

The remaining Funds are non-money market funds ("Investing Funds").

2. SIMC, a wholly-owned subsidiary of SEI Investment Company ("SEI"), is registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act") and serves as investment adviser to each Investing Fund except for the Bond Index Fund, a series of the SEI Index Funds; and the Corporate Daily Income Fund, Treasury Securities Daily Income Fund, Short Duration Government Fund, Intermediate Duration Government Fund and GNMA Fund, each a series of the SEI Daily Income Trust (collectively the "Bond Funds"). Mellon Bond Associates, LLP ("Mellon") serves as investment adviser to the Bond Index Fund, Wellington Management Company, LLP ("Wellington") serves as investment adviser to the Bond Funds and Weiss, Peck & Greer, L.L.C. ("Weiss") serves as the investment adviser to the California Tax Exempt Fund, Tax Free Fund, Institutional Tax Free Fund, Pennsylvania Tax Free Fund and Ohio Tax-Free Money Market Fund. Mellon, Wellington and Weiss are each registered as investment advisers under the Advisers Act. SIMC serves as investment adviser to the remaining Money Market Funds. The Funds of the Trusts are all in the same group of investment companies as defined in section 12(d)(1)(G)(ii) of the Act.

3. Applicants state that each of the Investing Funds has, or may be expected to have, uninvested cash ("Uninvested Cash"). Uninvested Cash may result from a variety of sources, including dividends or interest received on portfolio securities, unsettled securities transactions, strategic reserves, matured investments, proceeds from liquidation of investment securities, or new monies received from investors. Certain Investing Funds also may participate in a securities lending program under which a Fund may lend its portfolio securities to registered broker-dealers or other institutional investors ("Securities Lending Program"). The loans will be continuously secured by collateral equal at all times to at least the market value of the securities loaned. Collateral for these loans may include cash ("Cash Collateral," and together with Uninvested Cash, "Cash Balances").

Funds"). The term Fund includes all Future Funds. Successor means any entity that results from a reorganization into another jurisdiction or change in type of business organization. All existing Funds that currently intend to rely on the requested relief are named as applicants. Any other existing and Future Funds that may rely on the relief in the future will do so only in accordance with the terms and conditions of the application.

4. Applicants request an order to permit each Investing Fund to invest its Cash Balances in shares of one or more Money Market Funds, and the Money Market Funds to sell their shares to, and redeem their shares from, the Investing Funds and the Advisers to effect the proposed transactions. Investment of Cash Balances in shares of the Money Market Funds will be made consistent with each Investing Fund's investment objectives, restrictions and policies as set forth in its prospectus and statement of additional information. Applicants believe that the proposed transactions may reduce transaction costs, create more liquidity, increase returns, and further diversify holdings.

Applicants' Legal Analysis

1. Section 12(d)(1)(A) of the Act provides, in pertinent part, that no registered investment company may acquire securities of another investment company if such securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other acquired investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) of the Act, in pertinent part, provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock, or if the sale will cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(J) of the Act authorizes the Commission to exempt any person, security, or transaction from any provision of section 12(d)(1) if, and to the extent that, such exemption is consistent with the public interest and the protection of investors. Applicants request relief under section 12(d)(1)(J) from the percentage limitations of sections 12(d)(1)(A) and (B) to permit the Investing Funds to invest Cash Balances in the Money Market Funds.

3. Applicants state that the proposed arrangement would not raise the concerns that sections 12(d)(1)(A) and (B) were intended to address. Applicants state that because each Money Market Fund will maintain a highly liquid portfolio, an Investing Fund will not be in a position to gain undue influence over a Money Market Fund through threat of redemption. Applicants represent that the proposed arrangement will not result in an inappropriate layering of fees because

shares of the Money Market Funds sold to, and redeemed from, the Investing Funds will not be subject to a sales load, redemption fee, distribution fee under a plan adopted in accordance with rule 12b-1 under the Act, or service fee (as defined in rule 2830(b)(9) of the National Association of Securities Dealers' ("NASD") Conduct Rules) or if such shares are subject to such fees, the Investing Fund's adviser will waive its advisory fee for the Investing Fund to offset the amount of the fees incurred by the Investing Fund. Applicants state that if a Money Market Fund offers more than one class of securities, each Investing Fund will invest Cash Balances only in the class with the lowest expense ratio at the time of investment. Before approving any advisory contract for an Investing Fund, its board of trustees (the "Board"), including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Trustees"), will consider to what extent, if any, the advisory fees charged to the Investing Fund should be reduced to account for reduced services provided to the Investing Fund by its investment adviser as a result of the investment of Uninvested Cash in a Money Market Fund. Applicants represent that no Money Market Fund will acquire securities of any other investment company in excess of the limitations contained in section 12(d)(1)(A) of the Act.

4. Section 17(a) of the Act makes it unlawful for any affiliated person of a registered investment company, or an affiliated person of such person, acting as principal, to sell or purchase any security to or from the company. Section 2(a)(3) of the Act defines an "affiliated person" of an investment company to include, among others, any person directly or indirectly controlling, controlled by, or under common control with the other person and any person owning, controlling, or holding with power to vote, 5% or more of the other person. Applicants state that, because the Investing Funds and the Money Market Funds have a common investment adviser and Board, they may be deemed to be under common control with each other, and thus affiliated persons of each other. In addition, applicants state that if an Investing Fund acquires 5% or more of a Money Market Fund's securities, the Investing Fund and the Money Market Fund would be deemed to be affiliated persons of each other. As a result, the sale of the shares of a Money Market Fund to the Investing Funds, and the redemption of such shares by the