

# SECURITIES AND EXCHANGE COMMISSION

## FORM 485APOS

Post-effective amendments [Rule 485(a)]

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### FILER

#### SEI INSTITUTIONAL INTERNATIONAL TRUST

CIK: **835597** | IRS No.: **000000000** | State of Incorporation: **MA** | Fiscal Year End: **0228**  
Type: **485APOS** | Act: **33** | File No.: **033-22821** | Film No.: **051238136**

Mailing Address  
*SEI INVESTMENTS ATTN:  
CAREN ROSCH  
1FREEDOM CIRCLE DRIVE  
OAKS PA 19456*

Business Address  
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610 676-3204*

#### SEI INSTITUTIONAL INTERNATIONAL TRUST

CIK: **835597** | IRS No.: **000000000** | State of Incorporation: **MA** | Fiscal Year End: **0228**  
Type: **485APOS** | Act: **40** | File No.: **811-05601** | Film No.: **051238137**

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File No. 33-22821

File No. 811-5601

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM N-1A

REGISTRATION STATEMENT UNDER THE  
SECURITIES ACT OF 1933 \*

POST-EFFECTIVE AMENDMENT NO. 40

and

REGISTRATION STATEMENT UNDER THE  
INVESTMENT COMPANY ACT OF 1940 \*

AMENDMENT NO. 41

# SEI INSTITUTIONAL INTERNATIONAL TRUST

(Formerly, "SEI International Trust")

(Exact Name of Registrant as Specified in Charter)

**c/o CT Corporation**

101 Federal Street

Boston, Massachusetts 02110

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code (800) 342-5734

**Edward D. Loughlin**

c/o SEI Investments Company

Oaks, Pennsylvania 19456

(Name and Address of Agent for Service)

### Copies to:

Richard W. Grant, Esquire

Morgan, Lewis & Bockius

LLP

1701 Market Street

Philadelphia, PA 19103

Title of Securities Being Registered. . .Units of Beneficial Interest

It is proposed that this filing become effective (check appropriate box)

- ☼ Immediately upon filing pursuant to paragraph (b)
- ☼ On [date] pursuant to paragraph (b)
- ☼ 60 days after filing pursuant to paragraph (a)(1) of Rule 485
- On January 31, 2006 pursuant to paragraph (a)(1) of Rule 485
- ☼ 75 days after filing pursuant to paragraph (a)(2)
- ☼ On [date] pursuant to paragraph (a)(2)

If appropriate, check the following box:

- ☼ This post-effective Amendment designates a new effective date for a previously filed Post-Effective Amendment.

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**SEI INSTITUTIONAL INTERNATIONAL TRUST**

**Class A Shares**

**PROSPECTUS**

**January 31, 2006**

**INTERNATIONAL EQUITY FUND  
EMERGING MARKETS EQUITY FUND  
INTERNATIONAL FIXED INCOME FUND  
EMERGING MARKETS DEBT FUND**

**Investment Adviser:**

**SEI INVESTMENTS MANAGEMENT CORPORATION**

**Investment Sub-Advisers:**

**ALLIANCE CAPITAL MANAGEMENT L.P.  
ASHMORE INVESTMENT MANAGEMENT LIMITED  
THE BOSTON COMPANY ASSET MANAGEMENT LLC  
BRIDGEWATER ASSOCIATES, INC.  
CAPITAL GUARDIAN TRUST COMPANY  
EMERGING MARKETS MANAGEMENT, L.L.C.  
FISCHER FRANCIS TREES & WATTS, INC. AND ITS AFFILIATES  
FISHER ASSET MANAGEMENT, LLC  
FULLER & THALER ASSET MANAGEMENT, INC.  
MCKINLEY CAPITAL MANAGEMENT INC.  
MORGAN STANLEY INVESTMENT MANAGEMENT INC.  
QUANTITATIVE MANAGEMENT ASSOCIATES LLC  
REXITER CAPITAL MANAGEMENT LIMITED  
SALOMON BROTHERS ASSET MANAGEMENT INC**

**The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

## About This Prospectus

SEI Institutional International Trust is a mutual fund family that offers different classes of shares in separate investment portfolios (Funds). The Funds have individual investment goals and strategies and are designed primarily for institutional investors and financial institutions and their clients. This prospectus gives you important information about the Class A Shares of the International Equity, Emerging Markets Equity, International Fixed Income and Emerging Markets Debt Funds that you should know before investing. Please read this prospectus and keep it for future reference.

*This prospectus has been arranged into different sections so that you can easily review this important information. On the next page, there is some general information you should know about risk and return that is common to each of the Funds. For more detailed information about the Funds, please see:*

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<b>INTERNATIONAL EQUITY FUND</b>	XXX
<b>EMERGING MARKETS EQUITY FUND</b>	XXX
<b>INTERNATIONAL FIXED INCOME FUND</b>	XXX
<b>EMERGING MARKETS DEBT FUND</b>	XXX
<b>MORE INFORMATION ABOUT FUND INVESTMENTS</b>	XXX
<b>INVESTMENT ADVISER AND SUB-ADVISERS</b>	XXX
<b>PURCHASING AND SELLING FUND SHARES</b>	XXX
<b>DISCLOSURE OF PORTFOLIO HOLDINGS INFORMATION</b>	XXX
<b>DIVIDENDS, DISTRIBUTIONS AND TAXES</b>	XXX
<b>FINANCIAL HIGHLIGHTS</b>	XXX
<b>HOW TO OBTAIN MORE INFORMATION ABOUT SEI INSTITUTIONAL INTERNATIONAL TRUST</b>	Back Cover

## GLOBAL ASSET ALLOCATION

Each Fund has its own distinct risk and reward characteristics, investment objective, policies and strategies. In addition to managing the Funds, SEI Investments Management Corporation (SIMC) constructs and maintains global asset allocation strategies for certain clients, and these Funds are designed in part to implement those strategies. The degree to which an investor's portfolio is invested in the particular market segments and/or asset classes represented by the Funds varies, as does the investment risk/return potential represented by each Fund. The Funds, especially the Emerging Markets Equity and Emerging Markets Debt Funds, may have extremely volatile returns. Because of the historical lack of correlation among various asset classes, an investment in a portfolio of Funds representing a range of asset classes as part of a global asset allocation strategy may reduce the strategy's overall level of volatility. As a result, a global asset allocation strategy may reduce risk.

In managing the Funds, SIMC focuses on four key principles: asset allocation, portfolio structure, the use of managers, and continuous portfolio management. Asset allocation across appropriate asset classes (represented by the Funds) is the central theme of SIMC's investment philosophy. SIMC seeks to reduce risk further by creating a portfolio that focuses on a specific asset class. SIMC then oversees a network of managers who invest the assets of these Funds in distinct segments of the market or class represented by each Fund. These managers adhere to distinct investment disciplines, with the goal of providing greater consistency and predictability of results, as well as broader diversification across and within asset classes. Finally, SIMC regularly rebalances to ensure that the appropriate mix of assets is constantly in place, and

constantly monitors and evaluates managers for these Funds to ensure that they do not deviate from their stated investment philosophy or process.

## **RISK/RETURN INFORMATION COMMON TO THE FUNDS**

Each Fund is a mutual fund. A mutual fund pools shareholders' money and, using professional investment managers, invests it in securities.

Each Fund has its own investment goal and strategies for reaching that goal. Each Fund's assets are managed under the direction of SIMC and one or more Sub-Advisers who manage portions of the Funds' assets in a way that they believe will help the Funds achieve their goals. SIMC acts as "manager of managers" for the Funds, and attempts to ensure that the Sub-Advisers comply with the Funds' investment policies and guidelines. SIMC also recommends the appointment of additional or replacement Sub-Advisers to the Funds' Board. Still, investing in the Funds involves risks, and there is no guarantee that a Fund will achieve its goal. SIMC and the Sub-Advisers make judgments about the securities markets, the economy, and companies, but these judgments may not anticipate actual market movements or the impact of economic conditions on company performance. In fact, no matter how good a job SIMC and the Sub-Advisers do, you could lose money on your investment in a Fund, just as you could with other investments. A Fund share is not a bank deposit, and it is not insured or guaranteed by the FDIC or any other government agency.

