

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 27956 / August 28, 2007

In the Matter of :
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 AARP FUNDS :
 AARP PORTFOLIOS and :
 AARP FINANCIAL INCORPORATED :
 650 F Street, N.W. :
 Washington, DC 20004 :
 :
 :
 (812-13251) :
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ORDER UNDER SECTION 6(c) OF THE INVESTMENT COMPANY ACT OF 1940
GRANTING AN EXEMPTION FROM SECTION 15(a) OF THE ACT AND RULE
18f-2 UNDER THE ACT

AARP Funds, AARP Portfolios, and AARP Financial Incorporated filed an application on January 3, 2006, and amendments to the application on June 14, 2006, and July 30, 2007. Applicants requested an order under section 6(c) of the Investment Company Act of 1940 (the “Act”) granting an exemption from section 15(a) of the Act and rule 18f-2 under the Act. The order would permit applicants to enter into and materially amend sub-advisory agreements without shareholder approval.

On July 31, 2007, a notice of the filing of the application was issued (Investment Company Act Release No. 27918). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, as amended, that granting the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Accordingly,

IT IS ORDERED, under section 6(c) of the Act, that the relief requested by AARP Funds, AARP Portfolios, and AARP Financial Incorporated (File No. 812-13251) is granted, effective immediately, subject to the conditions contained in the application, as amended.

For the Commission, by the Division of Investment Management, under delegated authority.

Nancy M Morris
Secretary