts and futures by the Fund is subject to the applicable regulations of the SEC, the several options and futures exchanges upon which such instruments may be traded, the CFTC and the various state regulatory authorities.

In addition to the products, strategies and risks described below

and in the prospectus, the Investment Manager expects to discover additional opportunities in connection with options, futures and forward currency contracts. These new opportunities may become available as the Investment Manager develops new techniques, as regulatory authorities broaden the range of permitted transactions and as new options, futures and forward currency contracts are developed. The Investment Manager may utilize these opportunities to the extent they are consistent with the Fund's investment objective, permitted by the Fund's investment limitations and permitted by the applicable regulatory authorities. The Fund's registration statement will be supplemented to the extent that new products and strategies involve materially different risks than those described below and in the prospectus.

COVER FOR OPTIONS, FUTURES AND FORWARD CURRENCY CONTRACT STRATEGIES. The Fund will not use leverage in its options, futures and forward currency contract strategies. Accordingly, the Fund will comply with guidelines established by the SEC with respect to these strategies and will, when required, either (1) set aside cash or liquid assets in a segregated account with its custodian in the prescribed amount, or (2) hold securities, currencies or other options or futures contracts whose values are expected to offset ("cover") its obligations thereunder. Securities, currencies or other options or futures contracts used for cover and securities held in a segregated account cannot be sold or closed out while the strategy is outstanding, unless they are replaced with similar assets. As a result, there is a possibility that the use of cover or segregation involving a large percentage of the Fund's assets could impede portfolio management or the Fund's ability to meet redemption requests or other current obligations.

OPTION INCOME AND HEDGING STRATEGIES. The Fund may purchase and write (sell) both exchange-traded options and options traded on the over-the-counter ("OTC") market. Currently, options on debt securities are primarily traded on the OTC market. Although many options on currencies are exchange-traded, the majority of such options currently are traded on the OTC market. Exchange-traded options in the United States are issued by a clearing organization affiliated with the exchange on which the option is listed, which, in effect, guarantees completion of every exchange-traded option transaction. In contrast, OTC options are contracts between the Fund and its contra-party with no clearing organization guarantee. Thus, when the Fund purchases an OTC option, it relies on the dealer from which it has purchased the OTC option to make or take delivery of the securities or currencies underlying the option. Failure by the dealer to do so would result in the loss of any premium paid by the Fund as well as the loss of the expected benefit of the transaction.

The Fund may purchase call options on securities (both equity and debt) that the Investment Manager intends to include in the Fund's portfolio in order to fix the cost of a future purchase. Call options also may be used as a means of enhancing returns by, for example, participating in an anticipated price increase of a security. In the event of a decline in the price of the underlying security, use of this strategy would serve to limit the potential loss to the Fund to the option premium paid; conversely, if the market price of the underlying security increases above the exercise price and the Fund either sells or exercises the option, any profit eventually realized would be reduced by the premium paid.

The Fund may purchase put options on securities in order to hedge against a decline in the market value of securities held in its portfolio or to attempt to enhance return. The put option enables the Fund to sell the underlying security at the predetermined exercise price; thus, the potential for loss to the Fund below the exercise price is limited to the option premium paid. If the market price of the underlying security is higher than the exercise price of the put option, any profit the Fund realizes on the sale of the security would be reduced by the premium paid for the put option less any amount for which the put option may be sold.

The Fund may on certain occasions wish to hedge against a decline in the market value of securities held in its portfolio at a time when

put options on those particular securities are not available for purchase. The Fund may therefore purchase a put option on other carefully selected securities, the values of which historically have a high degree of positive correlation to the value of such portfolio securities. If the Investment Manager's judgment is correct, changes in the value of the put options should generally offset changes in the value of the portfolio securities being hedged. However, the correlation between the two values may not be as close in these transactions as in transactions in which the Fund purchases a put option on a security held in its portfolio. If the Investment Manager's judgment is not correct, the value of the securities underlying the put option may decrease less than the value of the Fund's portfolio securities and therefore the put option may not provide complete protection against a decline in the value of the Fund's portfolio securities below the level sought to be protected by the put option.

The Fund may write covered call options on securities in which it is authorized to invest for hedging or to increase return in the form of premiums received from the purchasers of the options. A call option gives the purchaser of the option the right to buy, and the writer (seller) the obligation to sell, the underlying security at the exercise price during or at the end of the option period. The strategy may be used to provide limited protection against a decrease in the market price of the security, in an amount equal to the premium received for writing the call option less any transaction costs. Thus, if the market price of the underlying security held by the Fund declines, the amount of such decline will be offset wholly or in part by the amount of the premium received by the Fund. If, however, there is an increase in the market price of the underlying security to a level in excess of the option's exercise price, and the option is exercised, the Fund would be obligated to sell the security at less than its market value. In addition, the Fund could lose the ability to participate in an increase in the value of such securities above the exercise price of the call option because such an increase would likely be offset by an increase in the cost of closing out the call option (or could be negated if the buyer chose to exercise the call option at an exercise price below the current market value).

The Fund generally would give up the ability to sell any portfolio securities used to cover the call option while the call option was outstanding.

The Fund also may write covered put options on securities in which it is authorized to invest. A put option gives the purchaser of the option the right to sell, and the writer (seller) the obligation to buy, the underlying security at the exercise price during the option period. So long as the obligation of the writer continues, the writer may be assigned an exercise notice by the broker/dealer through whom such option was sold, requiring it to make payment of the exercise price against delivery of the underlying security. The operation of put options in other respects, including their related risks and rewards, is substantially identical to that of call options. If the put option is not exercised, the Fund will realize income in the amount of the premium received. This technique could be used to enhance current return during periods of market uncertainty. The risk in such a transaction would be that the market price of the underlying security would decline below the exercise price less the premiums received, in which case the Fund would expect to suffer a loss.

The Fund may purchase put and call options and write covered put and call options on securities indexes in much the same manner as the more traditional securities options discussed above, except that index options may serve as a hedge against overall fluctuations in the securities markets (or a market sector) rather than anticipated increases or decreases in the value of a particular security. A securities index assigns values to the securities included in the index and fluctuates with changes in such values. Settlements of securities index options are effected with cash payments and do not involve delivery of securities. Thus, upon settlement of a securities index option, the purchaser will realize, and the writer will pay, an amount based on the difference between the exercise price and the closing price of the index. The effectiveness of hedging techniques using securities index options will depend on the extent to which price

movements in the securities index selected correlate with price movements of the securities in which the Fund invests.

The Fund may purchase and write covered straddles on securities indexes. A long straddle is a combination of a call and a put purchased on the same security where the exercise price of the put is less than or equal to the exercise price on the call. The Fund would enter into a long straddle when the Investment Manager believes that it is likely that securities prices will be more volatile during the term of the options than is implied by the option pricing. A short straddle is a combination of a call and a put written on the same security where the exercise price on the put is less than or equal to the exercise price of the call where the same issue of the security is considered "cover" for both the put and the call. The Fund would enter into a short straddle when the Investment Manager believes that it is unlikely that securities prices will be as volatile during the term of the options as is implied by the option pricing. In such case, the Fund will set aside cash or liquid assets in a segregated account with its custodian equivalent in value to the amount, if any, by which the put is "in-the-money," that is, that amount by which the exercise price of the put exceeds the current market value of the underlying security.

FOREIGN CURRENCY OPTIONS AND RELATED RISKS. The Fund may take positions in options on foreign currencies to hedge against the risk of foreign exchange rate fluctuations on foreign securities that the Fund holds in its portfolio or that it intends to purchase. For example, if the Fund enters into a contract to purchase securities denominated in a foreign currency, it could effectively fix the maximum U.S. dollar cost of the securities by purchasing call options on that foreign currency. Similarly, if the Fund held securities denominated in a foreign currency and anticipated a decline in the value of that currency against the U.S. dollar, the Fund could hedge against such a decline by purchasing a put option on the currency involved. The Fund's ability to establish and close out positions in such options is subject to the maintenance of a liquid secondary market. Although many options on foreign currencies are exchange-traded, the majority are traded on the OTC market. The Fund will not purchase or write such options unless, in the Investment Manager's opinion, the market for them is sufficiently liquid to ensure that the risks in connection with such options are not greater than the risks in connection with the underlying currency. In addition, options on foreign currencies are affected by all of those factors that influence foreign exchange rates and investments generally.

The value of a foreign currency option depends upon the value of the underlying currency relative to the U.S. dollar. As a result, the price of the option position may vary with changes in the value of either or both currencies and may have no relationship to the investment merits of a foreign security. Because foreign currency transactions occurring in the interbank market involve substantially larger amounts than those that may be involved in the use of foreign currency options, investors may be disadvantaged by having to deal in an odd lot market (generally consisting of transactions of less than \$1 million) for the underlying foreign currencies at prices that are less favorable than for round lots.

There is no systematic reporting of last sale information for foreign currencies or any regulatory requirement that quotations available through dealers and other market resources be firm or revised on a timely basis. Available quotation information is generally representative of very large transactions in the interbank market and thus may not reflect relatively smaller transactions (that is, less than \$1 million) where rates may be less favorable. The interbank market in foreign currencies is a global, around-the-clock market. To the extent that the U.S. options markets are closed while the markets for the underlying currencies remain open, significant price and rate movements may take place in the underlying markets that cannot be reflected in the options markets until they reopen.

SPECIAL CHARACTERISTICS AND RISKS OF OPTIONS TRADING. The Fund may effectively terminate its right or obligation under an option by entering into a closing transaction. If the Fund wishes to terminate its obligation to purchase or sell securities or currencies under a put

or a call option it has written, the Fund may purchase a put or a call option of the same series (that is, an option identical in its terms to the option previously written); this is known as a closing purchase transaction. Conversely, in order to terminate its right to purchase or sell specified securities or currencies under a call or put option it has purchased, the Fund may sell an option of the same series as the option held; this is known as a closing sale transaction. Closing transactions essentially permit the Fund to realize profits or limit losses on its options positions prior to the exercise or expiration of the option.

In considering the use of options to enhance returns or to hedge the Fund's portfolio, particular note should be taken of the following:

(1) The value of an option position will reflect, among other things, the current market price of the underlying security, securities index or currency, the time remaining until expiration, the relationship of the exercise price to the market price, the historical price volatility of the underlying security, securities index or currency and general market conditions. For this reason, the successful use of options depends upon the Investment Manager's ability to forecast the direction of price fluctuations in the underlying securities or currency markets or, in the case of securities index options, fluctuations in the market sector represented by the selected index.

(2) Options normally have expiration dates of up to three years. The exercise price of the options may be below, equal to or above the current market value of the underlying security, securities index or currency. Purchased options that expire unexercised have no value. Unless an option purchased by the Fund is exercised or unless a closing transaction is effected with respect to that position, the Fund will realize a loss in the amount of the premium paid and any transaction costs.

(3) A position in an exchange-listed option may be closed out only on an exchange that provides a secondary market for identical options. Most exchange-listed options relate to stocks. Although the Fund intends to purchase or write only those exchange-traded options for which there appears to be a liquid secondary market, there is no assurance that a liquid secondary market will exist for any particular option at any particular time. Closing transactions may be effected with respect to options traded in the OTC markets (currently the primary markets for options on debt securities and a significant market for foreign currencies) only by negotiating directly with the other party to the option contract or in a secondary market for the option if such market exists. Although the Fund will enter into OTC options with dealers that agree to enter into, and that are expected to be capable of entering into, closing transactions with the Fund, there can be no assurance that the Fund would be able to liquidate an OTC option at a favorable price at any time prior to expiration. In the event of insolvency of the contra-party, the Fund may be unable to liquidate an OTC option. Accordingly, it may not be possible to effect closing transactions with respect to certain options, which would result in the Fund having to exercise those options that it has purchased in order to realize any profit. With respect to options written by the Fund, the inability to enter into a closing transaction may result in material losses to the Fund. For example, because the Fund must maintain a covered position with respect to any call option it writes on a security, currency or securities index, the Fund may not sell the underlying securities or currency (or invest any cash or securities used to cover the option) during the period it is obligated under such option. This requirement may impair the Fund's ability to sell a portfolio security or make an investment at a time when such a sale or investment might be advantageous.

(4) Securities index options are settled exclusively in cash. If the Fund writes a call option on an index, the Fund will not know in advance the difference, if any, between the closing value of the index on the exercise date and the exercise price of the call option itself and thus will not know the amount of cash payable upon settlement. In addition, a holder of a securities index option who exercises it before the closing index value for that day is available, runs the risk that

the level of the underlying index may subsequently change.

(5) The Fund's activities in the options markets may result in a higher portfolio turnover rate and additional brokerage costs and taxes; however, the Fund also may save on commissions by using options as a hedge rather than buying or selling individual securities in anticipation or as a result of market movements.

FUTURES AND RELATED OPTIONS STRATEGIES. The Fund may engage in futures strategies for hedging purposes to attempt to reduce the overall investment risk that would normally be expected to be associated with ownership of the securities in which it invests. This may involve, among other things, using futures strategies to manage the effective duration of the Fund. If the Investment Manager wishes to shorten the effective duration of the Fund, the Fund may sell a futures contract or a call option thereon, or purchase a put option on that futures contract. If the Investment Manager wishes to lengthen the effective duration of the Fund, the Fund may buy a futures contract or a call option thereon, or sell a put option.

The Fund may use interest rate futures contracts and options thereon to hedge its portfolio against changes in the general level of interest rates and in other circumstances permitted by the CFTC. The Fund may purchase an interest rate futures contract when it intends to purchase debt securities but has not yet done so. This strategy may minimize the effect of all or part of an increase in the market price of the debt security that the Fund intends to purchase in the future. A rise in the price of the debt security prior to its purchase may either be offset by an increase in the value of the futures contract purchased by the Fund or avoided by taking delivery of the debt securities under the futures contract. Conversely, a fall in the market price of the underlying debt security may result in a corresponding decrease in the value of the futures position. The Fund may sell an interest rate futures contract in order to continue to receive the income from a debt security, while endeavoring to avoid part or all of the decline in market value of that security that would accompany an increase in interest rates.

The Fund may purchase a call option on an interest rate futures contract to hedge against a market advance in debt securities that the Fund plans to acquire at a future date. The purchase of a call option on an interest rate futures contract is analogous to the purchase of a call option on an individual debt security, which can be used as a temporary substitute for a position in the security itself. The Fund also may write covered put options on interest rate futures contracts as a partial anticipatory hedge and may write covered call options on interest rate futures contracts as a partial hedge against a decline in the price of debt securities held in the Fund's portfolio. The Fund may also purchase put options on interest rate futures contracts in order to hedge against a decline in the value of debt securities held in the Fund's portfolio.

The Fund may sell securities index futures contracts in anticipation of a general market or market sector decline that could adversely affect the market value of the Fund's portfolio. To the extent that a portion of the Fund's portfolio correlates with a given index, the sale of futures contracts on that index could reduce the risks associated with a market decline and thus provide an alternative to the liquidation of securities positions. For example, if the Fund correctly anticipates a general market decline and sells securities index futures to hedge against this risk, the gain in the futures position should offset some or all of the decline in the value of the portfolio. The Fund may purchase securities index futures contracts if a market or market sector advance is anticipated. Such a purchase of a futures contract would serve as a temporary substitute for the purchase of individual securities, which securities may then be purchased in an orderly fashion. This strategy may minimize the effect of all or part of an increase in the market price of securities that the Fund intends to purchase. A rise in the price of the securities should be in part or wholly offset by gains in the futures position.

As in the case of a purchase of a securities index futures contract, the Fund may purchase a call option on a securities index

futures contract to hedge against a market advance in securities that the Fund plans to acquire at a future date. The Fund may write covered put options on securities index futures as a partial anticipatory hedge and may write covered call options on securities index futures as a partial hedge against a decline in the prices of securities held in the Fund's portfolio. This is analogous to writing covered call options on securities. The Fund also may purchase put options on securities index futures contracts. The purchase of put options on securities index futures contracts is analogous to the purchase of protective put options on individual securities where a level of protection is sought below which no additional economic loss would be incurred by the Fund.

The Fund may sell foreign currency futures contracts to hedge against possible variations in the exchange rate of foreign currencies in relation to the U.S. dollar. In addition, the Fund may sell foreign currency futures contracts when the Investment Manager anticipates a general weakening of the foreign currency exchange rate that could adversely affect the market value of the Fund's foreign securities holdings or interest payments to be received in that foreign currency. In this case, the sale of futures contracts on the underlying currency may reduce the risk to the Fund of a reduction in market value caused by foreign currency exchange rate variations and, by so doing, provide an alternative to the liquidation of securities positions and resulting transaction costs. When the Investment Manager anticipates a significant foreign exchange rate increase while intending to invest in a security denominated in that currency, the Fund may purchase a foreign currency futures contract to hedge against the increased rates pending completion of the anticipated transaction. Such a purchase would serve as a temporary measure to protect the Fund against any rise in the foreign currency exchange rate that may add additional costs to acquiring the foreign security position. The Fund may also purchase call or put options on foreign currency futures contracts to obtain a fixed foreign currency exchange rate at limited risk. The Fund may purchase a call option on a foreign currency futures contract to hedge against a rise in the foreign currency exchange rate while intending to invest in a security denominated in that currency. The Fund may purchase put options on foreign currency futures contracts as a hedge against a decline in the foreign currency exchange rates or the value of its foreign portfolio securities. The Fund may write a covered put option on a foreign currency futures contract as a partial anticipatory hedge and may write a covered call option on a foreign currency futures contract as a partial hedge against the effects of declining foreign currency exchange rates on the value of foreign securities.

The Fund may also write put options on interest rate, securities index or foreign currency futures contracts while, at the same time, purchasing call options on the same interest rate, securities index or foreign currency futures contract in order to synthetically create an interest rate, securities index or foreign currency futures contract. The options will have the same strike prices and expiration dates. The Fund will only engage in this strategy when it is more advantageous to the Fund to do so as compared to purchasing the futures contract.

The Fund may also purchase and write covered straddles on interest rate or securities index futures contracts. A long straddle is a combination of a call and a put purchased on the same security at the same exercise price. The Fund would enter into a long straddle when it believes that it is likely that securities prices will be more volatile during the term of the options than is implied by the option pricing. A short straddle is a combination of a call and put written on the same futures contract at the same exercise price where the same security or futures contract is considered "cover" for both the put and the call. The Fund would enter into a short straddle when it believes that it is unlikely that securities prices will be as volatile during the term of the options as is implied by the option pricing. In such case, the Fund will set aside cash or liquid assets in a segregated account with its custodian equal in value to the amount, if any, by which the put is "in-the-money," that is the amount by which the exercise price of the put exceeds the current market value of the underlying security.

SPECIAL CHARACTERISTICS AND RISKS OF FUTURES AND RELATED OPTIONS TRADING. No price is paid upon entering into a futures contract. Instead, upon entering into a futures contract, the Fund is required to

deposit with its custodian in a segregated account in the name of the futures broker through whom the transaction is effected an amount of cash or certain liquid securities whose value is marked to the market daily generally equal to 10% or less of the contract value. This amount is known as "initial margin." When writing a call or a put option on a futures contract, margin also must be deposited in accordance with applicable exchange rules. Unlike margin in securities transactions, initial margin on futures contracts does not involve borrowing to finance the futures transactions. Rather, initial margin on futures contracts is in the nature of a performance bond or good-faith deposit on the contract that is returned to the Fund upon termination of the transaction, assuming all obligations have been satisfied. Under certain circumstances, such as periods of high volatility, the Fund may be required by an exchange to increase the level of its initial margin payment. Additionally, initial margin requirements may be increased generally in the future by regulatory action. Subsequent payments, called "variation margin," to and from the broker, are made on a daily basis as the value of the futures or options position varies, a process known as "marking to the market." For example, when the Fund purchases a contract and the value of the contract rises, the Fund receives from the broker a variation margin payment equal to that increase in value. Conversely, if the value of the futures position declines, the Fund is required to make a variation margin payment to the broker equal to the decline in value. Variation margin does not involve borrowing to finance the futures transaction but rather represents a daily settlement of the Fund's obligations to or from a clearing organization.