The value of your investment in a Fund is based on the market prices of the securities the Fund holds. These prices change daily due to economic and other events that affect securities markets generally, as well as those that affect particular companies and other issuers. These price

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movements, sometimes called volatility, may be greater or lesser depending on the types of securities a Fund owns and the markets in which they trade. The estimated level of volatility for each Fund is set forth in the Fund Summaries that follow. The effect on a Fund's share price of a change in the value of a single security will depend on how widely the Fund diversifies its holdings.

## **INTERNATIONAL INVESTING**

Investing in issuers located in foreign countries poses distinct risks since political and economic events unique to a country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of a Fund's investments. These currency movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country. These various risks will be even greater for investments in emerging market countries since political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

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## **INTERNATIONAL EQUITY FUND**

### **Fund Summary**

<i>Investment Goal:</i>	Long-term capital appreciation
<i>Share Price Volatility:</i>	Medium to high
<i>Principal Investment Strategy:</i>	Utilizing multiple sub-advisers, the Fund invests in equity securities of foreign companies

## **Investment Strategy**

Under normal circumstances, the International Equity Fund will invest at least 80% of its net assets in equity securities. The Fund will invest primarily in common stocks and other equity securities of issuers of all capitalization ranges that are located in at least three countries other than the United States. The Fund will invest primarily in companies located in developed countries, but may also invest in companies located in emerging markets. The Fund uses a multi-manager approach under the general supervision of SIMC, allocating the assets among multiple Sub-Advisers that use different investment strategies. Certain sub-advisers will seek to achieve returns in excess of an international equity benchmark. This allocation among investment strategies aims to diversify the sources from which certain Sub-Advisers seek to achieve excess returns (i.e. returns in excess of a benchmark index or “alpha”). While the Fund is expected to have an absolute return and risk profile similar to the international equity benchmark, returns may be derived in part from investing significant portions of the Fund in securities other than international equity securities.

Certain Sub-Advisers use portfolio strategies that are designed to correlate with a portfolio of international equity securities, but which are composed of derivative instruments backed by other types of securities. These portfolio strategies are included in the Fund’s principal investment strategy described above. The managers purchase derivatives, generally using only a fraction of the assets that would be needed to purchase the equity securities directly, so that the remainder of the assets in a portfolio may be invested in other types of securities. Therefore, a Sub-Adviser would seek to outperform an international equity benchmark by purchasing derivatives correlated to a broad international equity index, and investing the remaining assets in other types of securities to add excess return. This portion of the Fund’s assets may be invested in a wide range of asset classes other than international equities. Pursuant to a derivatives strategy, the Fund may invest in foreign corporate and government fixed income securities of different types and maturities, including mortgage-backed or other asset-backed securities, securities rated below investment grade (junk bonds), and repurchase or reverse repurchase agreements. In managing the Fund’s currency exposure for foreign securities, the Sub-Advisers may buy and sell currencies for hedging or for speculative purposes. The amount of the Fund’s portfolio that may be allocated to derivative strategies is expected to vary over time.

Due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liability.

## **What are the Risks of Investing in the Fund?**

Since it purchases equity securities, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the Fund’s securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In the case of foreign stocks, these fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. These factors contribute to price volatility, which is the principal risk of investing in the Fund.

Emerging market countries are countries that the World Bank or the United Nations considers to be emerging or developing. Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Emerging market countries often have less uniformity in accounting and reporting requirements and unreliable securities valuation. It is sometimes difficult to obtain and enforce court judgments in such countries and there is often a greater potential for nationalization and/or expropriation of assets by the government of an emerging market country. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with the Fund’s investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar.

Derivatives are instruments that derive their value from an underlying security, financial asset or an index. Examples of derivative instruments include futures contracts, options, forward contracts and swaps. The primary risk of derivative instruments is that changes in the market value of securities held by the Fund, and of the derivative instruments relating to those securities, may not be proportionate. There may not be a liquid market for the Fund to sell a derivative instrument, which could result in difficulty closing the position, and certain derivative instruments can magnify the extent of losses incurred due to changes in market value of the securities to which they relate. In

addition, some derivative instruments are subject to counterparty risk. If the counterparty defaults on its payment obligations to the Fund, the default will cause the value of your investment in the Fund to decrease.

For derivative strategies, the assets backing the derivatives will generally be entirely different from the Fund's primary investments (i.e., equity securities and derivatives based on the Fund's benchmark index). For example, the Sub-Advisers may use various fixed income securities, including high yield (junk bond) and foreign fixed income securities, currencies, derivatives and other equity securities in order to seek to enhance the Fund's returns over the returns of the Fund's benchmark. These strategies expose the Fund to the risk that its portfolio of derivatives may not properly track the performance of the Fund's benchmark index. They also expose the Fund to the risks of investing in asset classes that are different from the benchmark index (i.e., international equity securities), and the Fund would underperform its benchmark index to the extent that the Fund's investments in other asset classes decline in value.

The prices of the Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the duration or interest rate sensitivity of these securities affects risk. Corporate fixed income securities are fixed income securities issued by public and private businesses. Corporate fixed income securities respond to economic developments, especially changes in interest rates, as well as perceptions of the creditworthiness and business prospects of individual issuers. Corporate fixed income securities are subject to the risk that the issuer may not be able to pay interest or, ultimately, to repay principal upon maturity. Interruptions or delays of these payments could adversely affect the market value of the security. In addition, due to lack of uniformly available information about issuers or differences in the issuers' sensitivity to changing economic conditions, it may be difficult to measure the credit risk of corporate securities.

Junk bonds involve greater risks of default or downgrade and are more volatile than investment grade securities. Junk bonds involve greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of junk bonds may be more susceptible than other issuers to economic downturns. Junk bonds are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could substantially adversely affect the market value of the security.

The Fund may purchase shares of exchange-traded funds (ETFs) to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual

funds, have expenses associated with their operation, including advisory fees. When the Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

The Fund is also subject to the risk that developed international equity securities may underperform other segments of the equity markets or the equity markets as a whole.

## **Performance Information**

The bar chart and the performance table below illustrate the risks and volatility of an investment in the Fund. Of course, the Fund's past performance does not necessarily indicate how the Fund will perform in the future.

This bar chart shows changes in the performance of the Fund's Class A Shares from year to year for eleven years. The performance information shown is based on full calendar years.

1995	11.34%
1996	9.04%
1997	-1.86%
1998	19.29%
1999	39.63%
2000	-17.74%
2001	-22.55%
2002	-16.98%
2003	31.88%
2004	18.63%
2005	X.XX%

<b>Best Quarter</b>	<b>Worst Quarter</b>
X.XX%	X.XX%
(XX/XX/XX)	(XX/XX/XX)

This table compares the Fund's average annual total returns for Class A Shares for the periods ended December 31, 2005 to those of the Morgan Stanley Capital International (MSCI) EAFE Index.

<b>International Equity Fund - Class A Shares</b>	<b>1 Year</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception*</b>
<b>Return Before Taxes</b>	X.XX%	X.XX%	X.XX%	X.XX%
<b>Return After Taxes on Distributions**</b>	X.XX%	X.XX%	X.XX%	X.XX%
<b>Return After Taxes on Distributions and Sale of Fund Shares**</b>	X.XX%	X.XX%	X.XX%	X.XX%
<b>MSCI EAFE Index Return (reflects no deduction for fees, expenses, or taxes)***</b>	X.XX%	X.XX%	X.XX%	X.XX%

\* The inception date for the Fund's Class A Shares is December 20, 1989. Index returns shown from December 31, 1989.

\*\* After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

\*\*\* An index measures the market prices of a specific group of securities in a particular market or securities in a market sector. You cannot invest directly in an index. Unlike a mutual fund, an index does not have an investment adviser and does not pay any commissions or expenses. If an index had expenses, its performance would be lower. The Morgan Stanley Capital International (MSCI) EAFE Index is a widely-recognized, capitalization-weighted (companies with larger market capitalizations have more influence than those with smaller capitalizations) index of 1,010 securities listed on the stock exchanges of developed market countries in Europe, Australasia and the Far East.

## Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Fund shares.

### Annual Fund Operating Expenses (Expenses deducted from Fund assets)

	<b>Class A Shares</b>
Investment Advisory Fees	XXX%



Distribution (12b-1) Fees	None
Other Expenses	X.XX%
Total Annual Fund Operating Expenses	X.XX%*

\* In the future, if the Fund's "Total Annual Fund Operating Expenses" increase, the Adviser may waive a portion of the fees in order to keep total operating expenses, excluding interest expense, at a specified level. The Adviser may discontinue all or part of these waivers at any time.

