

**Technical Questions Regarding
Treasury's Temporary Guarantee Program for Money Market Funds**

- 1. Can a money market fund remain in the guarantee program if it falls out of compliance with Investment Company Act rule 2a-7?**

Under Section 2(d) of the Guarantee Agreement, the Treasury is not required to make a Guarantee Payment to a money market fund that does not comply with Investment Company Act rule 2a-7 at all times from and after September 19, 2008. However, Treasury does not intend to withhold payment if non-compliance with rule 2a-7 amounts to a technical, procedural or clerical error that was not a contributing factor to a Guarantee Event.

- 2. If a fund has an NAV Support Agreement, can the parties to the agreement amend the agreement to increase the maximum contribution amount and/or revise the schedule of covered securities to include new distressed securities without getting prior approval from Treasury or its designee?**

The Treasury would not consider an increase to the maximum contribution amount or a revision of the schedule of covered securities to include new securities to be an amendment of a NAV Support Agreement that requires prior approval by Treasury under Section 5(c)(ii) or 5(c)(v) of the Guarantee Agreement, provided that prompt notice is provided to the Securities and Exchange Commission after entering into the amendment.

- 3. If a fund has a NAV Support Agreement, can the fund, without seeking approval from the Treasury or SEC, sell securities covered by the NAV Support Agreement to (i) an affiliated person at amortized cost in a rule 17a-9 transaction, or (ii) a third person and collect the capital contribution from the provider of the NAV Support Agreement?**

Yes, even if the sale results in the termination of the NAV Support Agreement. Section 5(c) was designed to provide protection from losses as a result of the failure of the fund, its adviser or an affiliated person to take steps to prevent a Guarantee Event from occurring or to minimize losses that result from a Guarantee Event.

- 4. Does Section 5(c)(iv) require a fund to use their best efforts to obtain a NAV Support Agreement before entering a Guarantee Agreement?**

The Guarantee Agreement requires funds to use their "best efforts" to obtain NAV support agreements if necessary and appropriate.

- 5. What if a fund (or a class of a fund) reports a market-based NAV below \$0.9975 on Annex A when it delivers its Guarantee Agreement to Treasury?**

If a fund reports a Market-Based NAV below \$0.9975 on Annex A when it delivers its executed Guarantee Agreement to the Treasury, then the Execution Date of the Agreement would be considered a Report Date for purposes of Section 5(b) of the Agreement. Thus, the fund must submit a Portfolio Schedule as of the Report Date to the Treasury and the SEC on the following business day, and shadow pricing reports thereafter, as required by that section.

6 How would coverage work for money market funds with multiple classes of shares?

Different classes of shares in a multiple class money market fund may have different market-based NAVs because they bear different levels of distribution and other expenses. This has several implications for the program.

First, when completing “Annex A” to the Guarantee Agreement for multiple class funds, in addition to providing the name of each series or portfolio that wishes to participate in the program, funds must (i) provide the name of each class of the series; (ii) in place of the EDGAR series identifier, provide the EDGAR class identifier for each class; and (iii) present the information required by Annex A separately for each class. Second, funds would determine the applicable percentage of the program fee required by section 4 of the Agreement on a class-by-class basis. Third, funds must submit the reports required by section 5(b) of the Agreement whenever the market-based NAV of any class of a fund is below \$0.9975. Finally, a “Guarantee Event” would occur under section 2(c) of the Agreement for the entire Fund whenever the market-based NAV of any class of a fund falls below \$0.995.

7 If a financial institution holds one account for its investors at a fund that is participating in the program, who will be covered in the event of a guarantee event and liquidation -- the firm or its various investors?

The Program covers the shareholder of record in the fund, regardless of whether the shareholder of record holds funds for other investors. The agreement also requires the Investment Company and the Investment Adviser of the Affected Fund to use their best efforts to assure that any shareholder that is not the beneficial owner of the shares promptly disburses the payment to the beneficial owner.

8 What securities should a fund that is part of a master/feeder structure include in its Portfolio Schedule required under Section 5(b) of the Agreement?

The master fund and the different feeder funds in a master/feeder structure are all separate investment companies. The investments are held at the master level; the feeder funds hold only shares of the master fund in their portfolios. Thus, a feeder fund that is required to file a Portfolio Schedule under Section 5(b) of the Agreement should (i) report the securities holdings of the master fund; (ii) note

that it is doing so in the transmitting email to Treasury and the SEC; and (iii) state the feeder fund's percentage investment in the master fund as of the Report Date.

9 Does the defined term “Investment Adviser” include subadvisers?

No.

10 How should payment be made when one entity has multiple funds seeking to participate in the Program?

Each investment company registrant (*e.g.*, each fund with a separate 1940 Act Registration (“811”) number) needs to submit a separate Guarantee Agreement to the Treasury. However, fund complexes may choose whether to accompany each Agreement with a separate payment, or make one consolidated payment for all Agreements that are submitted to the Treasury at the same time.