Buyers and sellers of futures positions and options thereon can enter into offsetting closing transactions, similar to closing transactions on options on securities, by selling or purchasing an offsetting contract or option. Futures contracts or options thereon may be closed only on an exchange or board of trade providing a secondary market for such futures contracts or options.

Under certain circumstances, futures exchanges may establish daily limits on the amount that the price of a futures contract or related option may vary either up or down from the previous day's settlement price. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. The daily limit governs only price movements during a particular trading day and therefore does not limit potential losses, because prices could move to the daily limit for several consecutive trading days with little or no trading and thereby prevent prompt liquidation of unfavorable positions. In such event, it may not be possible for the Fund to close a position and, in the event of adverse price movements, the Fund would have to make daily cash payments of variation margin (except in the case of purchased options). However, if futures contracts have been used to hedge portfolio securities, such securities will not be sold until the contracts can be terminated. In such circumstances, an increase in the price of the securities, if any, may partially or completely offset losses on the futures contract. However, there is no guarantee that the price of the securities will, in fact, correlate with the price movements in the contracts and thus provide an offset to losses on the contracts.

In considering the Fund's use of futures contracts and related options, particular note should be taken of the following:

(1) Successful use by the Fund of futures contracts and related options will depend upon the Investment Manager's ability to predict movements in the direction of the overall securities, currencies and interest rate markets, which requires different skills and techniques than predicting changes in the prices of individual securities. Moreover, futures contracts relate not only to the current price level of the underlying instrument or currency but also to the anticipated price levels at some point in the future. There is, in addition, the risk that the movements in the price of the futures contract will not correlate with the movements in the prices of the securities or currencies being hedged. For example, if the price of the securities index futures contract moves less than the price of the securities that are the subject of the hedge, the hedge will not be fully effective, but if the price of the securities being hedged has moved in an

unfavorable direction, the Fund would be in a better position than if it had not hedged at all. If the price of the securities being hedged has moved in a favorable direction, the advantage may be partially offset by losses in the futures position. In addition, if the Fund has insufficient cash, it may have to sell assets from its portfolio to meet daily variation margin requirements. Any such sale of assets may or may not be made at prices that reflect a rising market. Consequently, the Fund may need to sell assets at a time when such sales are disadvantageous to the Fund. If the price of the futures contract moves more than the price of the underlying securities, the Fund will experience either a loss or a gain on the futures contract that may or may not be completely offset by movements in the price of the securities that are the subject of the hedge.

(2) In addition to the possibility that there may be an imperfect correlation, or no correlation at all, between price movements in the futures position and the securities or currencies being hedged, movements in the prices or futures contracts may not correlate perfectly with movements in the prices of the hedged securities or currencies due to price distortions in the futures market. There may be several reasons unrelated to the value of the underlying securities or currencies that cause this situation to occur. First, as noted above, all participants in the futures market are subject to initial and variation margin requirements. If, to avoid meeting additional margin deposit requirements or for other reasons, investors choose to close a significant number of futures contracts through offsetting transactions, distortions in the normal price relationship between the securities or currencies and the futures markets may occur. Second, because the margin deposit requirements in the futures market are less onerous than margin requirements in the securities market, there may be increased participation by speculators in the futures market; such speculative activity in the futures market also may cause temporary price distortions. As a result, a correct forecast of general market trends may not result in successful hedging through the use of futures contracts over the short term. In addition, activities of large traders in both the futures and securities markets involving arbitrage and other investment strategies may result in temporary price distortions.

(3) Positions in futures contracts may be closed out only on an exchange or board of trade that provides a secondary market for such futures contracts. Although the Fund intends to purchase and sell futures only on exchanges or boards of trade where there appears to be an active secondary market, there is no assurance that a liquid secondary market on an exchange or board of trade will exist for any particular contract at any particular time. In such event, it may not be possible to close a futures position, and in the event of adverse price movements, the Fund would continue to be required to make variation margin payments.

(4) Like options on securities and currencies, options on futures contracts have limited life. The ability to establish and close out options on futures will be subject to the development and maintenance of liquid secondary markets on the relevant exchanges or boards of trade. There can be no certainty that such markets for all options on futures contracts will develop.

(5) Purchasers of options on futures contracts pay a premium at the time of purchase. This amount and the transaction costs are all that is at risk. Sellers of options on futures contracts, however, must post initial margin and are subject to additional margin calls that could be substantial in the event of adverse price movements. In addition, although the maximum amount at risk when the Fund purchases an option is the premium paid for the option and the transaction costs, there may be circumstances when the purchase of an option on a futures contract would result in a loss to the Fund when the use of a futures contract would not, such as when there is no movement in the level of the underlying securities index value or the securities or currencies being hedged.

(6) As is the case with options, the Fund's activities in the futures markets may result in a higher portfolio turnover rate and additional transaction costs in the form of added brokerage commissions and taxes; however, the Fund also may save on commissions by using

futures contracts or options thereon as a hedge rather than buying or selling individual securities or currencies in anticipation or as a result of market movements.

SPECIAL RISKS RELATED TO FOREIGN CURRENCY FUTURES CONTRACTS AND RELATED OPTIONS. Buyers and sellers of foreign currency futures contracts are subject to the same risks that apply to the use of futures generally. In addition, there are risks associated with foreign currency futures contracts and their use as a hedging device similar to those associated with options on foreign currencies described above.

Options on foreign currency futures contracts may involve certain additional risks. The ability to establish and close out positions on such options is subject to the maintenance of a liquid secondary market. Compared to the purchase or sale of foreign currency futures contracts, the purchase of call or put options thereon involves less potential risk to the Fund because the maximum amount at risk is the premium paid for the option (plus transaction costs). However, there may be circumstances when the purchase of a call or put option on a foreign currency futures contract would result in a loss, such as when there is no movement in the price of the underlying currency or futures contract, when the purchase of the underlying futures contract would not.

FORWARD CURRENCY CONTRACTS. The Fund may use forward currency contracts to protect against uncertainty in the level of future foreign currency exchange rates.

The Fund may enter into forward currency contracts with respect to specific transactions. For example, when the Fund enters into a contract for the purchase or sale of a security denominated in a foreign currency, or the Fund anticipates the receipt in a foreign currency of dividend or interest payments on a security that it holds or anticipates purchasing, the Fund may desire to "lock in" the U.S. dollar price of the security or the U.S. dollar equivalent of such payment, as the case may be, by entering into a forward contract for the purchase or sale, for a fixed amount of U.S. dollars or foreign currency, of the amount of foreign currency involved in the underlying transaction. The Fund will thereby be able to protect itself against a possible loss resulting from an adverse change in the relationship between the currency exchange rates during the period between the date on which the security is purchased or sold, or on which the payment is declared, and the date on which such payments are made or received.

The Fund also may hedge by using forward currency contracts in connection with portfolio positions to lock in the U.S. dollar value of those positions, to increase the Fund's exposure to foreign currencies that the Investment Manager believes may rise in value relative to the U.S. dollar, or to shift the Fund's exposure to foreign currency fluctuations from one country to another. For example, when the Investment Manager believes that the currency of a particular foreign country may suffer a substantial decline relative to the U.S. dollar or another currency, it may enter into a forward contract to sell the amount of the former foreign currency approximating the value of some of all of the Fund's portfolio securities denominated in such foreign currency. This investment practice generally is referred to as "cross-hedging" when another foreign currency is used. Certain of these strategies may result in income subject to the "Short-Short Limitation". See "Distributions and Taxes" on page 30.

The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities in foreign currencies will change as a consequence of market movements in the value of those securities between the date the forward contract is entered into and the date it matures. Accordingly, it may be necessary for the Fund to purchase additional foreign currency on the spot (that is, cash) market (and bear the expense of such purchase) if the market value of the security is less than the amount of foreign currency the Fund is obligated to deliver and if a decision is made to sell the security and make delivery of the foreign currency. Conversely, it may be necessary to sell on the spot market some of the foreign currency received upon the sale of the portfolio security if the market value of the security

exceeds the amount of foreign currency the Fund is obligated to deliver. The projection of short term currency market movements is extremely difficult and the successful execution of a short term hedging strategy is highly uncertain. Forward contracts involve the risk that anticipated currency movements will not be accurately predicted, causing the Fund to sustain losses on these contracts and transaction costs. Under normal circumstances, consideration of the prospects for currency parities will be incorporated into the longer term investment decisions made with regard to overall diversification strategies. However, the Investment Manager believes that it is important to have the flexibility to enter into such forward contracts when it determines that the best interests of the Fund will be served.

At or before the maturity date of a forward contract requiring the Fund to sell a currency, the Fund may either sell a portfolio security and use the sale proceeds to make delivery of the currency or retain the security and offset its contractual obligation to deliver the currency by purchasing a second contract pursuant to which the Fund will obtain, on the same maturity date, the same amount of the currency that it is obligated to deliver. Similarly, the Fund may close out a forward contract requiring it to purchase a specified currency by entering into a second contract entitling it to sell the same amount of the same currency on the maturity date of the first contract. The Fund would realize a gain or loss as a result of entering into such an offsetting forward currency contract under either circumstance to the extent the exchange rate or rates between the currencies involved moved between the execution dates of the first contract and the offsetting contract.

The cost to the Fund of engaging in forward currency contracts varies with factors such as the currencies involved, the length of the contract period, and the market conditions then prevailing. Because forward currency contracts are usually entered into on a principal basis, no fees or commissions are involved. The use of forward currency contracts does not eliminate fluctuations in the prices of the underlying securities the Fund owns or intends to acquire, but it does fix a rate of exchange in advance. In addition, although forward currency contracts limit the risk of loss due to a decline in the value of the hedged currencies, at the same time they limit any potential gain that might result should the value of the currencies increase.

Although the Fund values its assets daily in terms of U.S. dollars, it does not intend to convert its holdings of foreign currencies into U.S. dollars on a daily basis. The Fund may convert foreign currency from time to time, and investors should be aware of the costs of currency conversion. Although foreign exchange dealers do not charge a fee for conversion, they do realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer may offer to sell a foreign currency to the Fund at one rate, while offering a lesser rate of exchange should the Fund desire to resell that currency to the dealer.

OFFICERS AND DIRECTORS

The Directors and the officers, their respective offices, dates of birth and principal occupations during the last five years are set forth below. Unless otherwise noted, the address of each is 11 Hanover Square, New York, NY 10005.

BASSETT S. WINMILL* -- Chairman of the Board. He is Chairman of the Board of six of the other investment companies advised by the Investment Manager and its affiliates (the "Funds Complex") and of the parent of the Investment Manager, Bull & Bear Group, Inc. ("Group"). He was born February 10, 1930. He is a member of the New York Society of Security Analysts, the Association for Investment Management and Research and the International Society of Financial Analysts. He is the father of Mark C. Winmill and Thomas B. Winmill.

ROBERT D. ANDERSON* -- Vice Chairman and Director. He is Vice Chairman of the other investment companies in the Investment Company Complex and of the Investment Manager and its affiliates. He was born December 7, 1929. He is a member of the Board of Governors of the Mutual Fund

Education Alliance, and of its predecessor, the No-Load Mutual Fund Association. He has also been a member of the District #12, District Business Conduct and Investment Companies Committees of the NASD.

RUSSELL E. BURKE III -- Director. 900 Park Avenue, New York, NY 10021. He was born August 23, 1946. He is President of Russell E. Burke III, Inc. Fine Art, New York, New York. From 1988 to 1991, he was President of Altman Burke Fine Arts, Inc. From 1983 to 1988, he was Senior Vice President of Kennedy Galleries. He is also a Director of three of the other investment companies in the Funds Complex.

BRUCE B. HUBER, CLU, ChFC, MSFS -- Director. 3443 Highway 66, Neptune, NJ 07753. He is Senior Consultant with The Berger Financial Group, LLC specializing in financial, estate and insurance matters. From March 1995 to December 31, 1995 he was President of Huber Hogan Knotts Consulting, Inc. From 1990 to March 1995 he was president of Huber-Hogan Associates. He was born February 7, 1930. He is also a Director of the other investment companies in the Funds Complex.

JAMES E. HUNT -- Director. One Dag Hammarskjold Plaza, New York, NY 10017. He is a principal of Kenny, Kindler, Hunt & Howe, Inc., executive recruiting consultants. He was born December 14, 1930. From 1976 until 1983 he was Vice President of Russell Reynolds Associates, Inc., also executive recruiting consultants. He is also a Director of the other investment companies in the Funds Complex.

FREDERICK A. PARKER, JR. -- Director. 219 East 69th Street, New York, NY 10021. He is President and Chief Executive Officer of American Pure Water Corporation, a manufacturer of water purifying equipment. He was born November 14, 1926. He is also a Director of the other investment companies in the Funds Complex.

JOHN B. RUSSELL -- Director. 334 Carolina Meadows Villa, Chapel Hill, NC 27514. He was Executive Vice President and a Director of Dan River, Inc., a diversified textile company, from 1969 until he retired in 1981. He was born February 9, 1923. He is a Director of Wheelock, Inc., a manufacturer of signal products, and a consultant for the National Executive Service Corps in the health care industry. He is also a Director of the other investment companies in the Funds Complex.

MARK C. WINMILL* -- Director, Co-President, Co-Chief Executive Officer, and Chief Financial Officer. He is Co-President, Co-Chief Executive Officer, and Chief Financial Officer of the Investment Company Complex and of Group and certain of its affiliates, Chairman of the Investment Manager and Investor Service Center, Inc. (the "Distributor"), and President of Bull & Bear Securities, Inc. ("BBSI"). He was born November 26, 1957. He received his M.B.A. from the Fuqua School of Business at Duke University in 1987. From 1983 to 1985 he was Assistant Vice President and Director of Marketing of E.P. Wilbur & Co., Inc., a real estate development and syndication firm and Vice President of E.P.W. Securities, its broker/dealer subsidiary. He is a son of Bassett S. Winmill and brother of Thomas B. Winmill. He is also a Director of three of the other investment companies in the Funds Complex.

THOMAS B. WINMILL* -- Director, Co-President, Co-Chief Executive Officer, and General Counsel. He is Co-President, Co-Chief Executive Officer, and General Counsel of the Investment Company Complex and of Group and certain of its affiliates, President of the Investment Manager and the Distributor, and Chairman of BBSI. He was born June 25, 1959. He was associated with the law firm of Harris, Mericle & Orr from 1984 to 1987. He is a member of the New York State Bar and the SEC Rules Committee of the Investment Company Institute. He is a son of Bassett S. Winmill and brother of Mark C. Winmill. He is also a Director of four of the other investment companies in the Funds Complex.

STEVEN A. LANDIS -- Senior Vice President. He is Senior Vice President of the Funds Complex, the Investment Manager and certain of its affiliates. He was born March 1, 1955. From 1993 to 1995, he was Associate Director -- Proprietary Trading at Barclays De Zoete Wedd Securities Inc., from 1992 to 1993 he was Director, Bond Arbitrage at WG Trading Company, and from 1989 to 1992 he was Vice President of Wilkinson Boyd Capital Markets.

BRETT B. SNEED, CFA -- Senior Vice President. He is Senior Vice President of the Funds Complex, the Investment Manager and certain of its affiliates. He was born June 11, 1941. He is a Chartered Financial Analyst, a member of the Association for Investment Management and Research, and a member of the New York Society of Security Analysts. From 1986 to 1988, he managed private accounts, from 1981 to 1986, he was Vice President of Morgan Stanley Asset Management, Inc. and prior thereto was a portfolio manager and member of the Finance and Investment Committees of American International Group, Inc., an insurance holding company.

JOSEPH LEUNG, CPA -- Treasurer and Chief Accounting Officer (since 1995). He is Treasurer and Chief Accounting Officer of the Funds Complex, the Investment Manager and its affiliates. From 1992 to 1995 he held various positions with Coopers & Lybrand L.L.P., a public accounting firm. From 1991 to 1992, he was the accounting supervisor at Retirement Systems Group, a mutual fund company. From 1987 to 1991, he held various positions with Ernst & Young, a public accounting firm. He is a member of the American Institute of Certified Public Accountants. He was born September 15, 1965.

WILLIAM J. MAYNARD -- Vice President and Secretary. He is Vice President and Secretary of the Funds Complex, the Investment Manager and its affiliates. He was born September 13, 1964. From 1991 to 1994 he was associated with the law firm of Skadden, Arps, Slate, Meagher & Flom. He is a member of the New York State Bar.

* Bassett S. Winmill, Robert D. Anderson, Mark C. Winmill and Thomas B. Winmill are "interested persons" of the Fund as defined by the 1940 Act, because of their positions and other relationships with the Investment Manager.

COMPENSATION TABLE

NAME OF PERSON, POSITION	TOTAL COMPENSATION FROM				COMPANY PAID TO DIRECTORS
	PENSION OR RETIREMENT FROM REGISTRANT	AGGREGATE BENEFITS ACCRUED AS PART OF FUND EXPENSES	REGISTRANT ESTIMATED ANNUAL BENEFITS UPON RETIREMENT	AND INVESTMENT COMPLEX	
Russell E. Burke III Director	\$5,500	None	None	\$9,000 from 4 Investment Companies	
Bruce B. Huber Director	\$5,500	None	None	\$12,500 from 7 Investment Companies	
James E. Hunt Director	\$5,500	None	None	\$12,500 from 7 Investment Companies	
Frederick A. Parker Director	\$5,500	None	None	\$12,500 from 7 Investment Companies	
John B. Russell Director	\$5,500	None	None	\$12,500 from 7 Investment Companies	

Information in the above table is based on fees paid during the year ended June 30, 1996.

No officer, Director or employee of the Investment Manager receives any compensation from the Fund for acting as an officer, Director or employee of the Fund. As of October 15, 1996, officers and Directors of the Fund owned less than 1% of the outstanding shares of

the Fund. As of October 16, 1996, no shareholder of record owned more than 5% of the outstanding shares of the Fund.

INVESTMENT MANAGER

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 other principal subsidiaries of Group include the Distributor, which is a registered broker/dealer, Midas Management Corporation and Rockwood Advisers, Inc., registered investment advisers, and BBSI, a registered broker/dealer providing discount brokerage services.

Group is a publicly owned company whose securities are listed on the Nasdaq Stock Market ("Nasdaq") and traded in the OTC market. Bassett S. Winmill may be deemed a controlling person of Group on the basis of his ownership of 100% of Group's voting stock and, therefore, of the Investment Manager. The Fund and its affiliated investment companies had net assets in excess of \$417,000,000 as of October 28, 1996.

INVESTMENT MANAGEMENT AGREEMENT

Under the Investment Management Agreement, the Fund assumes and pays all expenses required for the conduct of its business including, but not limited to, custodian and transfer agency fees, accounting and legal fees, investment management fees, fees of disinterested Directors, association fees, printing, salaries of certain administrative and clerical personnel, necessary office space, all expenses relating to the registration or qualification of the shares of the Fund under Blue Sky laws and reasonable fees and expenses of counsel in connection with such registration and qualification, miscellaneous expenses and such non-recurring expenses as may arise, including actions, suits or proceedings affecting the Fund and the legal obligation which the Fund may have to indemnify its officers and Directors with respect thereto.