For more information about these fees, see "Investment Adviser and Sub-Advisers" and "Distribution of Fund Shares."

### Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and that you sell your shares at the end of the period. The Example also assumes that each year your investment has a 5% return, Fund operating expenses remain the same, and you reinvest all dividends and distributions. For purposes of calculating the Example, the Fund's fees are equal to the "Total Annual Fund Operating Expenses" figure in the table above. Although your actual costs and returns might be different, your approximate costs of investing \$10,000 in the Fund would be:

	1 Year	3 Years	5 Years	10 Years
<b>International Equity Fund - Class A Shares</b>	\$ XX	\$ XX	\$ XX	\$ XX

## EMERGING MARKETS EQUITY FUND

### Fund Summary

<b>Investment Goal:</b>	Capital appreciation
<b>Share Price Volatility:</b>	Very high
<b>Principal Investment Strategy:</b>	Utilizing multiple sub-advisers, the Fund invests in equity securities of emerging market companies

### Investment Strategy

Under normal circumstances, the Emerging Markets Equity Fund will invest at least 80% of its net assets in equity securities of emerging market issuers. The Fund will invest primarily in common stocks and other equity securities of foreign companies located in emerging market countries. The Fund normally maintains investments in at least six emerging market countries, and does not invest more than 35% of its total assets in any one emerging market country. The Fund uses a multi-manager approach, relying upon a number of Sub-Advisers with differing investment philosophies to manage portions of the Fund's portfolio under the general supervision of SIMC.

Due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

### What are the Risks of Investing in the Fund?

Since it purchases equity securities, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the Fund's securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of

securities issued by such companies may suffer a decline in response. In the case of foreign stocks, these fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. These factors contribute to price volatility, which is the principal risk of investing in the Fund.

Emerging market countries are countries that the World Bank or the United Nations considers to be emerging or developing. Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Emerging market countries often have less uniformity in accounting and reporting requirements and unreliable securities valuation. It is sometimes difficult to obtain and enforce court judgments in such countries and there is often a greater potential for nationalization and/or expropriation of assets by the government of an emerging market country. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with the Fund's investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar.

The Fund may purchase shares of ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When the Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

The Fund is also subject to the risk that emerging market equity securities may underperform other segments of the equity markets or the equity markets as a whole.

**Performance Information**

The bar chart and the performance table below illustrate the risks and volatility of an investment in the Fund. Of course, the Fund's past performance does not necessarily indicate how the Fund will perform in the future.

This bar chart shows changes in the performance of the Fund's Class A Shares from year to year for ten years. The performance information shown is based on full calendar years.

1996	8.70%
1997	-9.12%
1998	-31.95%
1999	70.31%
2000	-34.47%
2001	-2.46%
2002	-7.99%
2003	49.05%
2004	25.17%
2005	X.XX%

<b>Best Quarter</b>	<b>Worst Quarter</b>
X.XX%	X.XX%
(XX/XX/XX)	(XX/XX/XX)

This table compares the Fund's average annual total returns for Class A Shares for the periods ended December 31, 2005 to those of the Morgan Stanley Capital International (MSCI) Emerging Markets Free Index.

Emerging Markets Equity Fund – Class A Shares	1 Year	5 Years	Since Inception*
<b>Return Before Taxes</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>
<b>Return After Taxes on Distributions**</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>
<b>Return After Taxes on Distributions and Sale of Fund Shares**</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>
<b>MSCI Emerging Markets Free Index Return (reflects no deduction for fees, expenses, or taxes)***</b>	<b>X.XX%</b>	<b>X.XX%</b>	<b>X.XX%</b>

\* The inception date for the Fund's Class A Shares is January 17, 1995. Index returns shown from January 31, 1995.

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\*\* After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

\*\*\* An index measures the market prices of a specific group of securities in a particular market or securities in a market sector. You cannot invest directly in an index. Unlike a mutual fund, an index does not have an investment adviser and does not pay any commissions or expenses. If an index had expenses, its performance would be lower. The MSCI Emerging Markets Free Index is a widely-recognized, capitalization-weighted (companies with larger market capitalizations have more influence than those with smaller capitalizations) index of over 800 stocks from approximately 17 emerging market countries.

## Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Fund shares.

### Annual Fund Operating Expenses (Expenses deducted from Fund assets)

	Class A Shares
Investment Advisory Fees	X.XX%
Distribution (12b-1) Fees	None
Other Expenses	X.XX%
<b>Total Annual Fund Operating Expenses</b>	<b>X.XX%*</b>

\* The Fund's total actual annual fund operating expenses for the most recent fiscal year were less than the amount shown above because the Adviser waived a portion of the fees in order to keep total operating expenses, excluding interest expense, at a specified level. The Adviser may discontinue all or part of these waivers at any time. With these fee waivers, the Fund's actual total operating expenses were as follows:

Emerging Markets Equity Fund – Class A Shares	X.XX%
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For more information about these fees, see “Investment Adviser and Sub-Advisers” and “Distribution of Fund Shares.”

## Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and that you sell your shares at the end of the period. The Example also assumes that each year your investment has a 5% return, Fund operating expenses remain the same, and you reinvest all dividends and distributions. For purposes of calculating the Example, the Fund's fees are equal to the "Total Annual Fund Operating Expenses" figure in the table above. Although your actual costs and returns might be different, your approximate costs of investing \$10,000 in the Fund would be:

	1 Year	3 Years	5 Years	10 Years
<b>Emerging Markets Equity Fund - Class A Shares</b>	\$ XX	\$ XX	\$ XX	\$ XX

## INTERNATIONAL FIXED INCOME FUND

### Fund Summary

<b>Investment Goal:</b>	Capital appreciation and current income
<b>Share Price Volatility:</b>	High
<b>Principal Investment Strategy:</b>	Utilizing multiple sub-advisers, the Fund invests in investment grade fixed income securities of foreign government and corporate issuers

### Investment Strategy

Under normal circumstances, the International Fixed Income Fund will invest at least 80% of its net assets in fixed income securities. The Fund will invest primarily in investment grade foreign government and corporate fixed income securities, as well as foreign mortgage-backed and/or asset-backed fixed income securities, of issuers located in at least three countries other than the United States. The Fund uses a multi-manager approach, relying upon a number of Sub-Advisers with differing investment philosophies to manage portions of the Fund's portfolio under the general supervision of SIMC. In selecting investments for the Fund, the Sub-Advisers choose investment grade securities issued by corporations and governments located in various developed foreign countries, looking for opportunities for capital appreciation and gain, as well as current income. There are no restrictions on the Fund's average portfolio maturity, or on the maturity of any specific security. The Sub-Advisers seek to enhance the Fund's return by actively managing the Fund's foreign currency exposure. In managing the Fund's currency exposure, the Sub-Advisers buy and sell currencies (*i.e.*, take long or short positions) using futures, foreign currency forward contracts and other derivatives. The Fund may take long and short positions in foreign currencies in excess of the value of the Fund's assets denominated in a particular currency or when the Fund does not own assets denominated in that currency.

Due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

### What are the Risks of Investing in the Fund?

The prices of the Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund's fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. These factors contribute to price volatility, which is the principal risk of investing in the Fund.

The Fund is non-diversified, which means that it may invest in the securities of relatively few issuers. As a result, the Fund may be more susceptible to a single adverse economic or political

occurrence affecting one or more of these issuers, and may experience increased volatility due to its investments in those securities.

The Fund may purchase shares of ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When the Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

Derivatives are instruments that derive their value from an underlying security, currency, financial asset or an index. Examples of derivative instruments include futures contracts, options, forward contracts and swaps. The primary risk of derivative instruments is that changes in the market value of currencies and other instruments held by the Fund, and of the derivative instruments relating to those currencies and other instruments, may not be proportionate. There may not be a liquid market for the Fund to sell a derivative instrument, which could result in difficulty closing the position, and certain derivative instruments can magnify the extent of losses incurred due to changes in market value of the underlying instruments to which they relate. In addition, some derivative instruments are subject to counterparty risk.

