

Market Funds, by participating in the proposed transactions, and the Advisers by managing the proposed transactions, could be deemed to be participating in a joint arrangement within the meaning of section 17(d) and rule 17d-1.

2. In considering whether to approve a joint transaction under rule 17d-1, the Commission considers whether the investment company's participation in the joint transaction is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants. Applicants submit that the Proposed Transactions meet the standards for an order under rule 17d-1.

II. Interfund Transactions

1. Applicants state that they currently rely on rule 17a-7 under the Act to conduct Interfund Transactions. Rule 17a-7 under the Act provides an exemption from section 17(a) for a purchase or sale of certain securities between registered investment companies that are affiliated persons (or an affiliated person of an affiliated person), or between a registered investment company, and a person that is an affiliated person of such company (or an affiliated person of such person) solely by reason of having a common investment adviser, common officers and/or common directors or trustees. Applicants state that the Participating Funds and Money Market Funds may not be able to rely on rule 17a-7 when purchasing or selling portfolio securities to each other, because some of the Participating Funds may own 5% or more of the outstanding voting securities of a Money Market Fund and, therefore, an affiliation would not exist solely by reason of having a common investment adviser, common officers and/or common directors or trustees.

2. Applicants request relief under sections 6(c) and 17(b) of the Act to permit the Interfund Transactions. Applicants submit that the requested relief satisfies the standards for relief in sections 6(c) and 17(b). Applicants state that the Funds will comply with rule 17a-7 under the Act in all respects, other than the requirement that the participants be affiliated solely by reason of having a common investment adviser, common directors and/or common officers. Applicants state that by complying with the conditions of Rule 17a-7, the interests of the shareholders of the Registered Participating Funds and the Registered Money Market Funds are protected. Thus, the Applicants submit that the Interfund Transactions are reasonable

and fair, do not involve overreaching, and will be consistent with the purposes of the Act.

Applicants' Conditions

Applicants agree that any order granting the requested relief shall be subject to the following conditions:

1. The shares of the Money Market Funds sold to and redeemed from the Participating Funds will not be subject to a sales load, redemption fee, asset-based distribution fee under a plan adopted in accordance with Rule 12b-1, or Service Fee.

2. Before the next meeting of the Board of the Registered Participating Fund that invests in the Money Market Fund is held for the purpose of voting on an advisory contract pursuant to section 15 of the Act, the Adviser will provide the Board with specific information regarding the approximate cost to the Adviser for, or portion of the advisory fee under the existing advisory contract attributable to, managing the Uninvested Cash of the Registered Participating Fund that can be expected to be invested in the Money Market Funds. Before approving any advisory contract pursuant to section 15 of the Act, the Board of the Registered Participating Fund, including a majority of the Disinterested Directors, shall consider to what extent, if any, the advisory fees charged to the Registered Participating Fund by the Adviser should be reduced to account for reduced services provided to the Registered Participating Fund by the Adviser as a result of Uninvested Cash being invested in the Money Market Funds. The minute books of Registered Participating Fund will record fully the Board's consideration in approving the advisory contract, including the considerations relating to fees referred to above.

3. Each Registered Participating Fund's aggregate investment of Uninvested Cash in the Money Market Funds will not exceed 25% of the Registered Participating Fund's total assets. For purposes of this limitation, each Registered Participating Fund or series thereof will be treated as a separate investment company.

4. Investment in shares of the Money Market Funds will be in accordance with the investment policies and restrictions of each Registered Participating Fund as set forth in its registration statement.

5. Each Registered Fund and Managed Account that may rely on the order shall be advised by an Adviser. Each Unregistered Fund shall be advised by, or have as its trustee, an Adviser.

6. No Money Market Fund shall acquire securities of any investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

7. The Unregistered Money Market Funds will comply with the requirements of sections 17(a), (d), and (e), and 18 of the 1940 Act. With respect to all redemption requests made by a Participating Fund, the Unregistered Money Market Funds will comply with section 22(e) of the Act. The Advisers will adopt procedures designed to ensure that each Unregistered Money Market Fund complies with sections 17(a), (d), (e), 18 and 22(e) of the Act. The Advisers also will periodically review and update as appropriate the procedures, and will maintain books and records describing such procedures, and will maintain books and records describing such procedures, and will maintain the records required by rules 31a-1(b)(1), 31a-1(b)(2)(ii), and 31a-1(b)(9) under the Act. All books and records required to be made pursuant to this condition will be maintained and preserved for a period of not less than six years from the end of the fiscal year in which any transaction occurred, the first two years in an easily accessible place, and will be subject to examination by the Commission and its staff.

8. Each Unregistered Money Market Fund will comply with rule 2a-7. With respect to each Unregistered Money Market Fund, the Advisers will adopt and monitor the procedures described in rule 2a-7(c)(7) under the Act and will take such other actions as are required to be taken under those procedures. A Participating Fund may only purchase shares of an Unregistered Money Market Fund if the Adviser determines on an ongoing basis that the Unregistered Money Market Fund is in compliance with rule 2a-7. The Advisers will preserve for a period of not less than six years from the date of determination, the first two years in an easily accessible place, a record of such determination and the basis upon which the determination was made. This record will be subject to examination by the Commission and its staff.

9. Each Participating Fund will purchase and redeem shares of any Unregistered Money Market Fund as of the same time and at the same price, and will receive dividends and bear its proportionate share of expenses on the same basis, as other shareholders of the Unregistered Money Market Fund. A separate account will be established in the shareholder records of each Unregistered Money Market Fund for the account of each Participating Fund