

Treasury Extends Money Market Fund Guarantee

April 2, 2009

In order to further stabilize the financial markets, the U.S. Treasury Department (the Treasury) recently announced an additional extension to the Temporary Money Market Funds Guarantee Program (the Program).¹

The Program, which has already been extended once by the Treasury, was scheduled to end on April 30, 2009. But under this new (and presumably last) extension, certain shareholder investments in participating money market funds will be guaranteed through September 18, 2009.

Only funds already participating in the Program are eligible to participate in the extension, subject to certain other conditions. Additionally, only shareholders of participating funds who were invested as of the close of business on September 19, 2008 are covered—and only up to the amount invested at that time.

In addition to already participating in the Program, funds must meet certain net asset value (NAV) requirements and each fund's board must determine that continued participation in the Program is in the best interests of both the fund and its shareholders.

To participate in the Program extension, eligible funds must both wire payment and email a notice of extension to the Treasury by 11:59 p.m. EDT on April 13, 2009. The amount each participating fund must pay to participate is partly determined by what the fund's net asset value was on September 19, 2008. More specifically,

- Funds that had a market-based NAV per share of at least \$0.9975 on September 19, 2008 must pay the Treasury 1.5 basis points multiplied by the sum of the fund's shares as of September 19, 2008 and
- Funds that had a market-based NAV per share between \$0.995 and \$0.9975 on September 19, 2008 must pay the Treasury 2.3 basis points multiplied by the sum of the fund's shares as of September 19, 2008.

Participating funds must also deliver an executed Bring-Down Notice to the Treasury between May 1, 2009 and May 11, 2009.

The board of directors of each eligible fund should carefully consider whether participating in the Program extension would be in the best interest of the fund and its shareholders. Funds that decide to participate must be aware of the quickly approaching deadline. Additionally, each participating fund should review any disclosures it has made concerning its participation in the Program and consider whether any disclosures need to be updated. If a participating fund is also filing a post-effective amendment in April, it should review any prospectus disclosure it has concerning its participation in the Program.

¹ See Press Release, U.S. Dep't of the Treasury, Treasury Announces Extension of Temporary Guarantee Program for Money Market Funds (Mar. 31, 2009), available at <http://www.ustreas.gov/press/releases/tg76.htm>; see also U.S. Dep't of the Treasury, Temporary Guarantee Program for Money Market Funds, Extension Announcement (Mar. 31, 2009), available at <http://www.treas.gov/press/releases/reports/03312009ExtensionAnnouncement.pdf>.

If you have any questions concerning the issues discussed in this alert, please contact any of the following Morgan Lewis attorneys:

Philadelphia

Sean Graber	215.963.5598	sgrabber@morganlewis.com
Timothy W. Levin	215.963.5037	tlevin@morganlewis.com
John J. O'Brien	215.963.4969	jobrien@morganlewis.com

Washington, D.C.

Thomas S. Harman	202.739.5662	tharman@morganlewis.com
W. John McGuire	202.739.5654	wjm McGuire@morganlewis.com
Michael Berenson	202.739.5450	mberenson@morganlewis.com
Christopher D. Menconi	202.739.5996	cmenconi@morganlewis.com

About Morgan, Lewis & Bockius LLP

Morgan Lewis is an international law firm with more than 1,400 lawyers in 22 offices located in Beijing, Boston, Brussels, Chicago, Dallas, Frankfurt, Harrisburg, Houston, Irvine, London, Los Angeles, Miami, Minneapolis, New York, Palo Alto, Paris, Philadelphia, Pittsburgh, Princeton, San Francisco, Tokyo, and Washington, D.C. For more information about Morgan Lewis, please visit www.morganlewis.com.

This FYI Alert is provided as a general informational service to clients and friends of Morgan, Lewis & Bockius LLP. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this message create an attorney-client relationship. These materials may be considered Attorney Advertising in some states. Please note that the prior results discussed in the material do not guarantee similar outcomes.

© 2009 Morgan, Lewis & Bockius LLP. All Rights Reserved.