The Fund takes active positions in currencies, which involves different techniques and risk analyses than the Fund's purchase of securities. Active investment in currencies may subject the Fund to additional risks and the value of the Fund's investments may fluctuate in response to broader macroeconomic risks than if the Fund invested only in fixed income securities.

The Fund is also subject to the risk that developed international fixed income securities may underperform other segments of the fixed income markets or the fixed income markets as a whole.

### Performance Information

The bar chart and the performance table below illustrate the risks and volatility of an investment in the Fund. Of course, the Fund's past performance does not necessarily indicate how the Fund will perform in the future.

This bar chart shows changes in the performance of the Fund's Class A Shares from year to year for eleven years. The performance information shown is based on full calendar years.

1995	22.13%
1996	4.69%
1997	-3.56%
1998	18.52%
1999	-6.69%
2000	-3.74%
2001	-5.25%
2002	19.54%
2003	18.00%
2004	11.47%
2005	X.XX%

Best Quarter	Worst Quarter
X.XX%	X.XX%
(XX/XX/XX)	(XX/XX/XX)

This table compares the Fund's average annual total returns for Class A Shares for the periods ended December 31, 2005 to those of the Lehman Global Aggregate Ex-U.S. Index.

International Fixed Income Fund - Class A Shares	1 Year	5 Years	10 Years	Since Inception*
<b>Return Before Taxes</b>	X.XX%	X.XX%	X.XX%	X.XX%
<b>Return After Taxes on Distributions**</b>	X.XX%	X.XX%	X.XX%	X.XX%
<b>Return After Taxes on Distributions and Sale of Fund Shares**</b>	X.XX%	X.XX%	X.XX%	X.XX%
<b>Lehman Global Aggregate Ex-U.S. Hedged Index Return</b> (reflects no deduction for fees, expenses, or taxes)***	X.XX%	X.XX%	X.XX%	X.XX%

\* The inception date for the Fund's Class A Shares is September 1, 1993. Index returns shown from September 30, 1993.

\*\* After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

\*\*\* An index measures the market prices of a specific group of securities in a particular market or securities in a market sector. You cannot invest directly in an index. Unlike a mutual fund, an index does not have an investment adviser and does not pay any commissions or expenses. If an index had expenses, its performance would be lower. The Lehman Global Aggregate Ex-U.S. Hedged Index is an index of government, corporate, and collateralized bonds denominated in foreign currencies.

## Fund Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Fund shares.

### Annual Fund Operating Expenses (Expenses deducted from Fund assets)

	Class A Shares
Investment Advisory Fees	X.XX%
Distribution (12b-1) Fees	None
Other Expenses	X.XX%
Total Annual Fund Operating Expenses	X.XX%*

\* The Fund's total actual annual fund operating expenses for the most recent fiscal year were less than the amount shown above because the Fund's distributor waived a portion of the fees in order to keep total operating expenses, excluding interest expense, at a specified level. The Fund's distributor may discontinue all or part of these waivers at any time. With these fee waivers, the Fund's actual total operating expenses were as follows:

International Fixed Income Fund - Class A Shares	X.XX%
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### Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and that you sell your shares at the end of the period. The Example also assumes that each year your investment has a 5% return, Fund operating expenses remain the same, and you reinvest all dividends and distributions. For purposes of calculating the Example, the Fund’s fees are equal to the “Total Annual Fund Operating Expenses” figure in the table above. Although your actual costs and returns might be different, your approximate costs of investing \$10,000 in the Fund would be:

	1 Year	3 Years	5 Years	10 Years
<b>International Fixed Income Fund - Class A Shares</b>	\$ XX	\$ XX	\$ XX	\$ XX

## EMERGING MARKETS DEBT FUND

### Fund Summary

<i>Investment Goal:</i>	Maximize total return
<i>Share Price Volatility:</i>	High to very high
<i>Principal Investment Strategy:</i>	Utilizing multiple sub-advisers, the Fund invests in U.S. dollar denominated debt securities of emerging market issuers

### Investment Strategy

Under normal circumstances, the Emerging Markets Debt Fund will invest at least 80% of its net assets in fixed income securities of emerging market issuers. The Fund will invest primarily in U.S. dollar-denominated debt securities of government, government-related and corporate issuers in emerging market countries, as well as entities organized to restructure the outstanding debt of such issuers. The Fund uses a multi-manager approach, relying upon a number of Sub-Advisers with differing investment philosophies to manage portions of the Fund’s portfolio under the general supervision of SIMC. The Sub-Advisers will spread the Fund’s holdings across a number of countries and industries to limit its exposure to a single emerging market economy. There are no restrictions on the Fund’s average portfolio maturity, or on the maturity of any specific security. There is no minimum rating standard for the Fund’s securities and the Fund’s securities will generally be in the lower or lowest rating categories (including those below investment grade, commonly referred to as junk bonds).

Due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

### What are the Risks of Investing in the Fund?

The prices of the Fund’s fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, the Fund’s fixed income securities will decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are generally more volatile, so the average maturity or duration of these securities affects risk. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. These factors contribute to price volatility, which is the principal risk of investing in the Fund.

Junk bonds involve greater risks of default or downgrade, and involve greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of junk bonds may be more susceptible than other issuers to economic downturns. Junk bonds are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. Discontinuation of these payments could substantially adversely affect the market value of the security. The volatility of

junk bonds, particularly those issued by foreign governments, is even greater since the prospects for repayment of principal and interest of many of these securities is speculative. Some may even be in default. As an incentive to invest in these risky securities, they tend to offer higher returns.

Emerging market countries are countries that the World Bank or the United Nations considers to be emerging or developing. Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with the Fund's investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. Dollar.

The foreign sovereign debt securities and "Brady Bonds" the Fund purchases involve specific risks, including the risks that: (i) the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or interest when it becomes due, due to factors such as debt service burden, political constraints, cash flow problems and other national economic factors; (ii) governments may default on their debt securities, which may require holders of such securities to participate in debt rescheduling or additional lending to defaulting governments; and (iii) there is no bankruptcy proceeding by which defaulted sovereign debt may be collected in whole or in part.

The Fund is non-diversified, which means that it may invest in the securities of relatively few issuers. As a result, the Fund may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers, and may experience increased volatility due to its investments in those securities.

The Fund may purchase shares of ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When the Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

The Fund is also subject to the risk that emerging market debt securities may underperform other segments of the fixed income markets or the fixed income markets as a whole.

## **Performance Information**

The bar chart and the performance table below illustrate the risks and volatility of an investment in the Fund. Of course, the Fund's past performance does not necessarily indicate how the Fund will perform in the future.

This bar chart shows changes in the performance of the Fund's Class A Shares from year to year for eight years. The performance information shown is based on full calendar years.



1998	-20.89%
1999	28.89%
2000	13.51%
2001	12.30%
2002	10.61%
2003	34.65%
2004	14.49%
2005	X.XX%

<b>Best Quarter</b>	<b>Worst Quarter</b>
X.XX%	X.XX%
(XX/XX/XX)	(XX/XX/XX)

*This table compares the Fund's average annual total returns for Class A Shares for the periods ended December 31, 2005 to those of the J.P. Morgan Emerging Markets Bond Index (EMBI) Global.*

Emerging Markets Debt Fund - Class A Shares	1 Year	5 Years	Since Inception*
<b>Return Before Taxes</b>	X.XX%	X.XX%	X.XX%
<b>Return After Taxes on Distributions**</b>	X.XX%	X.XX%	X.XX%
<b>Return After Taxes on Distributions and Sale of Fund Shares**</b>	X.XX%	X.XX%	X.XX%
<b>J.P. Morgan EMBI Global Index Return (reflects no deduction for fees, expenses, or taxes)***</b>	X.XX%	X.XX%	X.XX%

\* The inception date for the Fund's Class A Shares is June 26, 1997. Index returns shown from June 30, 1997.