The Investment Manager has agreed in the Investment Management Agreement that it will waive all or part of its fee or reimburse the Fund monthly if and to the extent that the Fund's aggregate operating expenses exceed the most restrictive limit imposed by any state in which shares of the Fund are qualified for sale. Currently, the most restrictive such limit applicable to the Fund is 7/10 of 1% of the first \$250 million, 5/8 of 1% from \$250 million to \$500 million, and 1/2 of 1% over \$500 million. Certain expenses, such as brokerage commissions, taxes, interest, distribution fees, certain expenses attributable to investing outside the United States and extraordinary items, are excluded from this limitation. For the fiscal years ended June 30, 1994, 1995 and 1996, the Fund paid to the Investment Manager investment management fees of \$378,598, \$288,533 and \$251,003, respectively.

If requested by the Directors, the Investment Manager may provide other services to the Fund such as, without limitation, the functions of billing, accounting, certain shareholder communications and services, administering state and Federal registrations, filings and controls and other administrative services. Any services so requested and performed will be for the account of the Fund and the costs of the Investment Manager in rendering such services shall be reimbursed by the Fund, subject to examination by those directors of the Fund who are not interested persons of the Investment Manager or any affiliate thereof. For the fiscal years ended June 30, 1994, 1995 and 1996 the Fund reimbursed the Investment Manager \$20,581, \$16,064 and \$16,889, respectively, for such services.

The Investment Management Agreement provides that the Investment Manager will not be liable to the Fund or any shareholder of the Fund for any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the matters to which the agreement relates. Nothing contained in the Investment Management Agreement, however, shall be construed to protect the Investment Manager against any

liability to the Fund by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of obligations and duties under the Investment Management Agreement.

The Investment Management Agreement will continue in effect, unless sooner terminated as described below, for successive periods of twelve months, provided such continuance is specifically approved at least annually by (a) the Directors or by the holders of a majority of the outstanding voting securities of the Fund as defined in the 1940 Act and (b) a vote of a majority of the Directors who are not parties to the Investment Management Agreement, or interested persons of any such party. The Investment Management Agreement may be terminated without penalty at any time either by a vote of the Directors or the holders of a majority of the outstanding voting securities of the Fund, as defined in the 1940 Act, on 60 days' written notice to the Investment Manager, or by the Investment Manager on 60 days' written notice to the Fund, and shall immediately terminate in the event of its assignment.

Group has granted the Fund a non-exclusive license to use the service marks "Bull & Bear," "Bull & Bear Performance Driven," and "Performance Driven" under certain terms and conditions on a royalty free basis. Such license will be withdrawn in the event the investment manager of the Fund shall not be the Investment Manager or another subsidiary of Group. If the license is terminated, the Fund will eliminate all reference to "Bull & Bear" in its corporate name and cease to use any of such service marks or any similar service marks in its business.

DETERMINATION OF NET ASSET VALUE

Net asset value will normally be calculated (a) no less frequently than weekly, (b) on the last business day of each month and (c) at any other time determined by the Directors. Net asset value is calculated by dividing the value of the Fund's net assets (the value of its assets less its liabilities) by the total number of shares of its common stock outstanding. All securities for which market quotations are readily available, which include the options and futures in which the Fund may invest, are valued at the last sales price on the primary exchange on which they are traded prior to the time of determination, or, if no sales price is available at that time, at the closing price quoted for the securities (but if bid and asked quotations are available, at the mean between the last current bid and asked prices, rather than the quoted closing price). Securities that are traded in the unregulated market are valued, if bid and asked quotations are available, at the mean between the current bid and asked prices. If bid and asked quotations are not available, then such securities are valued as determined pursuant to procedures established in good faith by the Directors.

ALLOCATION OF BROKERAGE

The Fund seeks to obtain prompt execution of orders at the most favorable net prices. The Fund is not currently obligated to deal with any particular broker, dealer or group thereof. Fund transactions in debt and OTC securities generally are with dealers acting as principals at net prices with little or no brokerage costs. In certain circumstances, however, the Fund may engage a broker as agent for a commission to effect transactions for such securities. Purchases of securities from underwriters include a commission or concession paid to the underwriter, and purchases from dealers include a spread between the bid and asked price. While the Investment Manager generally seeks reasonably competitive spreads or commissions, payments of the lowest spread or commission is not necessarily consistent with obtaining the best net results. Accordingly, the Fund will not necessarily be paying the lowest spread or commission available.

The Investment Manager directs portfolio transactions to broker/dealers for execution on terms and at rates which it believes, in good faith, to be reasonable in view of the overall nature and

quality of services provided by a particular broker/dealer, including brokerage and research services, and allocation of commissions to the Fund's Custodian. With respect to brokerage and research services, consideration may be given in the selection of broker/dealers to brokerage or research provided and payment may be made of a fee higher than that charged by another broker/dealer which does not furnish brokerage or research services or which furnishes brokerage or research services deemed to be of lesser value, so long as the criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, or other applicable law are met. Section 28(e) was adopted in 1975 and specifies that a person with investment discretion shall not be "deemed to have acted unlawfully or to have breached a fiduciary duty" solely because such person has caused the account to pay a higher commission than the lowest available under certain circumstances. To obtain the benefit of Section 28(e), the person so exercising investment discretion must make a good faith determination that the commissions paid are "reasonable in relation to the value of the brokerage and research services provided ... viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion." Thus, although the Investment Manager may direct portfolio transactions without necessarily obtaining the lowest price at which such broker/dealer, or another, may be willing to do business, the Investment Manager seeks the best value to the Fund on each trade that circumstances in the market place permit, including the value inherent in on-going relationships with quality brokers.

Currently, it is not possible to determine the extent to which commissions that reflect an element of value for brokerage or research services might exceed commissions that would be payable for execution alone, nor generally can the value of such services to the Fund be measured, except to the extent such services have a readily ascertainable market value. There is no certainty that services so purchased, if any, will be beneficial to the Fund, and it may be that other affiliated investment companies will derive benefit therefrom. Such services being largely intangible, no dollar amount can be attributed to benefits realized by the Fund or to collateral benefits, if any, conferred on affiliated entities. These services may include (1) furnishing advice as to the value of securities, the advisability of investing in, purchasing or selling securities and the availability of securities or purchasers or sellers of securities, (2) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts, and (3) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). Pursuant to arrangements with certain broker/dealers, such broker/dealers provide and pay for various computer hardware, software and services, market pricing information, investment subscriptions and memberships, and other third party and internal research of assistance to the Investment Manager in the performance of its investment decision-making responsibilities for transactions effected by such broker/dealers for the Fund. Commission "soft dollars" may be used only for "brokerage and research services" provided directly or indirectly by the broker/dealer and under no circumstances will cash payments be made by such broker/dealers to the Investment Manager. To the extent that commission "soft dollars" do not result in the provision of any "brokerage and research services" by a broker/dealer to whom such commissions are paid, the commissions, nevertheless, are the property of such broker/dealer. To the extent any such services are utilized by the Investment Manager for other than the performance of its investment decision-making responsibilities, the Investment Manager makes an appropriate allocation of the cost of such services according to their use.

BBSI, a wholly owned subsidiary of Group and the Investment Manager's affiliate, provides discount brokerage services to the public as an introducing broker clearing through unaffiliated firms on a fully disclosed basis. The Investment Manager is authorized to place Fund brokerage through BBSI at its posted discount rates and indirectly through a BBSI clearing firm. The Fund will not deal with BBSI in any transaction in which BBSI acts as principal. The clearing firm will execute trades in accordance with the fully disclosed clearing agreement between BBSI and the clearing firm. BBSI will be financially

responsible to the clearing firm for all trades of the Fund until complete payment has been received by the Fund or the clearing firm. BBSI will provide order entry services or order entry facilities to the Investment Manager, arrange for execution and clearing of portfolio transactions through executing and clearing brokers, monitor trades and settlements and perform limited back-office functions including the maintenance of all records required of it by the NASD.

In order for BBSI to effect any portfolio transactions for the Fund, the commissions, fees or other remuneration received by BBSI must be reasonable and fair compared to the commissions, fees or other remuneration paid to other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time. The Directors have adopted procedures in conformity with Rule 17e-1 under the 1940 Act to ensure that all brokerage commissions paid to BBSI are reasonable and fair. Although BBSI's posted discount rates may be lower than those charged by full cost brokers, such rates may be higher than some other discount brokers and certain brokers may be willing to do business at a lower commission rate on certain trades. The Directors have determined that portfolio transactions may be executed through BBSI if, in the judgment of the Investment Manager, the use of BBSI is likely to result in price and execution at least as favorable as those of other qualified broker/dealers and if, in particular transactions, BBSI charges the Fund a rate consistent with that charged to comparable unaffiliated customers in similar transactions. Brokerage transactions with BBSI are also subject to such fiduciary standards as may be imposed by applicable law. The Investment Manager's fees under its agreement with the Fund are not reduced by reason of any brokerage commissions paid to BBSI.

During the fiscal years ended June 30, 1994, 1995 and 1996 the Fund paid total brokerage commissions of \$8,653, \$958 and \$16,243, respectively. Of such commissions \$2,753, \$0, and \$10,756 were allocated to broker/dealers that provided research in the years 1994, 1995 and 1996, respectively. No transactions were directed to broker/dealers during such periods for selling shares of the Fund or any other affiliated investment companies. During the Fund's fiscal years ended June 30, 1994, 1995 and 1996 the Fund paid brokerage commissions of \$4,278, \$958 and \$5,487, respectively, to BBSI, representing approximately 49.44%, 100% and 33.78%, respectively of the total commissions paid by the Fund and involving approximately 76.36%, 100% and 3.02%, respectively, of the aggregate dollar amount of transactions involving the payment of commissions.

Investment decisions for the Fund and for other affiliated investment companies managed by the Investment Manager or its affiliates are made independently based on each Fund's investment objectives and policies. The same investment decision, however, may occasionally be made for two or more Funds. In such a case, the Investment Manager may combine orders for two or more Funds for a particular security if it appears that a combined order would reduce brokerage commissions and/or result in a more favorable transaction price. Combined purchase or sale orders are then averaged as to price and allocated as to amount according to a formula deemed equitable to each Fund. While in some cases this practice could have a detrimental effect upon the price or quantity available of the security with respect to the Fund, the Investment Manager believes that the larger volume of combined orders can generally result in better execution and prices. The Fund is not obligated to deal with any particular broker, dealer or group thereof. Certain broker/dealers that the Funds Complex does business with may, from time to time, own more than 5% of the publicly traded Class A non-voting Common Stock of Group, the parent of the Investment Manager, and may provide clearing services to BBSI.

The Fund's portfolio turnover rate may vary from year to year and will not be a limiting factor when the Investment Manager deems portfolio changes appropriate. The portfolio turnover rate is calculated by dividing the lesser of the Fund's annual sales or purchases of portfolio securities (exclusive of purchases or sales of securities whose maturities at the time of acquisition were one year or less) by the monthly average value of securities in the portfolio during the year.

DISTRIBUTIONS AND TAXES

The Fund intends to continue to qualify for treatment as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended ("Code"). To qualify for that treatment, the Fund must distribute to its shareholders for each taxable year at least 90% of its investment company taxable income (consisting generally of net investment income, net short term capital gain and net gains from certain foreign currency transactions) ("Distribution Requirement") and must meet several additional requirements. Among these requirements are the following: (1) at least 90% of the Fund's gross income each taxable year must be derived from dividends, interest, payments with respect to securities loans, and gains from the sale or other disposition of securities or foreign currencies, or other income (including gains from options, futures, or forward contracts) derived with respect to its business of investing in securities or those currencies ("Income Requirement"); (2) the Fund must derive less than 30% of its gross income each taxable year from the sale or other disposition of securities, or any of the following, that were held for less than three months - options, futures, or forward contracts (other than those on foreign currencies), or foreign currencies (or options, futures, or forward contracts thereon) that are not directly related to the Fund's principal business of investing in securities (or options and futures with respect thereto) ("Short-Short Limitation"); and (3) the Fund's investments must satisfy certain diversification requirements. In any year during which the applicable provisions of the Code are satisfied, the Fund will not be liable for Federal income tax on net income and gains that are distributed to its shareholders. If for any taxable year the Fund does not qualify for treatment as a RIC, all of its taxable income would be taxed at corporate rates.

A loss on the sale of Fund shares that were held for six months or less will be treated as a long term (rather than a short term) capital loss to the extent the seller received any capital gain distributions attributable to those shares.

Any dividend or other distribution will have the effect of reducing the net asset value of the Fund's shares on the payment date by the amount thereof. Furthermore, any such dividend or other distribution, although similar in effect to a return of capital, will be subject to tax. Dividends and other distributions may also be subject to state and local taxes.

The Fund will be subject to a nondeductible 4% excise tax ("Excise Tax") to the extent it fails to distribute by the end of any calendar year an amount equal to the sum of (1) 98% of its ordinary income, (2) 98% of its capital gain net income (determined on an October 31 fiscal year basis), plus (3) generally, income and gain not distributed or subject to corporate tax in the prior calendar year. The Fund intends to avoid imposition of the Excise Tax by making adequate distributions.

Interest received by the Fund may be subject to income, withholding, or other taxes imposed by foreign countries and U.S. possessions that would reduce the yield on its securities. Tax conventions between certain countries and the United States may reduce or eliminate these foreign taxes, however, and many foreign countries do not impose taxes on capital gains in respect of investments by foreign investors. If more than 50% of the value of the Fund's total assets at the close of its taxable year consists of securities of foreign corporations, the Fund will be eligible to, and may, file an election with the Internal Revenue Service that would enable its shareholders, in effect, to receive the benefit of the foreign tax credit with respect to any foreign and U.S. possessions' income taxes paid by it. Pursuant to the election, the Fund would treat those taxes as dividends paid to its shareholders and each shareholder would be required to (1) include in gross income, and treat as paid by the shareholder, the shareholder's proportionate share of those taxes, (2) treat the shareholder's share of those taxes and of any dividend paid by the Fund that represents income from foreign or U.S. possessions sources as the shareholder's own income from those sources, and (3) either deduct the taxes deemed paid by the shareholder in computing the

shareholder's taxable income or, alternatively, use the foregoing information in calculating the foreign tax credit against the shareholder's Federal income tax. The Fund will report to its shareholders shortly after each taxable year their respective shares of the Fund's income from sources within, and taxes paid to, foreign countries and U.S. possessions if it makes this election.

The Fund may invest in the stock of "passive foreign investment companies" ("PFICs"). A PFIC is a foreign corporation that, in general, meets either of the following tests: (1) at least 75% of its gross income is passive or (2) an average of at least 50% of its assets produce, or are held for the production of, passive income. Under certain circumstances, the Fund will be subject to Federal income tax on a portion of any "excess distribution" received on the stock of a PFIC or of any gain from disposition of the stock (collectively "PFIC income"), plus interest thereon, even if the Fund distributes the PFIC income as a taxable dividend to its shareholders. The balance of the PFIC income will be included in the Fund's taxable income and, accordingly, will not be taxable to it to the extent that income is distributed to its shareholders. If the Fund invests in a PFIC and elects to treat the PFIC as a "qualified electing fund," then in lieu of the foregoing tax and interest obligation, the Fund will be required to include in income each year its pro rata share of the qualified electing fund's annual ordinary earnings and net capital gain (the excess of net long term capital gain over net short term capital loss), even if they are not distributed to the Fund; those amounts likely would have to be distributed to satisfy the Distribution Requirement and avoid imposition of the Excise Tax. In most instances it will be very difficult, if not impossible, to make this election because of certain requirements thereof.

Proposed regulations have been published pursuant to which open-end RICs, such as the Fund, would be entitled to elect to "mark-to-market" their stock in certain PFICs. "Marking-to-market," in this context, means recognizing as gain for each taxable year the excess, as of the end of that year, of the fair market value of each such PFIC's stock over the adjusted basis in that stock (including mark-to-market gain for each prior year for which an election was in effect).

OPTIONS, FUTURES, AND FORWARD CONTRACTS. The Fund's use of hedging strategies, such as selling (writing) and purchasing options and futures contracts and entering into forward contracts, involves complex rules that will determine for income tax purposes the timing of recognition and character of the gains and losses the Fund realizes in connection therewith. Gains from the disposition of foreign currencies (except certain gains that may be excluded by future regulations), and gains from options, futures, and forward contracts derived by the Fund with respect to its business of investing in securities or foreign currencies, will qualify as permissible income under the Income Requirement. However, income from the disposition of options, futures, and forward contracts (other than those on foreign currencies) will be subject to the Short-Short Limitation if they are held for less than three months. Income from the disposition of foreign currencies, and options, futures, and forward contracts on foreign currencies, also will be subject to the Short-Short Limitation if they are held for less than three months and are not directly related to the Fund's principal business of investing in securities (or options and futures with respect thereto).

If the Fund satisfies certain requirements, any increase in value of a position that is part of a "designated hedge" will be offset by any decrease in value (whether realized or not) of the offsetting hedging position during the period of the hedge for purposes of determining whether the Fund satisfies the Short-Short Limitation. Thus, only the net gain (if any) from the designated hedge will be included in gross income for purposes of that limitation. The Fund will consider whether it should seek to qualify for this treatment for its hedging transactions. To the extent the Fund does not so qualify, it may be forced to defer the closing out of certain options, futures, forward contracts and foreign currency positions beyond the time when it otherwise would be advantageous to do so, in order for the Fund to continue to qualify as a RIC.

The foregoing discussion of Federal tax consequences is based on the tax law in effect on the date of this Statement of Additional Information, which is subject to change by legislative, judicial, or administrative action. The Fund may be subject to state or local tax in jurisdictions in which it may be deemed to be doing business.

REPORTS TO SHAREHOLDERS

The Fund issues, at least semi-annually, reports to its shareholders including a list of investments held and statements of assets and liabilities, income and expense, and changes in net assets of the Fund. The Fund's fiscal year ends on June 30.

CUSTODIAN, TRANSFER AND DIVIDEND DISBURSING AGENT

Investors Bank & Trust Company, P.O. Box 2197, Boston, MA 02111 has been retained by the Fund to act as Custodian of the Fund's investments and may appoint one or more subcustodians. The Custodian also performs certain accounting services for the Fund. As part of its agreement with the Fund, the Custodian may apply credits or charges for its services to the Fund for, respectively, positive or deficit cash balances maintained by the Fund with the Custodian. DST Systems, Inc., P.O. Box 419789, Kansas City, Missouri 64141-6789, is the Fund's Transfer and Dividend Disbursing Agent.

AUDITORS

Tait, Weller & Baker, Two Penn Center, Suite 700, Philadelphia, PA 19102-1707, are the independent accountants for the Fund. Financial statements of the Fund are audited annually.

FINANCIAL STATEMENTS

The Fund's Financial Statements for the fiscal year ended June 30, 1996 together with the Report of the Fund's independent accountants thereon, appear in the Fund's Annual Report to Shareholders and are incorporated herein by reference.

APPENDIX - DESCRIPTIONS OF BOND RATINGS

MOODY'S INVESTORS SERVICE, INC.'S CORPORATE BOND RATINGS

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

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

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

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

lack outstanding investment characteristics and in fact have speculative characteristics as well.

