

**THOMPSON
HINE**

April 2009

**INVESTMENT MANAGEMENT
UPDATE****Treasury Announces Second Extension of Temporary Guarantee Program for Money Market Funds**

On March 31, 2009, the U.S. Department of the Treasury announced an extension of its Temporary Guarantee Program for Money Market Funds ("Program") through September 18, 2009.¹ The Program was due to expire on April 30, 2009. Only funds that currently participate in the Program and meet the extension requirements are eligible to continue to participate in the Program. The Secretary of the Treasury cannot extend the Program beyond September 18, 2009. The deadline for participation in the extended Program is April 13, 2009.

The press release announcing the extension of the Program and a link to the relevant documents can be found at <http://www.treas.gov/press/releases/tg76.htm>.

CONDITIONS FOR PARTICIPATION IN THE EXTENSION PERIOD

A fund must meet the following conditions in order to continue to participate in the Program:

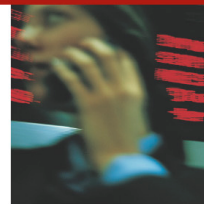
- the fund or share class currently is participating in the Program;²
- no Guarantee Event has occurred on or before May 1, 2009 (the "Program Extension Date");³
- the fund's market-based net asset value per share on May 1, 2009 is at least \$0.995 (or, in the case of a stable value fund, the Guaranteed Threshold Value);⁴ and
- the fund's board of trustees, including a majority of the independent trustees, must determine, among other things, that the fund's continued participation in the Program is in the best interests of the fund and its shareholders.

TERMS OF THE EXTENSION PERIOD

The Program extension period begins on May 1, 2009 and terminates on September 18, 2009.

To continue to participate in the Program, a fund is required to make Program Extension Participation Payments as follows:

- funds with a market-based net asset value per share greater than or equal to \$0.9975 (or, in the case of a stable value fund, the Report Value) on September 19, 2008, will pay an upfront fee of 0.000150 (1.5 basis points) multiplied by the number of shares outstanding on that date.⁵



- funds with market-based net asset value per share less than \$0.9975 (or, in the case of a stable value fund, the Report Value), but greater than or equal to \$0.995 (or the Guaranteed Threshold Value in the case of a stable value fund) on September 19, 2008, will pay an upfront fee of 0.000230 (2.3 basis points) multiplied by the number of shares outstanding on that date.

Program Extension Participation Payment amounts, when combined with prior payment amounts, equate to 4 or 6 basis points (on an annualized basis) of a fund's asset base over the entire extended Program.

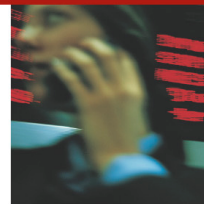
PROCEDURES FOR CONTINUED PARTICIPATION

Funds wishing to continue participation in the Program must submit the following documents to the Treasury by 11:59 p.m. Eastern time on April 13, 2009:

- *Executed Program Extension Notice.* Separate Program Extension Notices are applicable to each type of Guarantee Agreement. Currently, four types of Guarantee Agreements are in use.⁶ No changes may be made to the Program Extension Notice.
- *Program Extension Participation Payment.* The Program Extension Participation Payment must be made to the Treasury by Fedwire using the payment instructions contained in Exhibit B to the Guarantee Agreement. The Program Extension Participation Payment must be made at the time the Program Extension Notice is delivered.
- *Bring-Down Notice.* The Bring-Down Notice must be signed by officers of the fund. No changes may be made to the Bring-Down Notice.

These documents must be submitted to the U.S. Treasury by email at **moneymarketfundsguaranteeprogram@do.treas.gov**. Documents sent by mail, fax or other means will not be accepted.

Any documents received by the Treasury after 11:59 p.m. Eastern time on April 13, 2009, will not be accepted, and the funds identified in the Program Extension Notice will not be eligible to participate in the Program.



FOR MORE INFORMATION

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¹ The extension also applies to stable value funds, i.e., funds that maintain a stable net asset value or share price that is greater than \$1.00.

² Funds that currently are not participating in the Program are not eligible to enter the Program. These include (1) funds or shares classes organized after September 19, 2008; (2) funds that did not apply to participate in the Program before the deadline for submitting Guarantee Agreements to the Treasury (generally, October 8, 2008; in the case of Stable Value Funds, October 10, 2008); and (3) funds that applied to participate in the Program but did not meet the conditions for participation as determined by the Treasury.

³ For a money market fund, a Guarantee Event occurs when the fund’s market-based net asset value per share falls below \$0.995. A Guarantee Event occurs for a stable value fund when a fund’s market-based net asset value per share is less than an amount equal to 99.5% multiplied by the Fund Stable Share Price.

⁴ The Guaranteed Threshold Value is an amount equal to 99.5% multiplied by the Fund Stable Share Price. Guarantees under the Program are invoked when a fund’s market-based net asset value per share falls below the Guaranteed Threshold Value.

⁵ The Report Value is an amount equal to the Fund Stable Share Price multiplied by 99.75%.

⁶ The four types of Guarantee Agreements are: Guarantee Agreement, Guarantee Agreement (Single Fund), Guarantee Agreement (Stable Value Fund), and Guarantee Agreement (Stable Value Single Fund).