\*\* After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

\*\*\* An index measures the market prices of a specific group of securities in a particular market or securities in a market sector. You cannot invest directly in an index. Unlike a mutual fund, an index does not have an investment adviser and does not pay any commissions or expenses. If an index had expenses, its performance would be lower. The J.P. Morgan EMBI Global Index tracks total returns for U.S. dollar-denominated Brady Bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

## Fund Fees and Expenses

*This table describes the fees and expenses that you may pay if you buy and hold Fund shares.*

### Annual Fund Operating Expenses (Expenses deducted from Fund assets)

	Class A Shares
Investment Advisory Fees	X.XX%
Distribution (12b-1) Fees	None
Other Expenses	X.XX%
<b>Total Annual Fund Operating Expenses</b>	<b>X.XX%*</b>

\* The Fund's total actual annual fund operating expenses for the most recent fiscal year were less than the amount shown above because the Adviser and the Fund's distributor each waived a portion of the fees in order to keep total operating expenses, excluding interest expense, at a specified level. The Adviser and

the Fund's distributor may discontinue all or part of these waivers at any time. With these fee waivers, the Fund's actual total operating expenses were as follows:

Emerging Markets Debt Fund - Class A Shares	X.XX%
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For more information about these fees, see "Investment Adviser and Sub-Advisers" and "Distribution of Fund Shares."

**Example**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and that you sell your shares at the end of the period. The Example also assumes that each year your investment has a 5% return, Fund operating expenses remain the same, and you reinvest all dividends and distributions. For purposes of calculating the Example, the Fund's fees are equal to the "Total Annual Fund Operating Expenses" figure in the table above. Although your actual costs and returns might be different, your approximate costs of investing \$10,000 in the Fund would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
<b>Emerging Markets Debt Fund - Class A Shares</b>	\$ XX	\$ XX	\$ XX	\$ XX

**More Information About Fund Investments**

This prospectus describes the Funds' primary investment strategies. However, each Fund also may invest in other securities, use other strategies and engage in other investment practices. These investments and strategies, as well as those described in this prospectus, are described in detail in the Funds' Statement of Additional Information (SAI).

The investments and strategies described in this prospectus are those that the Adviser and Sub-Advisers use under normal conditions. During unusual economic or market conditions, or for temporary defensive or liquidity purposes, each Fund may invest up to 100% of its assets in cash, money market instruments, repurchase agreements and other short-term obligations that would not ordinarily be consistent with a Fund's objectives. A Fund will do so only if the Adviser or the Sub-Advisers believe that the risk of loss outweighs the opportunity for capital gains and higher income. Of course, there is no guarantee that any Fund will achieve its investment goal.

**Investment Adviser and Sub-Advisers**

**SEI Investments Management Corporation (SIMC) acts as the manager of managers of the Funds, and is responsible for the investment performance of the Funds since it allocates each Fund's assets to one or more Sub-Advisers and recommends hiring or changing Sub-Advisers to the Board of Trustees.**

Each Sub-Adviser makes investment decisions for the assets it manages and continuously reviews, supervises and administers its investment program. SIMC oversees the Sub-Advisers to ensure compliance with the Funds' investment policies and guidelines, and monitors each Sub-Adviser's adherence to its investment style. The Board of Trustees supervises SIMC and the Sub-Advisers; establishes policies that they must follow in their management activities; and oversees the hiring and termination of the Sub-Advisers recommended by SIMC. SIMC pays the Sub-Advisers out of the investment advisory fees it receives (described below).

SIMC, an SEC-registered adviser, located at One Freedom Valley Drive, Oaks, Pennsylvania 19456, serves as the Adviser to the Funds. As of December 31, 2005, SIMC had more than \$XX billion in assets under management. For the fiscal year or period ended September 30, 2005, SIMC received investment advisory fees, as a percentage of each Fund's net assets, at the following annual rates:

<i>International Equity Fund</i>	X.XX%
<i>Emerging Markets Equity Fund</i>	X.XX%*
<i>International Fixed Income Fund</i>	X.XX%
<i>Emerging Markets Debt Fund</i>	X.XX%*

\* After fee waivers.

A discussion regarding the basis for the Board of Trustee's approval of the Funds' investment advisory and sub-advisory agreements is available in the SAI.

## Sub-Advisers and Portfolio Managers

### International Equity Fund:

**Alliance Capital Management L.P.:** Alliance Capital Management L.P. (Alliance Capital), located at 1345 Avenue of the Americas, New York, New York 10105, serves as a Sub-Adviser to the International Equity Fund. A team of investment professionals manages the portion of the International Equity Fund's assets allocated to Alliance Capital. The Committee consists of Sharon Fay, Kevin Simms, Giulio Martini and Henry D' Auria. Ms. Fay was appointed Chief Investments Officer of Global Value Equities in 2003 and is responsible for the oversight of all portfolio management and research relating to cross-border and non-U.S. value investment portfolios. She joined Bernstein in 1990. Mr. Simms was named co-Chief Investments Officer of International Value Equities in 2003, and is Director of Research for Global and International Value Equities, a position he has held since 2000. Mr. Simms joined Bernstein, a unit of Alliance Capital, in 1992. Mr. Martini was appointed to head the newly created quantitative strategies team within the value-equities unit and was named Chief International Economist in 1992. Mr. Martini joined Bernstein in 1985. Mr. D' Auria was named co-Chief Investments Officer of International Value Equities in 2003, adding to his responsibilities as Chief Investments Officer of Emerging Markets Value Equities, which he assumed in 2002. Mr. D' Auria was one of the chief architects of Bernstein's global research department, which he managed from 1998 through 2002. Mr. D' Auria joined the firm in 1991.

**Capital Guardian Trust Company:** Capital Guardian Trust Company (Capital Guardian), located at 700 Newport Center Drive, Newport Beach, CA 92660-6397, serves as a Sub-Adviser to the International Equity Fund. Capital Guardian uses a multiple portfolio manager system in managing the International Equity Fund's assets. Under this approach, the portfolio of the International Equity Fund is divided into segments managed by individual managers. Each manager's role is to decide how their respective segment will be invested by selecting securities within the limits provided by the International Equity Fund's objectives and policies. Subject to those objectives and policies, portfolio managers are not limited to where they may invest geographically except for Seung Kwak and John Mant, whose geographical coverage is limited to Japan and Europe, respectively. Capital Guardian's investment committee oversees this process. In addition, Capital Guardian's investment analysts also may make investment decisions with respect to a portion of the International Equity Fund's portfolio. Certain portfolio managers may also have investment analyst responsibilities with respect to specific research coverage. Capital Guardian's portfolio management team consists of David I. Fisher, Chairman of the Board and Portfolio Manager, has been with Capital Guardian for 36 years. Arthur J. Gromadzki, Portfolio Manager, has been with Capital Guardian for 18 years. Richard N. Havas, Portfolio Manager, has been with Capital Guardian for 19 years. Seung Kwak, Portfolio Manager, has been with Capital Guardian for 3 years. Prior to joining Capital Guardian Mr. Kwak was employed at Zurich Scudder Investments. Nancy J. Kyle, Vice Chairman and Portfolio Manager, has been with Capital Guardian for 14 years. John M.N. Mant, Portfolio Manager, has been with Capital Guardian for 15 years. Christopher A. Reed, Director, Senior Vice President and Portfolio Manager, has been with Capital Guardian for 12 years. Lionel M. Sauvage, Director, Senior

Vice President and Portfolio Manager, has been with Capital Guardian for 18 years. Nilly Sikorsky, Portfolio Manager, has been with Capital Guardian for 43 years. Rudolf M. Staehelin, Portfolio Manager, has been with Capital Guardian for 24 years.

**Fisher Asset Management LLC.:** Fisher Asset Management LLC. (Fisher), located at 13100 Skyline Blvd., Woodside, California 94062, serves as a Sub-Adviser to the International Equity Fund. A committee of investment professionals at Fisher manages the portion of the International

Equity Fund' s assets allocated to Fisher. This committee includes Kenneth L. Fisher, Jeffery L. Silk, and Andrew S. Teufel. Mr. Fisher, Chief Executive Officer and Chief Investments Officer, has been with the Fisher for 26 years. Mr. Silk, Vice Chairman, has been with Fisher for 22 years. Mr. Teufel, co-Presidents and Director of Research, has been with Fisher for 10 years. The investment committee collaboratively makes all strategic investment decisions affecting the Fisher' s portfolios. Though the committee functions as a team, each member focuses his efforts on particular segments of investment strategy. While all three committee members conduct macroeconomic, political, and sentiment analysis in support of Fisher' s strategies, Mr. Fisher plays the primary role in this process. Mr. Silk and Mr. Teufel are primarily responsible for the selection of securities within Fisher' s strategies. Additionally, Mr. Silk and Mr. Teufel oversee Fisher' s in-house research efforts, portfolio engineering and implementation and Fisher' s technological research resources.