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

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

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

CA Bonds which are rated as Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

STANDARD & POOR'S CORPORATE BOND RATINGS

AAA This is the highest rating assigned by Standard & Poor's to a debt obligation and indicates an extremely strong capacity to pay interest and repay principal.

AA Bonds rated AA also qualify as high quality debt obligations. Capacity to pay interest and repay principal is very strong, and in the majority of instances they differ from AAA issues only in small degree.

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

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

BB, B, CCC, CC AND C Bonds rated BB, B, CCC, CC, and C are regarded, on balance, as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. BB indicates the lowest degree of speculation and C the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse conditions.

BULL & BEAR GLOBAL INCOME FUND, INC.

Part C. Other Information

Item 24. Financial Statements and Exhibits

i. Financial Statements.*

- ii. (i) Articles of Incorporation**
- (ii) By-Laws**
- (iii) Not applicable
- (iv) Specimen stock certificate**
- (v) Automatic Dividend Reinvestment Plan**
- (vi) Not applicable
- (vii) Investment Management Agreement**
- (viii) Not applicable
- (ix) Not applicable
- (x) Custodian Agreement***
- (xi) Transfer Agent Agreement***
- (xii) Not applicable
- (xiii) Not applicable

- (xiv) Not applicable
- (xv) Not applicable
- (xvi) Not applicable
- (xvii) Not applicable

 * Incorporated by reference from Registrant's Annual Report for the fiscal year ended June 30, 1996, accession number 00000 15260-96-000013.

** Filed herewith.

*** Incorporated by reference from Registrant's Statement on Form N-1A, File Nos. 2-57953 and 811-2474, as filed with the Securities and Exchange Commission on October 26, 1995.

Item 25. Marketing Arrangements

None

Item 26. Other Expenses of Issuance and Distribution

Not applicable.

Item 27. Persons Controlled by or under Common Control with Registrant

Insofar as the following have substantially identical boards of directors or trustees, they may be deemed with the Registrant to be under common control: Bull & Bear Dollar Reserves, a series of shares issued by Bull & Bear Funds II, Inc.; Bull & Bear Municipal Income Fund, Inc.; Bull & Bear U.S. Government Securities Fund, Inc.; Bull & Bear Gold Investors Ltd.; Bull & Bear U.S. and Overseas Fund, a series of Bull & Bear Funds I, Inc.; Bull & Bear Special Equities Fund, Inc.; The Rockwood Growth Fund, Inc.; and Midas Fund, Inc.

Item 28. Number of Holders of Securities

Title of Class	Number of Record Holders (as of January 22, 1997)
Shares of Common Stock \$0.01 par value	3,185

Item 29. Indemnification

The Registrant is incorporated under Maryland law. Section 2-418 of the Maryland General Corporation Law requires the Registrant to indemnify its directors, officers and employees against expenses, including legal fees, in a successful defense of a civil or criminal proceeding. The law also permits indemnification of directors, officers, employees and agents unless it is proved that (a) the act or omission of the person was material and was committed in bad faith or was the result of active or deliberate dishonesty, (b) the person received an improper personal benefit in money, property or services or (c) in the case of a criminal action, the person had reasonable cause to believe that the act or omission was unlawful.

The Registrant's Articles of Incorporation: (1) provide that, to the maximum extent permitted by applicable law, a director or officer will not be personally liable to the Registrant or its stockholders; (2) require the Registrant to indemnify and advance expenses as provided in the By-laws to its present and past directors, officers, employees, agents, and persons who are serving or have served at the request of the Registrant in similar capacities for other entities in advance of final disposition of any action against that person to the extent permitted by Maryland law and the 1940 Act; (3) allow the corporation to purchase insurance for any present or past director, officer, employee, or agent; and (4) require that any repeal or modification of the Articles of Incorporation or By-laws or adoption or modification of any provision of the Articles of Incorporation or By-laws inconsistent with the indemnification provisions, be prospective only to the extent such repeal or modification would, if

applied retrospectively, adversely affect any limitation on the liability of or indemnification and advance of expenses available to any person covered by the indemnification provisions of the Articles of Incorporation and By-laws.

Section 1 of Article 10 of the By-Laws sets forth the procedures by which the Registrant will indemnify its directors, officers, employees and agents. Section 2 of Article 10 of the By-Laws further provides that the Registrant may purchase and maintain insurance or other sources of reimbursement to the extent permitted by law on behalf of any person who is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant as a director or officer of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in or arising out of his or her position.

The Registrant's Investment Management Agreement between the Registrant and Bull & Bear Advisers, Inc. (the "Investment Manager") provides that the Investment Manager shall not be liable to the Registrant or any shareholder of the Registrant for any error of judgment or mistake of law or for any loss suffered by the Registrant in connection with the matters to which the Investment Management Agreement relates. However, the Investment Manager is not protected against any liability to the Registrant by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of its obligations and duties under the Investment Management Agreement.

The Registrant undertakes to carry out all indemnification provisions of its Articles of Incorporation and By-Laws and the above-described Investment Management Agreement in accordance with Investment Company Act Release No. 11330 (September 4, 1980) and successor releases.

Item 30. Business and Other Connections of Investment Adviser

The directors and officers of Bull & Bear Advisers, Inc., the Investment Manager, are also directors and officers of the other Funds managed by the Investment Manager, a wholly-owned subsidiary of Bull & Bear Group, Inc. (the "Bull & Bear Funds"). In addition, such officers are officers and directors of Bull & Bear Group, Inc. and its other subsidiaries: Investor Service Center, Inc., the distributor of the Bull & Bear Funds and a registered broker/dealer; Midas Management Corporation and Rockwood Advisers, Inc., registered investment advisers; and Bull & Bear Securities, Inc., a discount brokerage firm. Bull & Bear Group, Inc.'s predecessor was organized in 1976. In 1978, it acquired control of and subsequently merged with Investors Counsel, Inc., a registered investment adviser organized in 1959. The principal business of both companies since their founding has been to serve as investment manager to registered investment companies. The Investment Manager serves as investment manager of Bull & Bear Dollar Reserves, a series of shares issued by Bull & Bear Funds II, Inc.; Bull & Bear Municipal Income Fund, Inc.; Bull & Bear Gold Investors Ltd.; Bull & Bear U.S. and Overseas Fund, a series of Bull & Bear Funds I, Inc.; Bull & Bear Special Equities Fund, Inc.; and Bull & Bear U.S. Government Securities Fund, Inc.

Item 31. Location of Accounts and Records

The minute books of Registrant and copies of its filings with the Commission are located at 11 Hanover Square, New York, NY 10005 (the offices of the Registrant and its Investment Manager). All other records required by Section 31(a) of the Investment Company Act of 1940 are located at Investors Bank & Trust Company, 89 South Street, Boston, MA 02111 (the offices of Registrant's custodian) and DST Systems, Inc., 1055 Broadway, Kansas City, MO 64105-1594 (the offices of the Registrant's Transfer and Dividend Disbursing Agent). Copies of certain of the records located at Investors Bank & Trust Company and DST Systems, Inc. are kept at 11 Hanover Square, New York, NY 10005 (the offices of Registrant and the Investment Manager).

Item 32. Management Services -- none

Item 33. Undertakings -- not applicable

SIGNATURES

Pursuant to the requirements of the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City, County and State of New York on this 23rd day of January, 1997.

BULL & BEAR GLOBAL INCOME FUND, INC.

By: /s/ Thomas B. Winmill
Thomas B. Winmill
Co-President

SCHEDULE OF EXHIBITS TO FORM N-2

Exhibit Number	Exhibit	Page Number
Exhibit A	Articles of Incorporation*	.....
Exhibit B	By-Laws*	.....
Exhibit C	Not Applicable	.....
Exhibit D	Specimen Stock Certificate*	.....
Exhibit E	Automatic Dividend Reinvestment Plan*	.....
Exhibit F	Not Applicable	.....
Exhibit G	Investment Management Agreement*	.....
Exhibit H	Not Applicable	.....
Exhibit I	Not Applicable	.....
Exhibit J	Form of Custodian Agreement**	.....
Exhibit K	Form of Transfer Agent Agreement**	.....
Exhibit L	Not Applicable	.....
Exhibit M	Not Applicable	.....
Exhibit N	Not Applicable	.....
Exhibit O	Not Applicable	.....
Exhibit P	Not Applicable	.....
Exhibit Q	Not Applicable	.....
Exhibit R	Not Applicable	.....

* Filed herewith.

** Incorporated by reference from Registrant's Statement on Form N-1A, File Nos. 2-57953 and 811-2474, as filed with the Securities and Exchange Commission on October 26, 1995.

BY-LAWS
OF
BULL & BEAR GLOBAL INCOME FUND, INC.
A MARYLAND CORPORATION

BY-LAWS
OF
BULL & BEAR GLOBAL INCOME FUND, INC.
(A MARYLAND CORPORATION)

ARTICLE I
NAME OF CORPORATION, LOCATION OF
OFFICES AND SEAL

Section 1.1. Name. The name of the Corporation is Bull & Bear Global Income Fund, Inc.

Section 1.2. Principal Offices. The principal office of the Corporation in the State of Maryland shall be located in Baltimore, Maryland. The Corporation may, in addition, establish and maintain such other offices and places of business as the board of directors may, from time to time, determine.

Section 1.3. Seal. The corporate seal of the Corporation shall consist of two (2) concentric circles, between which shall be the name of the Corporation, and in the center shall be inscribed the year of its incorporation, and the words "Corporate Seal". The form of the seal shall be subject to alteration by the board of directors and the seal may be used by causing it or a facsimile to be impressed or affixed or printed or otherwise reproduced. Any officer or director of the Corporation shall have authority to affix the corporate seal of the Corporation to any document requiring the same.

ARTICLE II
STOCKHOLDERS

Section 2.1. Annual Meetings. There shall be no stockholders' meetings for the election of directors and the transaction of other proper business except as required by law, the listing requirements of the stock exchange or market where the Corporation's stock is listed, or as hereinafter provided, in which case the annual meeting shall be held in September of each year.

Section 2.2. Special Meetings. Special meetings of stockholders may be called at any time by the chairman of the board or the president or a co-president and shall be held at such time and place as may be stated in the notice of the meeting.

Section 2.3. Notice of Meetings. The secretary shall cause notice of the place, date and hour and, in the case of a special meeting or as otherwise required by law, the purpose or purposes for which the meeting is called, to be served personally or to be mailed, postage prepaid, not less than 10 nor more than 90 days before the date of the meeting, to each stockholder entitled to vote at such meeting at his address as it appears on the records

of the Corporation at the time of such mailing. Notice shall be deemed to be given when deposited in the United States mail addressed to the stockholders as aforesaid.

Notice of any stockholders meeting need not be given to any stockholder who shall sign a written waiver of such notice whether before or after the time of such meeting, which waiver shall be filed with the records of such meeting, or to any stockholder who is present at such meeting in person or by proxy. Notice of adjournment of a stockholders meeting to another time or place need not be given if such time and place are announced at the meeting.

Irregularities in the notice of any meeting to, or the nonreceipt of any such notice by, any of the stockholders shall not invalidate any action otherwise properly taken by or at any such meeting.

Section 2.4. Quorum and Adjournment of Meetings. The presence at any stockholders meeting, in person or by proxy, of stockholders entitled to cast one-third of all votes entitled to be cast thereat shall be necessary and sufficient to constitute a quorum for the transaction of business, provided that with respect to any matter to be voted upon separately by any class of shares, a quorum shall consist of the holders of one-third of the shares of that class outstanding and entitled to vote on the matter. In the absence of a quorum, the stockholders present in person or by proxy or, if no stockholder entitled to vote is present in person or by proxy, any officer present entitled to preside or act as secretary of such meeting may adjourn the meeting without determining the date of the new meeting or from time to time without further notice to a date not more than 120 days after the original record date. Any business that might have been transacted at the meeting originally called may be transacted at any such adjourned meeting at which a quorum is present.

Section 2.5. Voting and Inspectors. Unless statute or the Articles of Incorporation (the "Charter") provide otherwise, at every stockholders meeting, each stockholder shall be entitled to one vote for each share and a fractional vote for each fraction of a share of stock of the Corporation validly issued and outstanding and standing in his name on the books of the Corporation on the record date fixed in accordance with Section 7.4 hereof, either in person or by proxy appointed by instrument in writing subscribed by such stockholder or his duly authorized attorney, except that no shares held by the Corporation shall be entitled to a vote.

If no record date has been fixed, the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be the later of the close of business on the day on which notice of the meeting is mailed or the 30th day before the meeting, or, if notice is waived by all stockholders, at the close of business on the 11th day preceding the day on which the meeting is held.

Except as otherwise specifically provided in the Charter or these By-laws or as required by applicable law, all matters shall be decided by a vote of the majority of the votes validly cast at a meeting at which a quorum is present. The vote upon any question shall be by ballot whenever requested by any person entitled to vote, but, unless such a request is made, voting may be conducted in any way approved by the meeting.

At any meeting at which there is an election of directors, the chairman of the meeting may appoint two inspectors of election who shall first subscribe an oath or affirmation to execute faithfully the duties of inspectors at such election with strict impartiality and according to the best of their ability, and shall, after the election, make a certificate of the result of the vote taken. No candidate for the office of director shall be appointed as an inspector.

Section 2.6. Validity of Proxies. The right to vote by proxy shall exist only if the instrument authorizing such proxy to act shall have been signed by the stockholder or by his duly authorized attorney. Unless a proxy provides otherwise, it shall not be valid more than 11 months after its date. All proxies shall be delivered to the secretary of the Corporation or to the person acting as secretary of the meeting before being voted, who shall decide all questions concerning qualification of voters, the validity of proxies, and the acceptance or rejection of votes. If inspectors of election have been appointed by the chairman of the meeting, such inspectors shall decide all such questions. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by one of them unless at or prior to exercise of such proxy the Corporation receives from any one of them a specific written notice to the contrary and a copy of the instrument or order which so provides. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise.

Section 2.7. Stock Ledger and List of Stockholders. It shall be the duty of the secretary or assistant secretary of the Corporation to cause an original or duplicate stock ledger containing the names and addresses of all the stockholders and the number of shares held by them, respectively, to be maintained at the office of the Corporation's transfer agent. Such stock ledger may be in written form or any other form capable of being converted into written form within a reasonable time for visual inspection.

Section 2.8. Action Without Meeting. Any action required or permitted to be taken by stockholders at a meeting of stockholders may be taken without a meeting if (a) all stockholders entitled to vote on the matter consent to the action in writing, (b) all stockholders entitled to notice of the meeting but not entitled to vote at it sign a written waiver of any right to dissent, and (c) the consents and waivers are filed with the records of the meetings of stockholders. Such consent shall be treated for all purposes as a vote at the meeting.

ARTICLE III BOARD OF DIRECTORS

Section 3.1. General Powers. Except as otherwise provided by operation of law, by the Charter, or by these By-laws, the property, business and affairs of the Corporation shall be managed under the direction of and all the powers of the Corporation shall be exercised by or under authority of its board of directors.

Section 3.2. Power to Issue and Sell Stock. The board of directors may from time to time issue and sell or cause to be issued and sold any of the Corporation's authorized shares to such persons and for such consideration as the board of directors shall deem advisable, subject to the provisions of the Charter.

Section 3.3. Power to Declare Dividends. The board of directors, from time to time as they may deem advisable, may declare and pay dividends in stock, cash or other property of the Corporation, out of any source available for dividends, to the stockholders according to their respective rights and interests in accordance with the provisions of the Charter. The board of directors may prescribe from time to time that dividends declared may be payable at the election of any of the stockholders (exercisable before or after the declaration of the dividend), either in cash or in shares of the Corporation, provided that the sum of the cash dividend actually paid to any stockholder and the asset value of the shares received (determined as of such time as the board of directors shall have prescribed, pursuant to the Charter, with respect to shares sold on the date of such election) shall not exceed the full amount of cash to which the stockholder would be entitled if he elected to receive only cash.

Section 3.4. Number and Term of Directors. Except for the initial board of directors, the board of directors shall consist of not fewer than three nor more than fifteen directors, as specified by a resolution of a majority of the entire board of directors. Each director shall hold office until his successor is elected and qualified or until his earlier death, resignation or removal. Any vacancy created by an increase in directors may be filled in accordance with Section 3.6 of this Article III.

All acts done at any meeting of the directors or by any person acting as a director, so long as his successor shall not have been duly elected or appointed, shall, notwithstanding that it be afterwards discovered that there was some defect in the election of the directors or of such person acting as a director or that they or any of them were disqualified, be as valid as if the directors or such other person, as the case may be, had been duly elected and were or was qualified to be directors or a director of the Corporation.

Directors need not be stockholders of the Corporation.

Section 3.5. Election. The initial director or directors shall be that person or persons named as such in the Charter. At each annual meeting, the stockholders shall elect directors to hold office until the expiration of the term of his class or until the annual election of directors next succeeding his election and until his death, or until he shall have resigned, have been removed as hereinafter provided in these By-laws, or as otherwise provided by statute or the Charter.

Section 3.6. Vacancies and Newly Created Directorships. Any vacancies in the board of directors, whether arising from death, resignation, removal, an increase in the number of directors or otherwise, shall be filled by a vote of the board of directors in accordance with the Charter.

Section 3.7. [Reserved.]

Section 3.8. Regular Meetings. The meeting of the board of directors for choosing officers and transacting other proper business, and all other meetings, shall be held at such time and place, within or outside the state of Maryland, as the board may determine and as provided by resolution. Notice of such meetings need not be given, following the annual meeting of stockholders, provided that notice of any change in the time or place of such meetings shall be sent promptly to each director not present at the meeting at which such change was made, in the manner provided for notice of special meetings. Members of the board of directors or any committee designated thereby may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment that allows all persons participating in the meeting to hear each other at the same time; and participation by such means shall constitute presence in person at a meeting.

Section 3.9. Special Meetings. Special meetings of the board of directors shall be held whenever called by the chairman of the board or the president or a co-president (or, in the absence or disability of the chairman of the board or the president or a co-president, by any officer or director, as they so designate) at the time and place (within or outside of the State of Maryland) specified in the respective notice or waivers of notice of such meetings. At least three days before the day on which a special meeting is to be held, notice of special meetings, stating the time and place, shall be (a) mailed to each director at his residence or regular place of business or (b) delivered to him personally or transmitted to him by telegraph, telefax, telex, cable or wireless.

Section 3.10. Waiver of Notice. No notice of any meeting need be given to any director who is present at the meeting or who waives notice of such meeting in writing (which waiver shall be filed with the records of such meeting), either before or after

the time of the meeting.

Section 3.11. Quorum and Voting. At all meetings of the board of directors, the presence of onehalf of the number of directors then in office shall constitute a quorum for the transaction of business, provided that there shall be present at least two directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting, from time to time, until a quorum shall be present. The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the board of directors, unless concurrence of a greater proportion is required for such action by law, by the Charter or by these By-laws.

Section 3.12. Action Without a Meeting. As amended, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if a written consent to such action is signed by all members of the board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

Section 3.13. Compensation of Directors. Directors may receive such compensation for their services as may from time to time be determined by resolution of the board of directors.

ARTICLE IV COMMITTEES

Section 4.1. Organization. By resolution adopted by the board of directors, the board may designate one or more committees of the board of directors, including an Executive Committee, each consisting of at least two directors. Each member of a committee shall be a director and shall hold committee membership at the pleasure of the board. The chairman of the board, if any, shall be a member of the Executive Committee. The board of directors shall have the power at any time to change the members of such committees and to fill vacancies in the committees.

