

MEMO# 19171

September 16, 2005

ADDITIONAL SEC REGULATORY RELIEF RELATED TO HURRICANE KATRINA

©2005 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [19171] September 16, 2005 TO: ACCOUNTING/TREASURERS MEMBERS No. 19-05 COMPLIANCE MEMBERS No. 16-05 INDEPENDENT DIRECTORS COUNCIL No. 4-05 INVESTMENT ADVISER MEMBERS No. 16-05 OPERATIONS MEMBERS No. 13-05 PRIMARY CONTACTS - MEMBER COMPLEX No. 38-05 SEC RULES MEMBERS No. 102-05 SMALL FUNDS MEMBERS No. 80-05 TRANSFER AGENT ADVISORY COMMITTEE No. 47-05 UNIT INVESTMENT TRUST MEMBERS No. 20-05 RE: ADDITIONAL SEC REGULATORY RELIEF RELATED TO HURRICANE KATRINA Earlier today, we informed you that the Securities and Exchange Commission issued an order providing emergency regulatory relief to investors, companies and securities firms affected by Hurricane Katrina.¹ Please be advised that, in the press release announcing the order, the Commission directed its staff to take certain positions under the Securities Exchange Act of 1934, the Securities Act of 1933, and the Investment Advisers Act of 1940, with regard to issues that may arise commonly for companies and other persons attempting to comply with their obligations under the federal securities laws.² With respect to registered investment companies and investment advisers, the staff's positions are as follows: RELIEF FOR REGISTERED INVESTMENT COMPANIES REGARDING PROSPECTUS DELIVERY For a 90 calendar day period beginning on August 29, 2005, a registered open-end investment company and a registered unit investment trust will be considered to have satisfied the requirements of Section 5(b)(2) of the Securities Act to deliver a statutory prospectus to an investor, provided that: 1. The sale of shares to the investor was not an initial purchase by the investor of shares of the company or UIT; 1 See Institute Memorandum #19165, dated September 16, 2005. 2 The SEC's press release is available from the SEC's website at <http://www.sec.gov/news/press/2005-132.htm>. 2 2. The investor's mailing address for delivery, as listed in the records of the company or UIT, has a zip code for which the United States Postal Service (USPS) has suspended mail service, as a result of Hurricane Katrina, of the type or class customarily used by the company or UIT, to deliver statutory prospectuses; and 3. The company, or UIT, or other person promptly delivers the statutory prospectus (a) if requested by the investor, or (b) at the earlier of the end of the 90-day period or the resumption of the applicable mail service. RELIEF FOR REGISTERED INVESTMENT ADVISERS REGARDING DELIVERY OF WRITTEN DISCLOSURE STATEMENTS For a 90 calendar day period beginning on August 29, 2005, a registered investment adviser will be considered to have satisfied the requirements of Section 204 of the Advisers Act and Rule 204-3(c) thereunder to deliver the written disclosure statement required thereunder to its advisory client, provided that: 1. The client's mailing address for delivery, as listed in the records of the investment adviser, has a zip code for which the USPS has suspended mail

service, as a result of Hurricane Katrina, of the type or class customarily used by the adviser to deliver written disclosure statements; and 2. The investment adviser or other person promptly delivers the written disclosure statement (a) if requested by the client or (b) at the earlier of the end of the 90-day period or the resumption of the applicable mail service. Barry E. Simmons Associate Counsel -

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