**Fuller & Thaler Asset Management, Inc.:** Fuller & Thaler Asset Management, Inc. (Fuller & Thaler), located at 411 Borel Avenue, Suite 402, San Mateo, California 94402, serves as a Sub-Adviser to the International Equity Fund. Joseph S. Leung, CFA, Senior Vice President and Head of International Strategies, manages the portion of the International Equity Fund' s assets allocated to Fuller & Thaler. Prior to joining the Fuller & Thaler in 2002, Mr. Leung worked for AXA Rosenberg Investment Management Inc., in their U.S. and U.K. offices. Most recently, Mr. Leung served as an executive director on the AXA Rosenberg London Board and was Chief Investment Officer at AXA Rosenberg Investment Management Inc. in London.

**McKinley Capital Management Inc.:** McKinley Capital Management Inc. (McKinley Capital), located at 3301 C Street, Suite 500, Anchorage, Alaska 99503, serves as a Sub-Adviser to the International Equity Fund. A team of investment professionals, led by Robert B. Gillam, manages the portion of the International Equity Fund' s assets allocated to McKinley Capital. The team consists of Robert B. Gillam, Robert A. Gillam, Greg Samorajski, Frederic Parke, Sheldon Lien, Brandon Rinner and Paul Hanson, who are all responsible for all aspects of the day-to-day decisions regarding investments. Mr. Robert B. Gillam, President & Chief Investment Officer, has been with Mckinley Capital since its inception in 1990, and has over 32 years of investment experience. Mr. Robert A. Gillam, CFA, Director of Global Equities, joined McKinley Capital in 1993. He has over 11 years of investment experience. Mr. Samorajski, Portfolio Manager, has been with McKinley Capital since 1997. He has over 20 years of investment experience. Mr. Parke, Portfolio Manager, has been with McKinley Capital since 1997 and has over 20 years of investment experience. Mr. Lien, Portfolio Manager, has been with McKinley Capital since 1996 and has over 9 years of investment experience. Mr. Rinner, Portfolio Manager, has been with McKinley Capital since 1998 and has over 8 years of investment experience. Mr. Hanson, Portfolio Manager, has been with McKinley Capital since 2000 and has over 6 years of investment experience.

**Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited:** Morgan Stanley Investment Management Inc. (MSIM Inc.), located at 1221 Avenue of the Americas, New York, New York 10020, serves as a Sub-Adviser to the International Equity Fund. MSIM Inc. delegates certain investment advisory responsibilities to its affiliate, Morgan Stanley Investment Management Limited (MSIM Limited), located at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom. MSIM Limited' s International Equity Value Team manages the portion of the International Equity Fund' s assets allocated to MSIM Inc. Current members of the team include Dominic Caldecott, Managing Director, Peter Wright, Managing Director,

William Lock, Managing Director and Walter Riddell, Executive Director. Mr. Caldecott has worked for MSIM Limited since 1986 and began managing the portion of the International Equity Fund' s assets allocated to MSIM Limited in October 2001. Mr. Riddell has worked for MSIM Limited since 1995 and began managing the portion of International Equity Fund' s assets allocated to MSIM Limited in October 2001.

Mr. Wright has worked for MSIM Limited since 1996 and began managing the portion of International Equity Fund' s assets allocated to MSIM Limited in October 2001. Mr. Lock has worked for MSIM Limited since 1994 and began managing the portion of International Equity Fund' s assets allocated to MSIM Limited in October 2001. Each member' s role includes global sector research responsibilities; Messrs. Riddell, Wright and Lock have day-to-day portfolio administration responsibilities as well.

**Quantitative Management Associates LLC:** Quantitative Management Associates LLC (QMA), located at Gateway Center 2, McCarter Highway and Market Street, Newark, New Jersey 07102, serves as a Sub-Adviser to the International Equity Fund. A team of investment professionals at QMA manages the portion of the International Equity Fund' s assets allocated to QMA. The members of the team with primary responsibility for managing the assets allocated to QMA are Margaret Stumpp, PhD, John Van Belle, PhD, Peter Xu, PhD and Betty Sit Tong. Ms. Stumpp, Chief Investment Officer, is responsible for portfolio management and investment strategy for the International Equity Fund and is portfolio manager for QMA' s enhanced index equity portfolios for institutional investors and mutual fund clients. Ms. Stumpp joined QMA' s predecessor, Prudential Investment Management, Inc. (PIM), in 1987. Mr. Van Belle, Managing Director, is responsible for portfolio management and investment strategy for the International Equity Fund and manages QMA' s global balanced portfolios, domestic balanced funds, and equity portfolios for foreign-based full service clients. Mr. Van Belle joined PIM in 1983. Mr. Xu, Managing Director, is responsible for portfolio management and investment research for the International Equity Fund and conducts equity market research, the results of which are used in QMA' s stock selection process for all quantitative core equity portfolios. Mr. Xu joined PIM in 1997. Ms. Sit Tong, Investment Associate, is responsible for portfolio management and trading for the International Equity Fund and co-manages certain QMA global index portfolios. She is also responsible for trading foreign and domestic equities, foreign exchange, and derivative instruments. Ms. Sit Tong joined PIM in 1994.

#### **Emerging Markets Equity Fund:**

**Alliance Capital Management L.P.:** Alliance Capital Management L.P. (Alliance Capital), located at 1345 Avenue of the Americas, New York, New York 10105, serves as a Sub-Adviser to the Emerging Markets Equity Fund. Edward D. Baker III manages the portion of the Emerging Markets Equity Fund' s assets allocated to Alliance Capital. Mr. Baker, Chief Executive Officer of Emerging Markets Growth Equities, joined Alliance Capital in 1995 and currently serves as head of Alliance Capital' s Emerging Markets Growth Equity and specialty-portfolio businesses. He also coordinates the investment activities of Alliance' s non-US specialty-portfolio teams and joint ventures.

**Ashmore Investment Management Limited:** Ashmore Investment Management Limited (Ashmore), located at 20 Bedfordbury, London, United Kingdom, WC2N 4BL, serves as a Sub-Adviser to the Emerging Markets Equity Fund. Ashmore' s Investments Committee manages the portion of the Assets of the Emerging Markets Equity Fund allocated to Ashmore. Ashmore' s Investment Committee currently has four members. Ashmore' s Managing Director and the Chairman of its Investment Committee, Mark Coombs, has been investing in emerging markets since 1983, and is currently Co-Chair of the Board of EMTA (formerly the Emerging Markets Trade Association). Mr. Coombs participates in the security selection process for the Emerging

Markets Equity Fund. Senior portfolio managers Jules Green and Seumas Dawes have been actively involved in emerging market investment since 1990 and 1993 respectively. Mr. Dawes has a geographic responsibility for Asia, product responsibility for special situations, structured transactions, equity and related derivatives and he participates in the security selection process for the Emerging Markets Equity Fund. Mr. Green has a geographic responsibility for Latin America and Eastern Europe, product responsibility for US Bonds, local currency debt, local currencies & related derivatives and he participates in the security selection process for the Emerging Markets Equity Fund. Jerome Booth is Ashmore' s Head of Research and political economist, and has been professionally involved with developing countries as a government and international official, consultant, economist, and market analyst since 1985. He is responsible for all macro country political research and analysis.

**The Boston Company Asset Management LLC:** The Boston Company Asset Management LLC (The Boston Company), located at One Boston Place, Boston, Massachusetts 02108, serves as a Sub-Adviser to the Emerging Markets Equity Fund. A team of investment professionals manages the portion of the Emerging Markets Equity Fund' s Assets allocated to The Boston Company. The team consists of D. Kirk Henry, Clifford A. Smith, Carolyn M. Kedersha, Andrew B. Johnsen, Param Roychoudhury, and Michelle Y. Chan. Mr. Henry,

Executive Vice President & Director of International Value Equity, whose role is lead Portfolio Manager for all International Value and Emerging Markets Value strategies, has been with The Boston Company since 1994. Mr. Smith, Senior Vice President and the Assistant Director of International Value Equity, whose role is to conduct research on global technology and European capital goods companies, has been with The Boston Company since 1998. Ms. Kedersha, Senior Vice President and Senior Portfolio Manager, whose role is to conduct research on companies located in the United Kingdom, Greece, Egypt, Turkey, Israel, Russia and Latin America, has been with The Boston Company since 1988. Mr. Johnsen, Senior Vice President and Senior Portfolio Manager, whose role is to research companies located in Japan, South Korea, Taiwan and Eastern Europe, has been with The Boston Company since 1995. Ms. Roychoudhury, Senior Vice President and Portfolio Manager, whose role is to research companies in Continental Europe and India, has been with The Boston Company since 1991. Ms. Chan, Vice President and an Assistant Portfolio Manager, whose role is to provide research coverage for China, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand has been with The Boston Company since 2000.