Section 4.2. Powers of the Executive Committee. Unless otherwise provided by resolution of the board of directors, when the board of directors is not in session the Executive Committee shall have and may exercise all powers of the board of directors in the management of the business and affairs of the Corporation that may lawfully be exercised by an Executive Committee except the power to declare a dividend or distribution on stock, authorize the issuance of stock, recommend to stockholders any action requiring stockholders approval, amend these By-laws, approve any merger or share exchange which does not require stockholder approval or approve or terminate any contract with an "investment adviser" or "principal underwriter," as those terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Notwithstanding the above, such Executive Committee may make such dividend calculations and payments as are consistent with applicable law, including the Maryland General Corporation Law.

Section 4.3. Powers of Other Committees of the Board of Directors. To the extent provided by resolution of the board, other committees of the board of directors shall have and may exercise any of the powers that may lawfully be granted to the Executive Committee.

Section 4.4. Proceedings and Quorum. In the absence of an appropriate resolution of the board of directors, each committee may adopt such rules and regulations governing its proceedings, quorum and manner of acting as it shall deem proper and desirable, provided that a quorum shall not be less than two directors. In the event any member of any committee is absent from any meeting, the members thereof present at the meeting, whether or not they constitute a quorum, may appoint a member of the board of directors to act in the place of such absent member.

Section 4.5. Other Committees. The board of directors may appoint other committees, each consisting of one or more persons, who need not be directors. Each such committee shall have such powers and perform such duties as may be assigned to it from time to time by the board of directors, but shall not exercise any power which may lawfully be exercised only by the board of directors or a committee thereof.

ARTICLE V OFFICERS

Section 5.1. Officers. The officers of the Corporation shall be a president or co-presidents, a secretary, and a treasurer, and may include one or more vice presidents (including executive and senior vice presidents), assistant secretaries or assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 5.11 hereof. The board of directors may, but shall not be required to, elect a chairman and vice chairman of the board.

Section 5.2. Election, Tenure and Qualifications. The officers of the Corporation (except those appointed pursuant to Section 5.11 hereof) shall be elected by the board of directors at its first meeting or such subsequent meetings as shall be held prior to its first annual meeting, and thereafter at regular board meetings, as required by applicable law. If any officers are not elected at any annual meeting, such officers may be elected at any subsequent meetings of the board. Except as otherwise provided in this Article V, each officer elected by the board of directors shall hold office until his or her successor shall have been elected and qualified. Any person may hold one or more offices of the Corporation except that no one person may serve concurrently as both the president or a co-president and vice president. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer. The chairman of the board shall be chosen from among the directors of the Corporation and may hold such office only so long as he continues to be a director. No other officer need be a director.

Section 5.3. Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or other cause, or if any new office shall be created, such vacancies or newly created offices may be filled by the chairman of the board at any meeting or, in the case of any office created pursuant to Section 5.11 hereof, by any officer upon whom such power shall have been conferred by the board of directors.

Section 5.4. Removal and Resignation. At any meeting called for such purpose, the Executive Committee may remove any officer from office (either with or without cause) by the affirmative vote, given at the meeting, of a majority of the members of the Committee. Any officer may resign from office at any time by delivering a written resignation to the board of directors, the president or a co-president, the secretary, or any assistant secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 5.5. Chairman of the Board. The chairman of the board, if there be such an officer, shall be the senior officer of the Corporation, shall preside at all stockholders meetings and at all meetings of the board of directors and shall be ex officio a member of all committees of the board of directors. He shall have such other powers and perform such other duties as may be assigned to him from time to time by the board of directors.

Section 5.6. Vice Chairman of the Board. The board of directors may from time to time elect a vice chairman who shall have such powers and perform such duties as from time to time may be assigned to him by the board of directors, chairman of the

board or the president or a co-president. At the request of, or in the absence or in the event of the disability of the chairman of the board, the vice chairman may perform all the duties of the chairman of the board or the president or a copresident and, when so acting, shall have all the powers of and be subject to all the restrictions upon such respective officers.

Section 5.7. President, Co-President. The president or co-presidents shall be the chief executive officer or co-chief executive officers, as the case may be, of the Corporation and, in the absence of the chairman of the board or vice chairman or if no chairman of the board or vice chairman has been chosen, shall preside at all stockholders meetings and at all meetings of the board of directors and shall in general exercise the powers and perform the duties of the chairman of the board. Subject to the supervision of the board of directors, the president or the co-presidents shall have general charge of the business, affairs and property of the Corporation and general supervision over its officers, employees and agents. Except as the board of directors may otherwise order, the president or a co-president may sign in the name and on behalf of the Corporation all deeds, bonds, contracts, or agreements. The president or a co-president shall exercise such other powers and perform such other duties as from time to time may be assigned by the board of directors.

Section 5.8. Vice President. The board of directors may from time to time elect one or more vice presidents (including executive and senior vice presidents) who shall have such powers and perform such duties as from time to time may be assigned to them by the board of directors or the president or co-presidents. At the request of, or in the absence or in the event of the disability of, the president or both co-presidents, the vice president (or, if there are two or more vice presidents, then the senior of the vice presidents present and able to act) may perform all the duties of the president or co-presidents and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president or co-presidents.

Section 5.9. Treasurer and Assistant Treasurers. The treasurer shall be the chief accounting officer of the Corporation and shall have general charge of the finances and books of account of the Corporation. The treasurer shall render to the board of directors, whenever directed by the board, an account of the financial condition of the Corporation and of all transactions as treasurer; and as soon as possible after the close of each financial year he shall make and submit to the board of directors a like report for such financial year. The treasurer shall cause to be prepared annually a full and complete statement of the affairs of the Corporation, including a balance sheet and a financial statement of operations for the preceding fiscal year, which shall be submitted at the annual meeting of stockholders and filed within 20 days thereafter at the principal office of the Corporation in the state of Maryland. The treasurer shall perform all acts incidental to the office of treasurer, subject to the control of the board of directors.

Any assistant treasurer may perform such duties of the treasurer as the treasurer or the board of directors may assign, and, in the absence of the treasurer, may perform all the duties of the treasurer.

Section 5.10. Secretary and Assistant Secretaries. The secretary shall attend to the giving and serving of all notices of the Corporation and shall record all proceedings of the meetings of the stockholders and directors in books to be kept for that purpose. The secretary shall keep in safe custody the seal of the Corporation, and shall have responsibility for the records of the Corporation, including the stock books and such other books and papers as the board of directors may direct and such books, reports, certificates and other documents required by law to be kept, all of which shall at all reasonable times be open to inspection by any director. The secretary shall perform such other duties which appertain to this office or as may be

required by the board of directors.

Any assistant secretary may perform such duties of the secretary as the secretary or the board of directors may assign, and, in the absence of the secretary, may perform all the duties of the secretary.

Section 5.11. Subordinate Officers. The chairman of the board from time to time may appoint such other officers or agents as he may deem advisable, each of whom shall have such title, hold office for such period, have such authority and perform such duties as the board of directors may determine. The chairman of the board from time to time may delegate to one or more officers or agents the power to appoint any such subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any officer or agent appointed in accordance with the provisions of this Section 5.11 may be removed, either with or without cause, by any officer upon whom such power of removal shall have been conferred by the board of directors.

Section 5.12. Remuneration. The salaries or other compensation of the officers of the Corporation shall be fixed from time to time by resolution of the board of directors, except that the board of directors may by resolution delegate to any person or group of persons the power to fix the salaries or other compensation of any subordinate officers or agents appointed in accordance with the provisions of Section 5.11 hereof.

Section 5.13. Surety Bonds. The board of directors may require any officer or agent of the Corporation to execute a bond (including, without limitation, any bond required by applicable law, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder) to the Corporation in such sum and with such surety or sureties as the board of directors may determine, conditioned upon the faithful performance of his or her duties to the Corporation, including responsibility for negligence and for the accounting of any of the Corporation's property, funds or securities that may come into his hands.

ARTICLE VI EXECUTION OF INSTRUMENTS, VOTING OF SECURITIES

Section 6.1. Checks, Notes, Drafts, Etc. So long as the Corporation shall employ a custodian to keep custody of the cash and securities of the Corporation, all checks and drafts for the payment of money by the Corporation may be signed in the name of the Corporation by the custodian. Promissory notes, checks or drafts payable to the Corporation may be endorsed only to the order of the custodian or its nominee and only by any two of the following: the treasurer, the president or a co-president, a vice president (including executive and senior vice presidents) or by such other person or persons as shall be authorized by the board of directors, provided that no one person may sign in the capacity of two such officers. Except as otherwise authorized by the board of directors, all requisitions or orders for the assignment of securities standing in the name of the custodian or its nominee, or for the execution of powers to transfer the same, shall be signed in the name of the Corporation by any two of the following: the president or a co-president, vice president (including executive and senior vice presidents), treasurer or an assistant treasurer, provided that no one person may sign in the capacity of two such officers.

Section 6.2. Voting of Securities. Unless otherwise ordered by the board of directors, the president or a co-president, or any vice president (including executive and senior vice presidents) shall have full power and authority on behalf of the Corporation to attend and to act and to vote, or in the name of the Corporation to execute proxies to vote, at any meeting of stockholders of any company in which the Corporation may hold stock. At any such meeting such officer shall possess and may exercise (in person or by proxy) any and all rights, powers and

privileges incident to the ownership of such stock. The board of directors may by resolution from time to time confer like powers upon any other person or persons in accordance with the laws of the State of Maryland.

ARTICLE VII CAPITAL STOCK

Section 7.1. Certificates of Stock. The interest of each stockholder of the Corporation may be, but shall not be required to be, evidenced by certificates for shares of stock in such form not inconsistent with the Charter as the board of directors may from time to time authorize. No certificate shall be valid unless it is signed in the name of the Corporation by a president or a co-president or a vice president and countersigned by the secretary or an assistant secretary or the treasurer or an assistant treasurer of the Corporation and sealed with the seal of the Corporation, or bears the facsimile signatures of such officers and a facsimile of such seal. In case any officer who shall have signed any such certificate, or whose facsimile signature has been placed thereon, shall cease to be such an officer (because of death, resignation or otherwise) before such certificate is issued, such certificate may be issued and delivered by the Corporation with the same effect as if he were such officer at the date of issue.

The number of each certificate issued, the name and address of the person owning the shares represented thereby, the number of such shares and the date of issuance shall be entered upon the stock ledger of the Corporation at the time of issuance.

Every certificate exchanged, surrendered for redemption or otherwise returned to the Corporation shall be marked "canceled" with the date of cancellation.

Section 7.2. Transfer of Shares. Shares of the Corporation shall be transferable on the books of the Corporation by the holder of record thereof (in person or by his duly authorized attorney or legal representative) (a) if a certificate or certificates have been issued, upon surrender duly endorsed or accompanied by proper instruments of assignment and transfer, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require, or (b) as otherwise prescribed by the board of directors. Except as otherwise provided in the Charter, the shares of stock of the Corporation may be freely transferred, subject to the charging of customary transfer fees, and the board of directors may, from time to time, adopt rules and regulations with reference to the method of transfer of the shares of stock of the Corporation. The Corporation shall be entitled to treat the holder of record of any share of stock as the absolute owner thereof for all purposes, and accordingly shall not be bound to recognize any legal, equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law or the statutes of the State of Maryland.

Section 7.3. Transfer Agents and Registrars. The board of directors may from time to time appoint or remove transfer agents or registrars of transfers for shares of stock of the Corporation, and it may appoint the same person as both transfer agent and registrar. Upon any such appointment being made all certificates representing shares of capital stock thereafter issued shall be countersigned by one of such transfer agents or by one of such registrars of transfers or by both and shall not be valid unless so countersigned. If the same person shall be both transfer agent and registrar, only one countersignature by such person shall be required.

Section 7.4. Fixing of Record Date. The board of directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any stockholders meeting or any adjournment thereof, or to express

consent to corporate action in writing without a meeting, or to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, provided that (a) such record date shall be within 90 days prior to the date on which the particular action requiring such determination will be taken, except that a meeting of stockholders convened on the date for which it was called may be adjourned from time to time without further notice to a date not more than 120 days after the original record date; (b) the transfer books shall not be closed for a period longer than 20 days; and (c) in the case of a meeting of stockholders, the record date shall be at least 10 days before the date of the meeting.

Section 7.5. **Lost, Stolen or Destroyed Certificates.** Before issuing a new certificate for stock of the Corporation alleged to have been lost, stolen or destroyed, the board of directors or any officer authorized by the board may, in its discretion, require the owner of the lost, stolen or destroyed certificate (or his legal representative) to give the Corporation a bond or other indemnity, in such form and in such amount as the board or any such officer may direct and with such surety or sureties as may be satisfactory to the board or any such officer, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VIII CONFLICT OF INTEREST TRANSACTIONS

Section 8.1. **Validity of Contract or Transactions.** In the event that any officer or director of the Corporation shall have any interest, direct or indirect, in any other firm, association or corporation as officer, employee, director or stockholder, no transaction or contract made by the Corporation with any such other firm, association or corporation shall be valid unless such interest shall have been disclosed or made known to all of the directors or to a majority of the directors and such transaction or contract shall have been approved by a majority of a quorum of directors, which majority shall consist of directors not having any such interest or a majority of the directors in office, including directors having such an interest.

ARTICLE IX FISCAL YEAR AND ACCOUNTANT

Section 9.1. **Fiscal Year.** The fiscal year of the Corporation shall, unless otherwise ordered by the board of directors, be twelve calendar months ending on the 30th day of June.

ARTICLE X INDEMNIFICATION AND INSURANCE

Section 10.1. **Indemnification of Officers, Directors, Employees and Agents.** In accordance with applicable law, including the Maryland General Corporation Law, the Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, partner, trustee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against all reasonable expenses (including attorneys' fees) actually incurred, and judgments, fines, penalties and amounts paid in settlement in connection with such Proceeding to the maximum extent permitted by law, now existing or hereafter adopted. Notwithstanding the foregoing, the following provisions shall apply with respect to indemnification of the Corporation's directors, officers, and investment manager (as defined in the 1940 Act):

- (a) Whether or not there is an adjudication of liability in such Proceeding, the Corporation shall not indemnify any such person for any liability arising by reason of such person's willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his or her office or under any contract or agreement with the Corporation ("disabling conduct").
- (b) The Corporation shall not indemnify any such person unless:
- (1) the court or other body before which the Proceeding was brought (a) dismisses the Proceeding for insufficiency of evidence of any disabling conduct, or (b) reaches a final decision on the merits that such person was not liable by reason of disabling conduct; or
 - (2) absent such a decision, a reasonable determination is made, based upon a review of the facts, by (a) the vote of a majority of a quorum of the directors of the Corporation who are neither interested persons of the Corporation as defined in the 1940 Act, nor parties to the Proceeding, or (b) if such quorum is not obtainable, or even if obtainable, if a majority

of a quorum of directors described above so directs, based upon a written opinion by independent legal counsel, that such person was not liable by reason of disabling conduct.

- (c) Reasonable expenses (including attorneys' fees) incurred in defending a Proceeding involving any such person will be paid by the Corporation in advance of the final disposition thereof upon an undertaking by such person to repay such expenses unless it is ultimately determined that he or she is entitled to indemnification, if:
- (1) such person shall provide adequate security for his or her undertaking;
 - (2) the Corporation shall be insured against losses arising by reason of such advance; or
 - (3) a majority of a quorum of the directors of the Corporation who are neither interested persons of the Corporation as defined in the 1940 Act, nor parties to the Proceeding, or independent legal counsel in a written opinion, shall determine, based on a review of readily available facts, that there is reason to believe that such person will be found to be entitled to indemnification.

Section 10.2. Insurance of Officers, Directors, Employees and Agents. The Corporation may purchase and maintain insurance or other sources of reimbursement to the extent permitted by law on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, partner, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in or arising out of his position.

Section 10.3. Non-exclusivity. The indemnification and advancement of expenses provided by, or granted pursuant to, this

Article X shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Charter, these By-laws, agreement, vote of stockholders or directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

Section 10.4. Amendment. Notwithstanding anything to the contrary herein, no amendment, alteration or repeal of this Article or the adoption, alteration or amendment of any other provisions to the Charter or these By-laws inconsistent with this Article shall adversely affect any right or protection of any person under this Article with respect to any act or failure to act which occurred prior to such amendment, alteration, repeal or adoption.

ARTICLE XI AMENDMENTS

Section 11.1. General. Except as provided in Section 11.2 of this Article XI, all By-laws of the Corporation, whether adopted by the board of directors or the stockholders, shall be subject to amendment, alteration or repeal, and new By-laws may be made only by the affirmative vote of a majority of directors, at any meeting the notice or waiver of notice of which shall have specified or summarized the proposed amendment, alteration, repeal or new By-law. No amendment of any Section of these By-laws shall be made by the stockholders of the Corporation except as set forth in Section 11.2 of this Article XI.

Section 11.2. By Stockholders Only. No amendment of any section of these By-laws shall be made except by the stockholders of the Corporation if the By-laws provide that such section may not be amended, altered or repealed except by the stockholders. From and after the issuance of any shares of the capital stock of the Corporation no amendment, alteration or repeal of this Article XI shall be made except by the stockholders of the Corporation.

BY-LAWS TABLE OF CONTENTS

	PAGE
ARTICLE I NAME OF CORPORATION, LOCATION OF OFFICES AND SEAL	1
Section 1.1. Name	1
Section 1.2. Principal Offices	1
Section 1.3. Seal	1
ARTICLE II STOCKHOLDERS	1
Section 2.1. Annual Meetings	1
Section 2.2. Special Meetings	1
Section 2.3. Notice of Meetings	1
Section 2.4. Quorum and Adjournment of Meetings ...	2
Section 2.5. Voting and Inspectors	2
Section 2.6. Validity of Proxies	3
Section 2.7. Stock Ledger and List of Stockholders ..	3
Section 2.8. Action Without Meeting	3
ARTICLE III BOARD OF DIRECTORS	3
Section 3.1. General Powers	3
Section 3.2. Power to Issue and Sell Stock	3
Section 3.3. Power to Declare Dividends	3
Section 3.4. Number and Term of Directors	4
Section 3.5. Election	4
Section 3.6. Vacancies and Newly Created Directorships	4
Section 3.7. Removal	4
Section 3.8. Regular Meetings	5
Section 3.9. Special Meetings	5
Section 3.10. Waiver of Notice	5

Section 3.11. Quorum and Voting	5
Section 3.12. Action Without a Meeting	5
Section 3.13. Compensation of Directors	5
ARTICLE IV COMMITTEES	6
Section 4.1. Organization	6
Section 4.2. Powers of the Executive Committee	6
Section 4.3. Powers of Other Committees of the Board of Directors	6
Section 4.4. Proceedings and Quorum	6
Section 4.5. Other Committees	6
ARTICLE V OFFICERS	6
Section 5.1. Officers	6
Section 5.2. Election, Tenure and Qualifications	7
Section 5.3. Vacancies and Newly Created Offices	7
Section 5.4. Removal and Resignation.	7
Section 5.5. Chairman of the Board.	7
Section 5.6. Vice Chairman of the Board	7
Section 5.7. President, Co-President	7
Section 5.8. Vice President	8
Section 5.9. Treasurer and Assistant Treasurers	8
Section 5.10. Secretary and Assistant Secretaries	8
Section 5.11. Subordinate Officers	8
Section 5.12. Remuneration	9
Section 5.13. Surety Bonds	9
ARTICLE VI EXECUTION OF INSTRUMENTS, VOTING OF SECURITIES	9
Section 6.1. Checks, Notes, Drafts, Etc.	9
Section 6.2. Voting of Securities.	9
ARTICLE VII CAPITAL STOCK	10
Section 7.1. Certificates of Stock.	10
Section 7.2. Transfer of Shares	10
Section 7.3. Transfer Agents and Registrars	10
Section 7.4. Fixing of Record Date	10
Section 7.5. Lost, Stolen or Destroyed Certificates	11
ARTICLE VIII CONFLICT OF INTEREST TRANSACTIONS	11
Section 8.1. Validity of Contract or Transactions	11
ARTICLE IX FISCAL YEAR AND ACCOUNTANT	11
Section 9.1. Fiscal Year	11
ARTICLE X INDEMNIFICATION AND INSURANCE	11
Section 10.1 Indemnification of Officers, Directors, Employees and Agents	11
Section 10.2. Insurance of Officers, Directors, Employees and Agents	12
Section 10.3. Non-exclusivity	13
Section 10.4. Amendment	13
ARTICLE XI AMENDMENTS	13
Section 11.1. General	13
Section 11.2. By Stockholders Only.	13

BY-LAWS
OF
BULL & BEAR GLOBAL INCOME FUND, INC.
A MARYLAND CORPORATION

BY-LAWS
OF
BULL & BEAR GLOBAL INCOME FUND, INC.
(A MARYLAND CORPORATION)

ARTICLE I
NAME OF CORPORATION, LOCATION OF
OFFICES AND SEAL

Section 1.1. Name. The name of the Corporation is Bull & Bear Global Income Fund, Inc.

