

MEMO# 20739

December 29, 2006

ICI, Federal Government and Exchanges Closed on January 2, 2007

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ACCOUNTING/TREASURERS MEMBERS No. 33-06 BANK, TRUST AND RECORDKEEPER
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RULES MEMBERS No. 114-06 SMALL FUNDS MEMBERS No. 90-06 TRANSFER AGENT
ADVISORY COMMITTEE No. 80-06 UNIT INVESTMENT TRUST MEMBERS No. 30-06 RE: ICI,
FEDERAL GOVERNMENT AND EXCHANGES CLOSED ON JANUARY 2, 2007

Federal Government and Exchanges On Tuesday, January 2, 2007, the federal government and the national exchanges, including Nasdaq, will be closed in observance of the death of former President Gerald R. Ford. We have had informal discussions with senior staff of the Division of Investment Management regarding funds' processing and pricing obligations on that day. As always, funds are not required to accept any purchase orders or exchange requests. Under Section 22(e) of the Investment Company Act of 1940, funds will be permitted to suspend redemptions as a result of the NYSE being closed. Therefore, funds can choose to be closed on Tuesday for purposes of accepting and pricing fund transaction orders, consistent with relevant prospectus language. Such funds should take appropriate steps to make clear to investors who submit transaction orders on Tuesday, for example, through a fund's website, that those orders will be priced on Wednesday. Funds that choose to accept and price transactions on Tuesday must use a fair valuation methodology for portfolio securities for which market quotations are not readily available. These positions apply to all funds, including bond funds and money market funds. 2 An institute operations task force recently issued a paper identifying factors for mutual funds and their business partners to consider in connection with unscheduled market closes. ICI In light of the federal government and exchanges being closed and as a mark of respect for President Ford, the Institute's offices will be closed as well. Institute employees will be checking voice mail on a regular basis and will return member calls as quickly as possible. Donald J. Boteler Vice President - Operations Ari Burstein Senior Counsel Securities Regulation - Capital Markets