**Emerging Markets Management, L.L.C.:** Emerging Markets Management, L.L.C. (EMM), located at 1001 Nineteenth Street, North, 17th Floor, Arlington, Virginia 22209-1722, serves as a Sub-Adviser to the Emerging Markets Equity Fund. A team of investment professionals led by Antoine van Agtmael, EMM's President and Chief Investment Officer, is jointly and primarily responsible for the day-to-day management of the portion of the Emerging Markets Equity Fund's assets allocated to EMM. Mr. van Agtmael, who co-founded EMM in 1988, is responsible for country allocation, risk control, and diversification. Ms. Felicia Morrow, who joined EMM in 1990 and is EMM's Chief Operating Officer and Lead Portfolio Manager, is the portfolio manager responsible for Latin America and Southeast Asia. Mr. John Niepold, who joined EMM in 1993, is the portfolio manager responsible for Frontier Africa and the Middle East. Mr. Arindam Bhattacharjee, who joined EMM in 1995, is the portfolio manager responsible for the Indian sub-continent. Ms. Dobrinka Cidrof, who joined EMM in 1989, is the portfolio manager responsible for Turkey and Israel. Mr. Peter Trofimenko, who joined EMM in 1994, is the portfolio manager responsible for Central and Eastern Europe, Russia and South Africa. Ms. Rita Lun, who joined EMM in 1996, is the portfolio manager responsible for China/Hong Kong, Taiwan and Korea.

**Rexiter Capital Management Limited:** Rexiter Capital Management Limited (Rexiter), located at 21 St. James' s Square, London SW1Y 4SS United Kingdom, serves as a Sub-Adviser to the Emerging Markets Equity Fund. Murray Davey and Nick Payne manage the portion of the Emerging Markets Equity Fund's assets allocated to Rexiter. Mr. Davey is a senior European, Middle Eastern and African fund manager and a director of Rexiter. Mr. Payne is a senior Latin American fund manager and a director of Rexiter. Mr. Davey has been with Rexiter since its inception in 1997. Mr. Payne joined Rexiter in September 1999.

#### **International Fixed Income Fund:**

**Bridgewater Associates, Inc.:** Bridgewater Associates, Inc. (Bridgewater), located at 1 Glendinning Place, Westport, Connecticut 06880, serves as a Sub-Adviser to the International Fixed Income Fund. A team of investment professionals consisting of Raymond T. Dalio, Robert P. Prince and Greg S. Jensen, manages the portion of the International Fixed Income Fund's assets allocated to Bridgewater. Mr. Dalio is President and Chief Investment Officer of Bridgewater and has 32 years of investment experience. He is responsible for the fundamental investment process. Mr. Prince is Co-Chief Investment Officer of Bridgewater and has 24 years of investment experience. He is responsible for research and development of proprietary investment management models and the implementation of investment strategies. Mr. Jensen is Co-Chief Investment Officer of Bridgewater and has 9 years of investment experience. He is responsible for designing investment strategies and Bridgewater's trading. Messrs. Dalio, Prince and Jensen have been with Bridgewater for 30, 19 and 9 years, respectively.

**Fischer Francis Trees & Watts, Inc and its Affiliates: Fischer Francis Trees & Watts, Inc. and its affiliates:** Fischer Francis Trees & Watts, Inc., a New York corporation located at 200 Park Avenue, 46th Floor, New York, New York 10166, and three of its affiliates, Fischer Francis Trees & Watts, a corporate partnership organized under the laws of the United Kingdom, Fischer Francis Trees & Watts (Singapore) Pte Ltd, a Singapore corporation, and Fischer Francis Trees & Watts Kabushiki Kaisha, a Japanese corporation (collectively referred to as FFTW) serve as Sub-Adviser to the International Fixed Income Fund. FFTW's Investment Strategy Group is responsible for determining the investment strategy for the portion of the assets of the International Fixed Income Fund allocated to FFTW. Kevin Corrigan, Portfolio Manager and Managing Director of FFTW, serves as portfolio manager to the portion of the International Fixed Income Fund's assets allocated to FFTW. Mr. Corrigan, who joined FFTW in 1995 and has 11 years of investment experience, heads the European Corporate Credit

Team and is the product manager for European Domestic portfolios. Mr. Corrigan is a member of the Investment Strategy Group and manages FFTW's European corporate bond and derivative exposures.

### **Emerging Markets Debt Fund:**

**Ashmore Investment Management Limited:** Ashmore Investment Management Limited (Ashmore), located at 20 Bedfordbury, London, United Kingdom, WC2N 4BL, serves as a Sub-Adviser to the Emerging Markets Debt Fund. The management of the Emerging Markets Debt Fund is carried out by Ashmore's Investment Committee. Ashmore's Managing Director and the Chairman of its Investment Committee, Mark Coombs, has been investing in emerging markets since 1983, and is currently Co-Chair of the Board of EMTA (formerly the Emerging Markets Trade Association). Mr. Coombs participates in the security selection process for the Emerging Markets Debt Fund. Senior portfolio managers Jules Green and Seumas Dawes have been actively involved in emerging market investment since 1990 and 1993 respectively. Mr. Dawes has a geographic responsibility for Asia, product responsibility for special situations, structured transactions, equity and related derivatives and he participates in the security selection process for

the Emerging Markets Debt Fund. Mr. Green has a geographic responsibility for Latin America and Eastern Europe, product responsibility for US Bonds, local currency debt, local currencies & related derivatives and he participates in the security selection process for the Emerging Markets Debt Fund. Jerome Booth is Ashmore's Head of Research and political economist, and has been professionally involved with developing countries as a government and international official, consultant, economist, and market analyst since 1985. He is responsible for all macro country political research and analysis.

**Salomon Brothers Asset Management Inc:** Salomon Brothers Asset Management Inc (SaBAM), located at 399 Park Avenue, New York, New York 10022, serves as a Sub-Adviser to the Emerging Markets Debt Fund. James Craige serves as the primary portfolio manager for the Emerging Markets Debt Fund. Mr. Craige, CFA, Managing Director, is a senior portfolio manager for all emerging markets debt portfolios managed by SaBAM. Mr. Craige joined SaBAM in 1992 and is a member of the Investment Policy Committee. Peter J. Wilby, CFA, Managing Director, Chief Investment Officer - North American Fixed Income, is the senior portfolio manager responsible for directing investment policy and strategy for all emerging markets debt and high yield fixed income portfolios managed by SaBAM. Mr. Wilby joined SaBAM in 1989 and is a member of the Investment Policy Committee. Thomas K. Flanagan, CFA, Managing Director, is also a senior portfolio manager for all emerging markets debt portfolios managed by SaBAM. Mr. Flanagan joined SaBAM in 1991 and is a member of the Investment Policy Committee.

### **Purchasing and Selling Fund Shares**

This section tells you how to purchase and sell (sometimes called "redeem") Class A Shares of the Funds. The Funds offer Class A Shares only to Financial Institutions and intermediaries for their own or their customers' accounts.

For information on how to open an account and set up procedures for placing transactions, call 1-800-DIAL-SEI.

### **How to Purchase Fund Shares**

You may purchase shares on any day that the New York Stock Exchange (NYSE) is open for business.

Financial institutions or intermediaries may purchase Class A Shares by placing orders with the Funds' Transfer Agent (or its authorized agent). Institutions and intermediaries that use certain SEI proprietary systems may place orders electronically through those systems. Generally, cash investments must be transmitted or delivered in federal funds to the Funds' wire agent by the close of business on the day after the order is placed. However, in certain circumstances the Funds at their discretion may allow purchases to settle (*i.e.*, receive final payment) at a later date in accordance with the Funds' procedures and applicable law. The Funds reserve the right to refuse any purchase requests, particularly those that the Funds reasonably believe may not be in the best interests of the Funds or their shareholders and could adversely affect the Funds or their operations. This includes those from any individual or group who, in the Funds' view, is likely to engage

in excessive trading (usually defined as four or more “round trips” in a Fund in any twelve month period). For more information regarding the Funds’ policy and procedures related to excessive trading, please see “Frequent Purchases and Redemptions of Fund Shares” below.