Section 1.2. Principal Offices. The principal office of the Corporation in the State of Maryland shall be located in Baltimore, Maryland. The Corporation may, in addition, establish and maintain such other offices and places of business as the board of directors may, from time to time, determine.

Section 1.3. Seal. The corporate seal of the Corporation shall consist of two (2) concentric circles, between which shall be the name of the Corporation, and in the center shall be inscribed the year of its incorporation, and the words "Corporate Seal". The form of the seal shall be subject to alteration by the board of directors and the seal may be used by causing it or a facsimile to be impressed or affixed or printed or otherwise reproduced. Any officer or director of the Corporation shall have authority to affix the corporate seal of the Corporation to any document requiring the same.

ARTICLE II
STOCKHOLDERS

Section 2.1. Annual Meetings. There shall be no stockholders' meetings for the election of directors and the transaction of other proper business except as required by law, the listing requirements of the stock exchange or market where the Corporation's stock is listed, or as hereinafter provided, in which case the annual meeting shall be held in September of each year.

Section 2.2. Special Meetings. Special meetings of stockholders may be called at any time by the chairman of the board or the president or a co-president and shall be held at such time and place as may be stated in the notice of the meeting.

Section 2.3. Notice of Meetings. The secretary shall cause notice of the place, date and hour and, in the case of a special meeting or as otherwise required by law, the purpose or purposes for which the meeting is called, to be served personally or to be mailed, postage prepaid, not less than 10 nor more than 90 days before the date of the meeting, to each stockholder entitled to vote at such meeting at his address as it appears on the records

of the Corporation at the time of such mailing. Notice shall be deemed to be given when deposited in the United States mail addressed to the stockholders as aforesaid.

Notice of any stockholders meeting need not be given to any stockholder who shall sign a written waiver of such notice whether before or after the time of such meeting, which waiver shall be filed with the records of such meeting, or to any stockholder who is present at such meeting in person or by proxy. Notice of adjournment of a stockholders meeting to another time or place need not be given if such time and place are announced at the meeting.

Irregularities in the notice of any meeting to, or the nonreceipt of any such notice by, any of the stockholders shall not invalidate any action otherwise properly taken by or at any such meeting.

Section 2.4. Quorum and Adjournment of Meetings. The presence at any stockholders meeting, in person or by proxy, of stockholders entitled to cast one-third of all votes entitled to be cast thereat shall be necessary and sufficient to constitute a quorum for the transaction of business, provided that with respect to any matter to be voted upon separately by any class of shares, a quorum shall consist of the holders of one-third of the shares of that class outstanding and entitled to vote on the matter. In the absence of a quorum, the stockholders present in person or by proxy or, if no stockholder entitled to vote is present in person or by proxy, any officer present entitled to preside or act as secretary of such meeting may adjourn the meeting without determining the date of the new meeting or from time to time without further notice to a date not more than 120 days after the original record date. Any business that might have been transacted at the meeting originally called may be transacted at any such adjourned meeting at which a quorum is present.

Section 2.5. Voting and Inspectors. Unless statute or the Articles of Incorporation (the "Charter") provide otherwise, at every stockholders meeting, each stockholder shall be entitled to one vote for each share and a fractional vote for each fraction of a share of stock of the Corporation validly issued and outstanding and standing in his name on the books of the Corporation on the record date fixed in accordance with Section 7.4 hereof, either in person or by proxy appointed by instrument in writing subscribed by such stockholder or his duly authorized attorney, except that no shares held by the Corporation shall be entitled to a vote.

If no record date has been fixed, the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be the later of the close of business on the day on which notice of the meeting is mailed or the 30th day before the meeting, or, if notice is waived by all stockholders, at the close of business on the 11th day preceding the day on which the meeting is held.

Except as otherwise specifically provided in the Charter or these By-laws or as required by applicable law, all matters shall be decided by a vote of the majority of the votes validly cast at a meeting at which a quorum is present. The vote upon any question shall be by ballot whenever requested by any person entitled to vote, but, unless such a request is made, voting may be conducted in any way approved by the meeting.

At any meeting at which there is an election of directors, the chairman of the meeting may appoint two inspectors of election who shall first subscribe an oath or affirmation to execute faithfully the duties of inspectors at such election with strict impartiality and according to the best of their ability, and shall, after the election, make a certificate of the result of the vote taken. No candidate for the office of director shall be appointed as an inspector.

Section 2.6. Validity of Proxies. The right to vote by proxy shall exist only if the instrument authorizing such proxy to act shall have been signed by the stockholder or by his duly authorized attorney. Unless a proxy provides otherwise, it shall not be valid more than 11 months after its date. All proxies shall be delivered to the secretary of the Corporation or to the person acting as secretary of the meeting before being voted, who shall decide all questions concerning qualification of voters, the validity of proxies, and the acceptance or rejection of votes. If inspectors of election have been appointed by the chairman of the meeting, such inspectors shall decide all such questions. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by one of them unless at or prior to exercise of such proxy the Corporation receives from any one of them a specific written notice to the contrary and a copy of the instrument or order which so provides. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise.

Section 2.7. Stock Ledger and List of Stockholders. It shall be the duty of the secretary or assistant secretary of the Corporation to cause an original or duplicate stock ledger containing the names and addresses of all the stockholders and the number of shares held by them, respectively, to be maintained at the office of the Corporation's transfer agent. Such stock ledger may be in written form or any other form capable of being converted into written form within a reasonable time for visual inspection.

Section 2.8. Action Without Meeting. Any action required or permitted to be taken by stockholders at a meeting of stockholders may be taken without a meeting if (a) all stockholders entitled to vote on the matter consent to the action in writing, (b) all stockholders entitled to notice of the meeting but not entitled to vote at it sign a written waiver of any right to dissent, and (c) the consents and waivers are filed with the records of the meetings of stockholders. Such consent shall be treated for all purposes as a vote at the meeting.

ARTICLE III BOARD OF DIRECTORS

Section 3.1. General Powers. Except as otherwise provided by operation of law, by the Charter, or by these By-laws, the property, business and affairs of the Corporation shall be managed under the direction of and all the powers of the Corporation shall be exercised by or under authority of its board of directors.

Section 3.2. Power to Issue and Sell Stock. The board of directors may from time to time issue and sell or cause to be issued and sold any of the Corporation's authorized shares to such persons and for such consideration as the board of directors shall deem advisable, subject to the provisions of the Charter.

Section 3.3. Power to Declare Dividends. The board of directors, from time to time as they may deem advisable, may declare and pay dividends in stock, cash or other property of the Corporation, out of any source available for dividends, to the stockholders according to their respective rights and interests in accordance with the provisions of the Charter. The board of directors may prescribe from time to time that dividends declared may be payable at the election of any of the stockholders (exercisable before or after the declaration of the dividend), either in cash or in shares of the Corporation, provided that the sum of the cash dividend actually paid to any stockholder and the asset value of the shares received (determined as of such time as the board of directors shall have prescribed, pursuant to the Charter, with respect to shares sold on the date of such election) shall not exceed the full amount of cash to which the stockholder would be entitled if he elected to receive only cash.

Section 3.4. Number and Term of Directors. Except for the initial board of directors, the board of directors shall consist of not fewer than three nor more than fifteen directors, as specified by a resolution of a majority of the entire board of directors. Each director shall hold office until his successor is elected and qualified or until his earlier death, resignation or removal. Any vacancy created by an increase in directors may be filled in accordance with Section 3.6 of this Article III.

All acts done at any meeting of the directors or by any person acting as a director, so long as his successor shall not have been duly elected or appointed, shall, notwithstanding that it be afterwards discovered that there was some defect in the election of the directors or of such person acting as a director or that they or any of them were disqualified, be as valid as if the directors or such other person, as the case may be, had been duly elected and were or was qualified to be directors or a director of the Corporation.

Directors need not be stockholders of the Corporation.

Section 3.5. Election. The initial director or directors shall be that person or persons named as such in the Charter. At each annual meeting, the stockholders shall elect directors to hold office until the expiration of the term of his class or until the annual election of directors next succeeding his election and until his death, or until he shall have resigned, have been removed as hereinafter provided in these By-laws, or as otherwise provided by statute or the Charter.

Section 3.6. Vacancies and Newly Created Directorships. Any vacancies in the board of directors, whether arising from death, resignation, removal, an increase in the number of directors or otherwise, shall be filled by a vote of the board of directors in accordance with the Charter.

Section 3.7. [Reserved.]

Section 3.8. Regular Meetings. The meeting of the board of directors for choosing officers and transacting other proper business, and all other meetings, shall be held at such time and place, within or outside the state of Maryland, as the board may determine and as provided by resolution. Notice of such meetings need not be given, following the annual meeting of stockholders, provided that notice of any change in the time or place of such meetings shall be sent promptly to each director not present at the meeting at which such change was made, in the manner provided for notice of special meetings. Members of the board of directors or any committee designated thereby may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment that allows all persons participating in the meeting to hear each other at the same time; and participation by such means shall constitute presence in person at a meeting.

Section 3.9. Special Meetings. Special meetings of the board of directors shall be held whenever called by the chairman of the board or the president or a co-president (or, in the absence or disability of the chairman of the board or the president or a co-president, by any officer or director, as they so designate) at the time and place (within or outside of the State of Maryland) specified in the respective notice or waivers of notice of such meetings. At least three days before the day on which a special meeting is to be held, notice of special meetings, stating the time and place, shall be (a) mailed to each director at his residence or regular place of business or (b) delivered to him personally or transmitted to him by telegraph, telefax, telex, cable or wireless.

Section 3.10. Waiver of Notice. No notice of any meeting need be given to any director who is present at the meeting or who waives notice of such meeting in writing (which waiver shall be filed with the records of such meeting), either before or after

the time of the meeting.

Section 3.11. Quorum and Voting. At all meetings of the board of directors, the presence of onehalf of the number of directors then in office shall constitute a quorum for the transaction of business, provided that there shall be present at least two directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting, from time to time, until a quorum shall be present. The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the board of directors, unless concurrence of a greater proportion is required for such action by law, by the Charter or by these By-laws.

Section 3.12. Action Without a Meeting. As amended, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if a written consent to such action is signed by all members of the board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

Section 3.13. Compensation of Directors. Directors may receive such compensation for their services as may from time to time be determined by resolution of the board of directors.

ARTICLE IV COMMITTEES

Section 4.1. Organization. By resolution adopted by the board of directors, the board may designate one or more committees of the board of directors, including an Executive Committee, each consisting of at least two directors. Each member of a committee shall be a director and shall hold committee membership at the pleasure of the board. The chairman of the board, if any, shall be a member of the Executive Committee. The board of directors shall have the power at any time to change the members of such committees and to fill vacancies in the committees.

Section 4.2. Powers of the Executive Committee. Unless otherwise provided by resolution of the board of directors, when the board of directors is not in session the Executive Committee shall have and may exercise all powers of the board of directors in the management of the business and affairs of the Corporation that may lawfully be exercised by an Executive Committee except the power to declare a dividend or distribution on stock, authorize the issuance of stock, recommend to stockholders any action requiring stockholders approval, amend these By-laws, approve any merger or share exchange which does not require stockholder approval or approve or terminate any contract with an "investment adviser" or "principal underwriter," as those terms are defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Notwithstanding the above, such Executive Committee may make such dividend calculations and payments as are consistent with applicable law, including the Maryland General Corporation Law.

Section 4.3. Powers of Other Committees of the Board of Directors. To the extent provided by resolution of the board, other committees of the board of directors shall have and may exercise any of the powers that may lawfully be granted to the Executive Committee.

Section 4.4. Proceedings and Quorum. In the absence of an appropriate resolution of the board of directors, each committee may adopt such rules and regulations governing its proceedings, quorum and manner of acting as it shall deem proper and desirable, provided that a quorum shall not be less than two directors. In the event any member of any committee is absent from any meeting, the members thereof present at the meeting, whether or not they constitute a quorum, may appoint a member of the board of directors to act in the place of such absent member.

Section 4.5. Other Committees. The board of directors may appoint other committees, each consisting of one or more persons, who need not be directors. Each such committee shall have such powers and perform such duties as may be assigned to it from time to time by the board of directors, but shall not exercise any power which may lawfully be exercised only by the board of directors or a committee thereof.

ARTICLE V OFFICERS

Section 5.1. Officers. The officers of the Corporation shall be a president or co-presidents, a secretary, and a treasurer, and may include one or more vice presidents (including executive and senior vice presidents), assistant secretaries or assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 5.11 hereof. The board of directors may, but shall not be required to, elect a chairman and vice chairman of the board.

Section 5.2. Election, Tenure and Qualifications. The officers of the Corporation (except those appointed pursuant to Section 5.11 hereof) shall be elected by the board of directors at its first meeting or such subsequent meetings as shall be held prior to its first annual meeting, and thereafter at regular board meetings, as required by applicable law. If any officers are not elected at any annual meeting, such officers may be elected at any subsequent meetings of the board. Except as otherwise provided in this Article V, each officer elected by the board of directors shall hold office until his or her successor shall have been elected and qualified. Any person may hold one or more offices of the Corporation except that no one person may serve concurrently as both the president or a co-president and vice president. A person who holds more than one office in the Corporation may not act in more than one capacity to execute, acknowledge, or verify an instrument required by law to be executed, acknowledged, or verified by more than one officer. The chairman of the board shall be chosen from among the directors of the Corporation and may hold such office only so long as he continues to be a director. No other officer need be a director.

Section 5.3. Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or other cause, or if any new office shall be created, such vacancies or newly created offices may be filled by the chairman of the board at any meeting or, in the case of any office created pursuant to Section 5.11 hereof, by any officer upon whom such power shall have been conferred by the board of directors.

Section 5.4. Removal and Resignation. At any meeting called for such purpose, the Executive Committee may remove any officer from office (either with or without cause) by the affirmative vote, given at the meeting, of a majority of the members of the Committee. Any officer may resign from office at any time by delivering a written resignation to the board of directors, the president or a co-president, the secretary, or any assistant secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 5.5. Chairman of the Board. The chairman of the board, if there be such an officer, shall be the senior officer of the Corporation, shall preside at all stockholders meetings and at all meetings of the board of directors and shall be ex officio a member of all committees of the board of directors. He shall have such other powers and perform such other duties as may be assigned to him from time to time by the board of directors.

Section 5.6. Vice Chairman of the Board. The board of directors may from time to time elect a vice chairman who shall have such powers and perform such duties as from time to time may be assigned to him by the board of directors, chairman of the

board or the president or a co-president. At the request of, or in the absence or in the event of the disability of the chairman of the board, the vice chairman may perform all the duties of the chairman of the board or the president or a copresident and, when so acting, shall have all the powers of and be subject to all the restrictions upon such respective officers.

Section 5.7. President, Co-President. The president or co-presidents shall be the chief executive officer or co-chief executive officers, as the case may be, of the Corporation and, in the absence of the chairman of the board or vice chairman or if no chairman of the board or vice chairman has been chosen, shall preside at all stockholders meetings and at all meetings of the board of directors and shall in general exercise the powers and perform the duties of the chairman of the board. Subject to the supervision of the board of directors, the president or the co-presidents shall have general charge of the business, affairs and property of the Corporation and general supervision over its officers, employees and agents. Except as the board of directors may otherwise order, the president or a co-president may sign in the name and on behalf of the Corporation all deeds, bonds, contracts, or agreements. The president or a co-president shall exercise such other powers and perform such other duties as from time to time may be assigned by the board of directors.

Section 5.8. Vice President. The board of directors may from time to time elect one or more vice presidents (including executive and senior vice presidents) who shall have such powers and perform such duties as from time to time may be assigned to them by the board of directors or the president or co-presidents. At the request of, or in the absence or in the event of the disability of, the president or both co-presidents, the vice president (or, if there are two or more vice presidents, then the senior of the vice presidents present and able to act) may perform all the duties of the president or co-presidents and, when so acting, shall have all the powers of and be subject to all the restrictions upon the president or co-presidents.

Section 5.9. Treasurer and Assistant Treasurers. The treasurer shall be the chief accounting officer of the Corporation and shall have general charge of the finances and books of account of the Corporation. The treasurer shall render to the board of directors, whenever directed by the board, an account of the financial condition of the Corporation and of all transactions as treasurer; and as soon as possible after the close of each financial year he shall make and submit to the board of directors a like report for such financial year. The treasurer shall cause to be prepared annually a full and complete statement of the affairs of the Corporation, including a balance sheet and a financial statement of operations for the preceding fiscal year, which shall be submitted at the annual meeting of stockholders and filed within 20 days thereafter at the principal office of the Corporation in the state of Maryland. The treasurer shall perform all acts incidental to the office of treasurer, subject to the control of the board of directors.

Any assistant treasurer may perform such duties of the treasurer as the treasurer or the board of directors may assign, and, in the absence of the treasurer, may perform all the duties of the treasurer.

Section 5.10. Secretary and Assistant Secretaries. The secretary shall attend to the giving and serving of all notices of the Corporation and shall record all proceedings of the meetings of the stockholders and directors in books to be kept for that purpose. The secretary shall keep in safe custody the seal of the Corporation, and shall have responsibility for the records of the Corporation, including the stock books and such other books and papers as the board of directors may direct and such books, reports, certificates and other documents required by law to be kept, all of which shall at all reasonable times be open to inspection by any director. The secretary shall perform such other duties which appertain to this office or as may be

required by the board of directors.

Any assistant secretary may perform such duties of the secretary as the secretary or the board of directors may assign, and, in the absence of the secretary, may perform all the duties of the secretary.

Section 5.11. Subordinate Officers. The chairman of the board from time to time may appoint such other officers or agents as he may deem advisable, each of whom shall have such title, hold office for such period, have such authority and perform such duties as the board of directors may determine. The chairman of the board from time to time may delegate to one or more officers or agents the power to appoint any such subordinate officers or agents and to prescribe their respective rights, terms of office, authorities and duties. Any officer or agent appointed in accordance with the provisions of this Section 5.11 may be removed, either with or without cause, by any officer upon whom such power of removal shall have been conferred by the board of directors.

Section 5.12. Remuneration. The salaries or other compensation of the officers of the Corporation shall be fixed from time to time by resolution of the board of directors, except that the board of directors may by resolution delegate to any person or group of persons the power to fix the salaries or other compensation of any subordinate officers or agents appointed in accordance with the provisions of Section 5.11 hereof.

Section 5.13. Surety Bonds. The board of directors may require any officer or agent of the Corporation to execute a bond (including, without limitation, any bond required by applicable law, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder) to the Corporation in such sum and with such surety or sureties as the board of directors may determine, conditioned upon the faithful performance of his or her duties to the Corporation, including responsibility for negligence and for the accounting of any of the Corporation's property, funds or securities that may come into his hands.

ARTICLE VI EXECUTION OF INSTRUMENTS, VOTING OF SECURITIES

Section 6.1. Checks, Notes, Drafts, Etc. So long as the Corporation shall employ a custodian to keep custody of the cash and securities of the Corporation, all checks and drafts for the payment of money by the Corporation may be signed in the name of the Corporation by the custodian. Promissory notes, checks or drafts payable to the Corporation may be endorsed only to the order of the custodian or its nominee and only by any two of the following: the treasurer, the president or a co-president, a vice president (including executive and senior vice presidents) or by such other person or persons as shall be authorized by the board of directors, provided that no one person may sign in the capacity of two such officers. Except as otherwise authorized by the board of directors, all requisitions or orders for the assignment of securities standing in the name of the custodian or its nominee, or for the execution of powers to transfer the same, shall be signed in the name of the Corporation by any two of the following: the president or a co-president, vice president (including executive and senior vice presidents), treasurer or an assistant treasurer, provided that no one person may sign in the capacity of two such officers.

Section 6.2. Voting of Securities. Unless otherwise ordered by the board of directors, the president or a co-president, or any vice president (including executive and senior vice presidents) shall have full power and authority on behalf of the Corporation to attend and to act and to vote, or in the name of the Corporation to execute proxies to vote, at any meeting of stockholders of any company in which the Corporation may hold stock. At any such meeting such officer shall possess and may exercise (in person or by proxy) any and all rights, powers and

privileges incident to the ownership of such stock. The board of directors may by resolution from time to time confer like powers upon any other person or persons in accordance with the laws of the State of Maryland.

ARTICLE VII CAPITAL STOCK

Section 7.1. Certificates of Stock. The interest of each stockholder of the Corporation may be, but shall not be required to be, evidenced by certificates for shares of stock in such form not inconsistent with the Charter as the board of directors may from time to time authorize. No certificate shall be valid unless it is signed in the name of the Corporation by a president or a co-president or a vice president and countersigned by the secretary or an assistant secretary or the treasurer or an assistant treasurer of the Corporation and sealed with the seal of the Corporation, or bears the facsimile signatures of such officers and a facsimile of such seal. In case any officer who shall have signed any such certificate, or whose facsimile signature has been placed thereon, shall cease to be such an officer (because of death, resignation or otherwise) before such certificate is issued, such certificate may be issued and delivered by the Corporation with the same effect as if he were such officer at the date of issue.

The number of each certificate issued, the name and address of the person owning the shares represented thereby, the number of such shares and the date of issuance shall be entered upon the stock ledger of the Corporation at the time of issuance.

Every certificate exchanged, surrendered for redemption or otherwise returned to the Corporation shall be marked "canceled" with the date of cancellation.

Section 7.2. Transfer of Shares. Shares of the Corporation shall be transferable on the books of the Corporation by the holder of record thereof (in person or by his duly authorized attorney or legal representative) (a) if a certificate or certificates have been issued, upon surrender duly endorsed or accompanied by proper instruments of assignment and transfer, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require, or (b) as otherwise prescribed by the board of directors. Except as otherwise provided in the Charter, the shares of stock of the Corporation may be freely transferred, subject to the charging of customary transfer fees, and the board of directors may, from time to time, adopt rules and regulations with reference to the method of transfer of the shares of stock of the Corporation. The Corporation shall be entitled to treat the holder of record of any share of stock as the absolute owner thereof for all purposes, and accordingly shall not be bound to recognize any legal, equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law or the statutes of the State of Maryland.

Section 7.3. Transfer Agents and Registrars. The board of directors may from time to time appoint or remove transfer agents or registrars of transfers for shares of stock of the Corporation, and it may appoint the same person as both transfer agent and registrar. Upon any such appointment being made all certificates representing shares of capital stock thereafter issued shall be countersigned by one of such transfer agents or by one of such registrars of transfers or by both and shall not be valid unless so countersigned. If the same person shall be both transfer agent and registrar, only one countersignature by such person shall be required.

Section 7.4. Fixing of Record Date. The board of directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any stockholders meeting or any adjournment thereof, or to express

consent to corporate action in writing without a meeting, or to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, provided that (a) such record date shall be within 90 days prior to the date on which the particular action requiring such determination will be taken, except that a meeting of stockholders convened on the date for which it was called may be adjourned from time to time without further notice to a date not more than 120 days after the original record date; (b) the transfer books shall not be closed for a period longer than 20 days; and (c) in the case of a meeting of stockholders, the record date shall be at least 10 days before the date of the meeting.

Section 7.5. Lost, Stolen or Destroyed Certificates. Before issuing a new certificate for stock of the Corporation alleged to have been lost, stolen or destroyed, the board of directors or any officer authorized by the board may, in its discretion, require the owner of the lost, stolen or destroyed certificate (or his legal representative) to give the Corporation a bond or other indemnity, in such form and in such amount as the board or any such officer may direct and with such surety or sureties as may be satisfactory to the board or any such officer, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VIII CONFLICT OF INTEREST TRANSACTIONS

Section 8.1. Validity of Contract or Transactions. In the event that any officer or director of the Corporation shall have any interest, direct or indirect, in any other firm, association or corporation as officer, employee, director or stockholder, no transaction or contract made by the Corporation with any such other firm, association or corporation shall be valid unless such interest shall have been disclosed or made known to all of the directors or to a majority of the directors and such transaction or contract shall have been approved by a majority of a quorum of directors, which majority shall consist of directors not having any such interest or a majority of the directors in office, including directors having such an interest.

ARTICLE IX FISCAL YEAR AND ACCOUNTANT

Section 9.1. Fiscal Year. The fiscal year of the Corporation shall, unless otherwise ordered by the board of directors, be twelve calendar months ending on the 30th day of June.

ARTICLE X INDEMNIFICATION AND INSURANCE

Section 10.1. Indemnification of Officers, Directors, Employees and Agents. In accordance with applicable law, including the Maryland General Corporation Law, the Corporation shall indemnify each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, partner, trustee or agent of another corporation, partnership, joint venture, trust, or other enterprise, against all reasonable expenses (including attorneys' fees) actually incurred, and judgments, fines, penalties and amounts paid in settlement in connection with such Proceeding to the maximum extent permitted by law, now existing or hereafter adopted. Notwithstanding the foregoing, the following provisions shall apply with respect to indemnification of the Corporation's directors, officers, and investment manager (as defined in the 1940 Act):

- (a) Whether or not there is an adjudication of liability in such Proceeding, the Corporation shall not indemnify any such person for any liability arising by reason of such person's willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his or her office or under any contract or agreement with the Corporation ("disabling conduct").
- (b) The Corporation shall not indemnify any such person unless:
- (1) the court or other body before which the Proceeding was brought (a) dismisses the Proceeding for insufficiency of evidence of any disabling conduct, or (b) reaches a final decision on the merits that such person was not liable by reason of disabling conduct; or
 - (2) absent such a decision, a reasonable determination is made, based upon a review of the facts, by (a) the vote of a majority of a quorum of the directors of the Corporation who are neither interested persons of the Corporation as defined in the 1940 Act, nor parties to the Proceeding, or (b) if such quorum is not obtainable, or even if obtainable, if a majority

of a quorum of directors described above so directs, based upon a written opinion by independent legal counsel, that such person was not liable by reason of disabling conduct.

- (c) Reasonable expenses (including attorneys' fees) incurred in defending a Proceeding involving any such person will be paid by the Corporation in advance of the final disposition thereof upon an undertaking by such person to repay such expenses unless it is ultimately determined that he or she is entitled to indemnification, if:
- (1) such person shall provide adequate security for his or her undertaking;
 - (2) the Corporation shall be insured against losses arising by reason of such advance; or
 - (3) a majority of a quorum of the directors of the Corporation who are neither interested persons of the Corporation as defined in the 1940 Act, nor parties to the Proceeding, or independent legal counsel in a written opinion, shall determine, based on a review of readily available facts, that there is reason to believe that such person will be found to be entitled to indemnification.

Section 10.2. Insurance of Officers, Directors, Employees and Agents. The Corporation may purchase and maintain insurance or other sources of reimbursement to the extent permitted by law on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, partner, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in or arising out of his position.

Section 10.3. Non-exclusivity. The indemnification and advancement of expenses provided by, or granted pursuant to, this

Article X shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Charter, these By-laws, agreement, vote of stockholders or directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

Section 10.4. Amendment. Notwithstanding anything to the contrary herein, no amendment, alteration or repeal of this Article or the adoption, alteration or amendment of any other provisions to the Charter or these By-laws inconsistent with this Article shall adversely affect any right or protection of any person under this Article with respect to any act or failure to act which occurred prior to such amendment, alteration, repeal or adoption.

ARTICLE XI AMENDMENTS

Section 11.1. General. Except as provided in Section 11.2 of this Article XI, all By-laws of the Corporation, whether adopted by the board of directors or the stockholders, shall be subject to amendment, alteration or repeal, and new By-laws may be made only by the affirmative vote of a majority of directors, at any meeting the notice or waiver of notice of which shall have specified or summarized the proposed amendment, alteration, repeal or new By-law. No amendment of any Section of these By-laws shall be made by the stockholders of the Corporation except as set forth in Section 11.2 of this Article XI.

Section 11.2. By Stockholders Only. No amendment of any section of these By-laws shall be made except by the stockholders of the Corporation if the By-laws provide that such section may not be amended, altered or repealed except by the stockholders. From and after the issuance of any shares of the capital stock of the Corporation no amendment, alteration or repeal of this Article XI shall be made except by the stockholders of the Corporation.

BY-LAWS TABLE OF CONTENTS

	PAGE
ARTICLE I NAME OF CORPORATION, LOCATION OF OFFICES AND SEAL	1
Section 1.1. Name	1
Section 1.2. Principal Offices	1
Section 1.3. Seal	1
ARTICLE II STOCKHOLDERS	1
Section 2.1. Annual Meetings	1
Section 2.2. Special Meetings	1
Section 2.3. Notice of Meetings	1
Section 2.4. Quorum and Adjournment of Meetings ...	2
Section 2.5. Voting and Inspectors	2
Section 2.6. Validity of Proxies	3
Section 2.7. Stock Ledger and List of Stockholders ..	3
Section 2.8. Action Without Meeting	3
ARTICLE III BOARD OF DIRECTORS	3
Section 3.1. General Powers	3
Section 3.2. Power to Issue and Sell Stock	3
Section 3.3. Power to Declare Dividends	3
Section 3.4. Number and Term of Directors	4
Section 3.5. Election	4
Section 3.6. Vacancies and Newly Created Directorships	4
Section 3.7. Removal	4
Section 3.8. Regular Meetings	5
Section 3.9. Special Meetings	5
Section 3.10. Waiver of Notice	5

Section 3.11. Quorum and Voting	5
Section 3.12. Action Without a Meeting	5
Section 3.13. Compensation of Directors	5
ARTICLE IV COMMITTEES	6
Section 4.1. Organization	6
Section 4.2. Powers of the Executive Committee	6
Section 4.3. Powers of Other Committees of the Board of Directors	6
Section 4.4. Proceedings and Quorum	6
Section 4.5. Other Committees	6
ARTICLE V OFFICERS	6
Section 5.1. Officers	6
Section 5.2. Election, Tenure and Qualifications ...	7
Section 5.3. Vacancies and Newly Created Offices ...	7
Section 5.4. Removal and Resignation.	7
Section 5.5. Chairman of the Board.	7
Section 5.6. Vice Chairman of the Board	7
Section 5.7. President, Co-President	7
Section 5.8. Vice President	8
Section 5.9. Treasurer and Assistant Treasurers ...	8
Section 5.10. Secretary and Assistant Secretaries ...	8
Section 5.11. Subordinate Officers	8
Section 5.12. Remuneration	9
Section 5.13. Surety Bonds	9
ARTICLE VI EXECUTION OF INSTRUMENTS, VOTING OF SECURITIES .	9
Section 6.1. Checks, Notes, Drafts, Etc.	9
Section 6.2. Voting of Securities.	9
ARTICLE VII CAPITAL STOCK	10
Section 7.1. Certificates of Stock.	10
Section 7.2. Transfer of Shares	10
Section 7.3. Transfer Agents and Registrars	10
Section 7.4. Fixing of Record Date	10
Section 7.5. Lost, Stolen or Destroyed Certificates .	11
ARTICLE VIII CONFLICT OF INTEREST TRANSACTIONS	11
Section 8.1. Validity of Contract or Transactions ..	11
ARTICLE IX FISCAL YEAR AND ACCOUNTANT	11
Section 9.1. Fiscal Year	11
ARTICLE X INDEMNIFICATION AND INSURANCE	11
Section 10.1 Indemnification of Officers, Directors, Employees and Agents	11
Section 10.2. Insurance of Officers, Directors, Employees and Agents	12
Section 10.3. Non-exclusivity	13
Section 10.4. Amendment	13
ARTICLE XI AMENDMENTS	13
Section 11.1. General	13
Section 11.2. By Stockholders Only.	13

INVESTMENT MANAGEMENT AGREEMENT

AGREEMENT made on _____, 1996, by and between BULL & BEAR GLOBAL INCOME FUND, INC., a Maryland corporation (the "Fund") and BULL & BEAR ADVISERS, INC., a Delaware corporation (the "Investment Manager").

WHEREAS the Fund intends to register under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end management investment company; and

WHEREAS, the Fund desires to retain the Investment Manager to furnish certain investment advisory and portfolio management services to the Fund, and the Investment Manager desires to furnish such services;

NOW THEREFORE, in consideration of the mutual promises and agreements herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed between the parties hereto as follows:

1. The Fund hereby employs the Investment Manager to manage the investment and reinvestment of its assets, including the regular furnishing of advice with respect to the Fund's portfolio transactions subject at all times to the control and oversight of the Fund's Board of Directors, for the period and on the terms set forth in this Agreement. The Investment Manager hereby accepts such employment and agrees during such period to render the services and to assume the obligations herein set forth, for the compensation herein provided. The Investment Manager shall for all purposes herein be deemed to be an independent contractor and shall, unless otherwise expressly provided or authorized, have no authority to act for or represent the Fund in any way, or otherwise be deemed an agent of the Fund.

2. The Fund assumes and shall pay all the expenses required for the conduct of its business including, but not limited to, salaries of administrative and clerical personnel, brokerage commissions, taxes, insurance, fees of the transfer agent, custodian, legal counsel and auditors, association fees, costs of filing, printing and mailing proxies, reports and notices to shareholders, preparing, filing and printing the prospectus and statement of additional information, payment of dividends, costs of stock certificates, costs of shareholders meetings, fees of the independent directors, necessary office space rental, all expenses relating to the registration or qualification of shares of the Fund under applicable Blue Sky laws and reasonable fees and expenses of counsel in connection with such registration and qualification and such non-recurring expenses as may arise, including, without limitation, actions, suits or proceedings affecting the Fund and the legal obligation which the Fund may have to indemnify its officers and directors with respect thereto.

3. If requested by the Fund's Board of Directors, the Investment Manager may provide other services to the Fund such as, without limitation, the functions of billing, accounting, certain shareholder communications and services, administering state and Federal registrations, filings and controls and other administrative services. Any services so requested and performed will be for the account of the Fund and the costs of the Investment Manager in rendering such services shall be reimbursed by the Fund, subject to examination by those directors of the Fund who are not interested persons of the Investment Manager or any affiliate thereof.

4. The services of the Investment Manager are not to be deemed exclusive, and the Investment Manager shall be free to render similar services to others in addition to the Fund so long as its services hereunder are not impaired thereby.

5. The Investment Manager shall create and maintain all necessary books and records in accordance with all applicable laws, rules and regulations, including but not limited to records required by Section 31(a) of the 1940 Act and the rules thereunder, as the same may be amended from time to time, pertaining to the investment management services performed by it hereunder and not otherwise created and maintained by another party pursuant to a written contract with the Fund. Where applicable, such records shall be maintained by the Investment Manager for the periods and in the places required by Rule 31a-2 under the 1940 Act. The books and records pertaining to the Fund which are in the possession of the Investment Manager shall be the property of the Fund. The Fund, or the Fund's authorized representatives, shall have access to such books and records at all times during the Investment Manager's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by the Investment Manager to the Fund or the Fund's authorized representatives.

6. As compensation for its services provided pursuant to this Agreement, the Fund will pay to the Investment Manager a fee from its assets, such fee to be computed weekly and paid monthly in arrears at the annual rate of 7/10 of 1% of the first \$250 million, 5/8 of 1% from \$250 million to \$500 million, and 1/2 of 1% over \$500 million. If this Agreement becomes effective or terminates before the end of any month, the fee for the period from the effective date to the end of the month or from the beginning of such month to the date of termination, as the case may be, shall be protected according to the proportion which such period bears to the full month in which such effectiveness or termination occurs.

7. The Investment Manager shall direct portfolio transactions to broker/dealers for execution on terms and at rates which it believes, in good faith, to be reasonable in view of the overall nature and quality of services provided by a particular broker/dealer, including brokerage and research services and sales of shares of the Fund and shares of other investment companies or series thereof for which the Investment Manager or an affiliate thereof serves as Investment Adviser. The Investment Manager may also allocate portfolio transactions to broker/dealers that remit a portion of their commissions as a credit against Fund expenses. With respect to brokerage and research services, the Investment Manager may consider in the selection of broker/dealers brokerage or research provided and payment may be made of a fee higher than that charged by another broker/dealer which does not furnish brokerage or research services or which furnishes brokerage or research services deemed to be of lesser value, so long as the criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, or other applicable laws are met. Although the Investment Manager may direct portfolio transactions without necessarily obtaining the lowest price at which such broker/dealer, or another, may be willing to do business, the Investment Manager shall seek the best value for the Fund on each trade that circumstances in the market place permit, including the value inherent in on-going relationships with quality brokers. To the extent any such brokerage or research services may be deemed to be additional compensation to the Investment Manager from the Fund, it is authorized by this Agreement. The Investment Manager may place brokerage for the Fund through an affiliate of the Investment Manager, provided that: the Fund not deal

with such affiliate in any transaction in which such affiliate acts as principal; the commissions, fees or other remuneration received by such affiliate be reasonable and fair compared to the commissions, fees or other remuneration paid to other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time; and such brokerage be undertaken in compliance with applicable law. The Investment Manager's fees under this Agreement shall not be reduced by reason of any commissions, fees or other remuneration received by such affiliate from the Fund.

8. The Investment Manager shall waive all or part of its fee or reimburse the Fund monthly if and to the extent the aggregate operating expenses of the Fund exceed the most restrictive limit imposed by any state in which shares of the Fund are qualified for sale. In calculating the limit of operating expenses, all expenses excludable under state regulation or otherwise shall be excluded. If this Agreement is in effect for less than all of a fiscal year, any such limit will be applied proportionately.

9. Subject to and in accordance with the Articles of Incorporation and By-laws of the Fund and of the Investment Manager, it is understood that directors, officers, agents and shareholders of the Fund are or may be interested in the Fund as directors, officers, shareholders and otherwise, that the Investment Manager is or may be interested in the Fund as a shareholder or otherwise and that the effect and nature of any such interests shall be governed by law and by the provisions, if any, of said Articles of Incorporation or By-laws.

10. A. This Agreement shall become effective upon the date hereinabove written provided that this Agreement shall not take effect unless it has first been approved (i) by a vote of a majority of the Directors of the Fund who are not parties to this Agreement, or interested persons of any such party and (ii) by vote of the holders of a majority of the Fund's outstanding voting securities.

B. Unless sooner terminated as provided herein, this Agreement shall continue in effect for two years from the above written date. Thereafter, if not terminated, this Agreement shall continue automatically for successive periods of twelve months each, provided that such continuance is specifically approved at least annually (i) by a vote of a majority of the Directors of the Fund who are not parties to this Agreement, or interested persons of any such party and (ii) by the Board of Directors of the Fund by the vote of the holders of a majority of the outstanding voting securities of the Fund.

C. This Agreement may be terminated without penalty at any time either by vote of the Board of Directors of the Fund or by vote of the holders of a majority of the Fund's outstanding voting securities on 60 days' written notice to the Investment Manager, or by the Investment Manager on 60 days' written notice to the Fund. This Agreement shall immediately terminate in the event of its assignment.

11. The Investment Manager shall not be liable to the Fund or any shareholder of the Fund for any error of judgment or mistake of law or for any loss suffered by the Fund or the Fund's shareholders in connection with the matters to which this Agreement relates, but nothing herein contained shall be construed to protect the Investment Manager against any liability to the Fund or the Fund's shareholders by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of obligations and duties

under this Agreement.

12. As used in this Agreement, the terms "interested person," "assignment," and "majority of the outstanding voting securities" shall have the meanings provided therefor in the 1940 Act, and the rules and regulations thereunder.

13. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement, with respect to the subject hereof whether oral or written. If any provision of this Agreement shall be held or made invalid by a court or regulatory agency, decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

14. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, provided, however, that nothing herein shall be construed in a manner inconsistent with the 1940 Act or any rule or regulation promulgated thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

ATTEST: BULL & BEAR GLOBAL INCOME FUND, INC.

By: _____

ATTEST: BULL & BEAR ADVISERS, INC.

By: _____

INVESTMENT MANAGEMENT AGREEMENT

AGREEMENT made on _____, 1996, by and between BULL & BEAR GLOBAL INCOME FUND, INC., a Maryland corporation (the "Fund") and BULL & BEAR ADVISERS, INC., a Delaware corporation (the "Investment Manager").

WHEREAS the Fund intends to register under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end management investment company; and

WHEREAS, the Fund desires to retain the Investment Manager to furnish certain investment advisory and portfolio management services to the Fund, and the Investment Manager desires to furnish such services;

NOW THEREFORE, in consideration of the mutual promises and agreements herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed between the parties hereto as follows:

1. The Fund hereby employs the Investment Manager to manage the investment and reinvestment of its assets, including the regular furnishing of advice with respect to the Fund's portfolio transactions subject at all times to the control and oversight of the Fund's Board of Directors, for the period and on the terms set forth in this Agreement. The Investment Manager hereby accepts such employment and agrees during such period to render the services and to assume the obligations herein set forth, for the compensation herein provided. The Investment Manager shall for all purposes herein be deemed to be an independent contractor and shall, unless otherwise expressly provided or authorized, have no authority to act for or represent the Fund in any way, or otherwise be deemed an agent of the Fund.

2. The Fund assumes and shall pay all the expenses required for the conduct of its business including, but not limited to, salaries of administrative and clerical personnel, brokerage commissions, taxes, insurance, fees of the transfer agent, custodian, legal counsel and auditors, association fees, costs of filing, printing and mailing proxies, reports and notices to shareholders, preparing, filing and printing the prospectus and statement of additional information, payment of dividends, costs of stock certificates, costs of shareholders meetings, fees of the independent directors, necessary office space rental, all expenses relating to the registration or qualification of shares of the Fund under applicable Blue Sky laws and reasonable fees and expenses of counsel in connection with such registration and qualification and such non-recurring expenses as may arise, including, without limitation, actions, suits or proceedings affecting the Fund and the legal obligation which the Fund may have to indemnify its officers and directors with respect thereto.

3. If requested by the Fund's Board of Directors, the Investment Manager may provide other services to the Fund such as, without limitation, the functions of billing, accounting, certain shareholder communications and services, administering state and Federal registrations, filings and controls and other administrative services. Any services so requested and performed will be for the account of the Fund and the costs of the Investment Manager in rendering such services shall be reimbursed by the Fund, subject to examination by those directors of the Fund who are not interested persons of the Investment Manager or any affiliate thereof.

4. The services of the Investment Manager are not to be deemed exclusive, and the Investment Manager shall be free to render similar services to others in addition to the Fund so long as its services hereunder are not impaired thereby.

5. The Investment Manager shall create and maintain all necessary books and records in accordance with all applicable laws, rules and regulations, including but not limited to records required by Section 31(a) of the 1940 Act and the rules thereunder, as the same may be amended from time to time, pertaining to the investment management services performed by it hereunder and not otherwise created and maintained by another party pursuant to a written contract with the Fund. Where applicable, such records shall be maintained by the Investment Manager for the periods and in the places required by Rule 31a-2 under the 1940 Act. The books and records pertaining to the Fund which are in the possession of the Investment Manager shall be the property of the Fund. The Fund, or the Fund's authorized representatives, shall have access to such books and records at all times during the Investment Manager's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by the Investment Manager to the Fund or the Fund's authorized representatives.

6. As compensation for its services provided pursuant to this Agreement, the Fund will pay to the Investment Manager a fee from its assets, such fee to be computed weekly and paid monthly in arrears at the annual rate of 7/10 of 1% of the first \$250 million, 5/8 of 1% from \$250 million to \$500 million, and 1/2 of 1% over \$500 million. If this Agreement becomes effective or terminates before the end of any month, the fee for the period from the effective date to the end of the month or from the beginning of such month to the date of termination, as the case may be, shall be protected according to the proportion which such period bears to the full month in which such effectiveness or termination occurs.

7. The Investment Manager shall direct portfolio transactions to broker/dealers for execution on terms and at rates which it believes, in good faith, to be reasonable in view of the overall nature and quality of services provided by a particular broker/dealer, including brokerage and research services and sales of shares of the Fund and shares of other investment companies or series thereof for which the Investment Manager or an affiliate thereof serves as Investment Adviser. The Investment Manager may also allocate portfolio transactions to broker/dealers that remit a portion of their commissions as a credit against Fund expenses. With respect to brokerage and research services, the Investment Manager may consider in the selection of broker/dealers brokerage or research provided and payment may be made of a fee higher than that charged by another broker/dealer which does not furnish brokerage or research services or which furnishes brokerage or research services deemed to be of lesser value, so long as the criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, or other applicable laws are met. Although the Investment Manager may direct portfolio transactions without necessarily obtaining the lowest price at which such broker/dealer, or another, may be willing to do business, the Investment Manager shall seek the best value for the Fund on each trade that circumstances in the market place permit, including the value inherent in on-going relationships with quality brokers. To the extent any such brokerage or research services may be deemed to be additional compensation to the Investment Manager from the Fund, it is authorized by this Agreement. The Investment Manager may place brokerage for the Fund through an affiliate of the Investment Manager, provided that: the Fund not deal

with such affiliate in any transaction in which such affiliate acts as principal; the commissions, fees or other remuneration received by such affiliate be reasonable and fair compared to the commissions, fees or other remuneration paid to other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time; and such brokerage be undertaken in compliance with applicable law. The Investment Manager's fees under this Agreement shall not be reduced by reason of any commissions, fees or other remuneration received by such affiliate from the Fund.

8. The Investment Manager shall waive all or part of its fee or reimburse the Fund monthly if and to the extent the aggregate operating expenses of the Fund exceed the most restrictive limit imposed by any state in which shares of the Fund are qualified for sale. In calculating the limit of operating expenses, all expenses excludable under state regulation or otherwise shall be excluded. If this Agreement is in effect for less than all of a fiscal year, any such limit will be applied proportionately.

9. Subject to and in accordance with the Articles of Incorporation and By-laws of the Fund and of the Investment Manager, it is understood that directors, officers, agents and shareholders of the Fund are or may be interested in the Fund as directors, officers, shareholders and otherwise, that the Investment Manager is or may be interested in the Fund as a shareholder or otherwise and that the effect and nature of any such interests shall be governed by law and by the provisions, if any, of said Articles of Incorporation or By-laws.

10. A. This Agreement shall become effective upon the date hereinabove written provided that this Agreement shall not take effect unless it has first been approved (i) by a vote of a majority of the Directors of the Fund who are not parties to this Agreement, or interested persons of any such party and (ii) by vote of the holders of a majority of the Fund's outstanding voting securities.

B. Unless sooner terminated as provided herein, this Agreement shall continue in effect for two years from the above written date. Thereafter, if not terminated, this Agreement shall continue automatically for successive periods of twelve months each, provided that such continuance is specifically approved at least annually (i) by a vote of a majority of the Directors of the Fund who are not parties to this Agreement, or interested persons of any such party and (ii) by the Board of Directors of the Fund by the vote of the holders of a majority of the outstanding voting securities of the Fund.

C. This Agreement may be terminated without penalty at any time either by vote of the Board of Directors of the Fund or by vote of the holders of a majority of the Fund's outstanding voting securities on 60 days' written notice to the Investment Manager, or by the Investment Manager on 60 days' written notice to the Fund. This Agreement shall immediately terminate in the event of its assignment.

11. The Investment Manager shall not be liable to the Fund or any shareholder of the Fund for any error of judgment or mistake of law or for any loss suffered by the Fund or the Fund's shareholders in connection with the matters to which this Agreement relates, but nothing herein contained shall be construed to protect the Investment Manager against any liability to the Fund or the Fund's shareholders by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of obligations and duties

under this Agreement.

12. As used in this Agreement, the terms "interested person," "assignment," and "majority of the outstanding voting securities" shall have the meanings provided therefor in the 1940 Act, and the rules and regulations thereunder.

13. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement, with respect to the subject hereof whether oral or written. If any provision of this Agreement shall be held or made invalid by a court or regulatory agency, decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

14. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, provided, however, that nothing herein shall be construed in a manner inconsistent with the 1940 Act or any rule or regulation promulgated thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

ATTEST: BULL & BEAR GLOBAL INCOME FUND, INC.

By: _____

ATTEST: BULL & BEAR ADVISERS, INC.

By: _____

INVESTMENT MANAGEMENT AGREEMENT

AGREEMENT made on _____, 1996, by and between BULL & BEAR GLOBAL INCOME FUND, INC., a Maryland corporation (the "Fund") and BULL & BEAR ADVISERS, INC., a Delaware corporation (the "Investment Manager").

WHEREAS the Fund intends to register under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end management investment company; and

WHEREAS, the Fund desires to retain the Investment Manager to furnish certain investment advisory and portfolio management services to the Fund, and the Investment Manager desires to furnish such services;

NOW THEREFORE, in consideration of the mutual promises and agreements herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, it is hereby agreed between the parties hereto as follows:

1. The Fund hereby employs the Investment Manager to manage the investment and reinvestment of its assets, including the regular furnishing of advice with respect to the Fund's portfolio transactions subject at all times to the control and oversight of the Fund's Board of Directors, for the period and on the terms set forth in this Agreement. The Investment Manager hereby accepts such employment and agrees during such period to render the services and to assume the obligations herein set forth, for the compensation herein provided. The Investment Manager shall for all purposes herein be deemed to be an independent contractor and shall, unless otherwise expressly provided or authorized, have no authority to act for or represent the Fund in any way, or otherwise be deemed an agent of the Fund.

2. The Fund assumes and shall pay all the expenses required for the conduct of its business including, but not limited to, salaries of administrative and clerical personnel, brokerage commissions, taxes, insurance, fees of the transfer agent, custodian, legal counsel and auditors, association fees, costs of filing, printing and mailing proxies, reports and notices to shareholders, preparing, filing and printing the prospectus and statement of additional information, payment of dividends, costs of stock certificates, costs of shareholders meetings, fees of the independent directors, necessary office space rental, all expenses relating to the registration or qualification of shares of the Fund under applicable Blue Sky laws and reasonable fees and expenses of counsel in connection with such registration and qualification and such non-recurring expenses as may arise, including, without limitation, actions, suits or proceedings affecting the Fund and the legal obligation which the Fund may have to indemnify its officers and directors with respect thereto.

3. If requested by the Fund's Board of Directors, the Investment Manager may provide other services to the Fund such as, without limitation, the functions of billing, accounting, certain shareholder communications and services, administering state and Federal registrations, filings and controls and other administrative services. Any services so requested and performed will be for the account of the Fund and the costs of the Investment Manager in rendering such services shall be reimbursed by the Fund, subject to examination by those directors of the Fund who are not interested persons of the Investment Manager or any affiliate thereof.

4. The services of the Investment Manager are not to be deemed exclusive, and the Investment Manager shall be free to render similar services to others in addition to the Fund so long as its services hereunder are not impaired thereby.

5. The Investment Manager shall create and maintain all necessary books and records in accordance with all applicable laws, rules and regulations, including but not limited to records required by Section 31(a) of the 1940 Act and the rules thereunder, as the same may be amended from time to time, pertaining to the investment management services performed by it hereunder and not otherwise created and maintained by another party pursuant to a written contract with the Fund. Where applicable, such records shall be maintained by the Investment Manager for the periods and in the places required by Rule 31a-2 under the 1940 Act. The books and records pertaining to the Fund which are in the possession of the Investment Manager shall be the property of the Fund. The Fund, or the Fund's authorized representatives, shall have access to such books and records at all times during the Investment Manager's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by the Investment Manager to the Fund or the Fund's authorized representatives.

6. As compensation for its services provided pursuant to this Agreement, the Fund will pay to the Investment Manager a fee from its assets, such fee to be computed weekly and paid monthly in arrears at the annual rate of 7/10 of 1% of the first \$250 million, 5/8 of 1% from \$250 million to \$500 million, and 1/2 of 1% over \$500 million. If this Agreement becomes effective or terminates before the end of any month, the fee for the period from the effective date to the end of the month or from the beginning of such month to the date of termination, as the case may be, shall be protected according to the proportion which such period bears to the full month in which such effectiveness or termination occurs.

7. The Investment Manager shall direct portfolio transactions to broker/dealers for execution on terms and at rates which it believes, in good faith, to be reasonable in view of the overall nature and quality of services provided by a particular broker/dealer, including brokerage and research services and sales of shares of the Fund and shares of other investment companies or series thereof for which the Investment Manager or an affiliate thereof serves as Investment Adviser. The Investment Manager may also allocate portfolio transactions to broker/dealers that remit a portion of their commissions as a credit against Fund expenses. With respect to brokerage and research services, the Investment Manager may consider in the selection of broker/dealers brokerage or research provided and payment may be made of a fee higher than that charged by another broker/dealer which does not furnish brokerage or research services or which furnishes brokerage or research services deemed to be of lesser value, so long as the criteria of Section 28(e) of the Securities Exchange Act of 1934, as amended, or other applicable laws are met. Although the Investment Manager may direct portfolio transactions without necessarily obtaining the lowest price at which such broker/dealer, or another, may be willing to do business, the Investment Manager shall seek the best value for the Fund on each trade that circumstances in the market place permit, including the value inherent in on-going relationships with quality brokers. To the extent any such brokerage or research services may be deemed to be additional compensation to the Investment Manager from the Fund, it is authorized by this Agreement. The Investment Manager may place brokerage for the Fund through an affiliate of the Investment Manager, provided that: the Fund not deal

with such affiliate in any transaction in which such affiliate acts as principal; the commissions, fees or other remuneration received by such affiliate be reasonable and fair compared to the commissions, fees or other remuneration paid to other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time; and such brokerage be undertaken in compliance with applicable law. The Investment Manager's fees under this Agreement shall not be reduced by reason of any commissions, fees or other remuneration received by such affiliate from the Fund.

8. The Investment Manager shall waive all or part of its fee or reimburse the Fund monthly if and to the extent the aggregate operating expenses of the Fund exceed the most restrictive limit imposed by any state in which shares of the Fund are qualified for sale. In calculating the limit of operating expenses, all expenses excludable under state regulation or otherwise shall be excluded. If this Agreement is in effect for less than all of a fiscal year, any such limit will be applied proportionately.

9. Subject to and in accordance with the Articles of Incorporation and By-laws of the Fund and of the Investment Manager, it is understood that directors, officers, agents and shareholders of the Fund are or may be interested in the Fund as directors, officers, shareholders and otherwise, that the Investment Manager is or may be interested in the Fund as a shareholder or otherwise and that the effect and nature of any such interests shall be governed by law and by the provisions, if any, of said Articles of Incorporation or By-laws.

10. A. This Agreement shall become effective upon the date hereinabove written provided that this Agreement shall not take effect unless it has first been approved (i) by a vote of a majority of the Directors of the Fund who are not parties to this Agreement, or interested persons of any such party and (ii) by vote of the holders of a majority of the Fund's outstanding voting securities.

B. Unless sooner terminated as provided herein, this Agreement shall continue in effect for two years from the above written date. Thereafter, if not terminated, this Agreement shall continue automatically for successive periods of twelve months each, provided that such continuance is specifically approved at least annually (i) by a vote of a majority of the Directors of the Fund who are not parties to this Agreement, or interested persons of any such party and (ii) by the Board of Directors of the Fund by the vote of the holders of a majority of the outstanding voting securities of the Fund.

C. This Agreement may be terminated without penalty at any time either by vote of the Board of Directors of the Fund or by vote of the holders of a majority of the Fund's outstanding voting securities on 60 days' written notice to the Investment Manager, or by the Investment Manager on 60 days' written notice to the Fund. This Agreement shall immediately terminate in the event of its assignment.

11. The Investment Manager shall not be liable to the Fund or any shareholder of the Fund for any error of judgment or mistake of law or for any loss suffered by the Fund or the Fund's shareholders in connection with the matters to which this Agreement relates, but nothing herein contained shall be construed to protect the Investment Manager against any liability to the Fund or the Fund's shareholders by reason of willful misfeasance, bad faith, or gross negligence in the performance of its duties or by reason of its reckless disregard of obligations and duties

under this Agreement.

12. As used in this Agreement, the terms "interested person," "assignment," and "majority of the outstanding voting securities" shall have the meanings provided therefor in the 1940 Act, and the rules and regulations thereunder.

13. This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior agreement, with respect to the subject hereof whether oral or written. If any provision of this Agreement shall be held or made invalid by a court or regulatory agency, decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

14. This Agreement shall be construed in accordance with and governed by the laws of the State of New York, provided, however, that nothing herein shall be construed in a manner inconsistent with the 1940 Act or any rule or regulation promulgated thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

ATTEST: BULL & BEAR GLOBAL INCOME FUND, INC.

By: _____

ATTEST: BULL & BEAR ADVISERS, INC.

By: _____