When you purchase or sell Fund shares through certain financial institutions (rather than directly from the Funds), you may have to transmit your purchase and sale requests to these financial institutions at an earlier time for your transaction to become effective that day. This allows these financial institutions time to process your requests and transmit them to the Funds.

Certain other intermediaries, including certain broker-dealers and shareholder organizations, are authorized to accept purchase and redemption requests for Fund shares. These requests are executed at the net asset value per share (NAV) next determined after the intermediary receives the request if transmitted to the Funds in accordance with the Funds’ procedures and applicable law. These authorized intermediaries are responsible for transmitting requests and delivering funds on a timely basis.

If you deal directly with a financial institution or financial intermediary, you will have to follow the institution’ s or intermediary’ s procedures for transacting with the Funds. For more information about how to purchase or sell Fund shares through these financial institutions, you should contact these financial institutions directly. Investors may be charged a fee for purchase and/or redemption transactions effectuated through certain broker-dealers or other financial intermediaries.

The Fund is open for business each day that the NYSE is open (a Business Day). Each Fund calculates its NAV once each Business Day as of the close of normal trading on the NYSE (normally, 4:00 p.m. Eastern time). So, for you to receive the current Business Day’ s NAV, generally the Funds (or an authorized agent) must receive your purchase order in proper form before 4:00 p.m. Eastern time. A Fund will not accept orders that request a particular day or price for the transaction or any other special conditions.

### **Pricing of Fund Shares**

NAV for one Fund share is the value of that share’ s portion of the net assets of the Fund. In calculating NAV, a Fund generally values its investment portfolio at market price.

When valuing portfolio securities, the Funds value securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (other than securities traded on NASDAQ) at the last quoted sale price on the primary exchange or market (foreign or domestic) on which the securities are traded, or, if there is no such reported sale, at the most recent quoted bid price. The Funds value securities traded on NASDAQ at the NASDAQ Official Closing Price. If such prices are not readily available or are determined to be unreliable, the Funds will value the security using a bid price from at least one independent broker obtained by an independent, third-party pricing agent or using the Funds’ Fair Value Procedures, as described below. The prices of foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates. Prices for most securities held by the Funds are provided daily by recognized independent pricing agents. If a security’ s price cannot be obtained from an independent pricing agent, the Funds will value the securities using a bid price from at least one independent broker obtained by an independent, third-party pricing agent or using the Funds’ Fair Value Procedures, as described below.

Securities held by a Fund with remaining maturities of 60 days or less will be valued by the amortized cost method, which involves valuing a security at its cost on the date of purchase and thereafter (absent unusual circumstances) assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuations in general market rates of interest on the value of the instrument. While this method provides certainty in valuation, it may result in

periods during which value, as determined by this method, is higher or lower than the price a Fund would receive if it sold the instrument, and the value of securities in the Fund can be expected to vary inversely with changes in prevailing interest rates.



Prices for most securities held by a Fund are provided daily by third-party independent pricing agents. SIMC or a Fund's Sub-Adviser, as applicable, reasonably believes that prices provided by independent pricing agents are reliable. However, there can be no assurance that a pricing service's prices will be reliable. SIMC or a Fund's Sub-Adviser, as applicable, will continuously monitor the reliability of prices obtained from any pricing service and shall promptly notify the Administrator if it believes that a particular pricing service is no longer a reliable source of prices. The Administrator, in turn, will notify the Fair Value Pricing Committee if it receives such notification from SIMC or a Fund's Sub-Adviser, as applicable, or if the Administrator reasonably believes that a particular pricing service is no longer a reliable source for prices. The pricing services rely on a variety of information in making their determinations, particularly on prices of actual market transactions as well as on trader quotations. However, the services may also use a matrix system to determine valuations, which system considers such factors as security prices, yields, maturities, call features, ratings and developments relating to specific securities in arriving at valuations. The procedures used by the pricing services and their valuation methodologies are reviewed by the officers of the Trust and the Administrator under the general supervision of the Board of Trustees.

Securities for which market prices are not "readily available" or may be unreliable are valued in accordance with Fair Value Procedures established by the Funds' Board of Trustees. The Funds' Fair Value Procedures are implemented through a Fair Value Committee (the Committee) designated by the Funds' Board of Trustees. The Fair Value Committee is currently composed of two members of the Board of Trustees, as well as representatives from the Funds' Adviser and its affiliates.

Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security's trading has been halted or suspended, the security has been de-listed from a national exchange, the security's primary trading market is temporarily closed at a time when under normal conditions it would be open, or the security's primary pricing source is not able or willing to provide a price. When a security is valued in accordance with the Fair Value Procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee. Examples of factors the Committee may consider are: the facts giving rise to the need for fair value, the last trade price, the performance of the market or the issuer's industry, the liquidity of the security, the size of the holding in a Fund, or any other appropriate information.

A Fund's determination of a security's fair value price often involves the consideration of a number of subjective factors, and is therefore subject to the unavoidable risk that the value that the Fund assigns to a security may be higher or lower than the security's value would be if a reliable market quotation for the security was readily available.

The International Equity and Emerging Markets Equity Funds use a third-party fair valuation vendor. The vendor provides a fair value for foreign securities held by the International Equity and Emerging Markets Equity Funds based on certain factors and methodologies (involving, generally, tracking valuation correlations between the U.S. market and each non-U.S. security). Values from the fair value vendor are applied in the event that there is a movement in the U.S. market that exceeds a specific threshold that has been established by the Committee. The Committee has also established a "confidence interval" which is used to determine the level of

historical correlation between the value of a specific foreign security and movements in the U.S. market before a particular security will be fair valued when the threshold is exceeded. In the event that the threshold established by the Committee is exceeded on a specific day, the International Equity and Emerging Markets Equity Funds shall value the non-U.S. securities in their portfolios that exceed the applicable "confidence interval" based upon the adjusted prices provided by the fair valuation vendor.

For securities that principally trade on a foreign market or exchange, a significant gap in time can exist between the time of a particular security's last trade and the time at which a Fund calculates its net asset value. The closing prices of such securities may no longer reflect their market value at the time a Fund calculates net asset value if an event that could materially affect the value of those securities (a Significant Event) has occurred between the time of the security's last close and the time that the Fund calculates net asset value. A Significant Event may relate to a single issuer or to an entire market sector. If the Adviser or a Sub-Adviser of a Fund becomes aware of a Significant Event that has occurred with respect to a security or group of securities after the closing of the exchange or market on which the security or securities principally trade, but before the time at which the Fund calculates net asset value, it may request that a Fair Value

Committee meeting be called. In addition, the Funds' administrator monitors price movements among certain selected indices, securities and/or baskets of securities that may be an indicator that the closing prices received earlier from foreign exchanges or markets may not reflect market value at the time a Fund calculates net asset value. If price movements in a monitored index or security exceed levels established by the administrator, the administrator notifies the Adviser or a Sub-Adviser for any Fund holding the relevant securities that such limits have been exceeded. In such event, the Adviser or a Sub-Adviser makes the determination whether a Fair Value Committee meeting should be called based on the information provided.

### **Minimum Purchases**

To purchase Class A Shares for the first time, you must invest at least \$100,000 in any Fund with minimum subsequent investments of at least \$1,000. A Fund may accept investments of smaller amounts at its discretion.

### **Frequent Purchases and Redemptions of Fund Shares**

"Market timing" refers to a pattern of frequent purchases and sales of a Fund's shares, often with the intent of earning arbitrage profits. Market timing can harm other shareholders in various ways, including by diluting the value of the shareholders' holdings, increasing Fund transaction costs, disrupting portfolio management strategy, causing a Fund to incur unwanted taxable gains, and forcing a Fund to hold excess levels of cash.

The Funds are intended to be long-term investment vehicles and are not designed for investors that engage in short-term trading activity (*i.e.*, a purchase of Fund shares followed shortly thereafter by a redemption of such shares, or vice versa, in an effort to take advantage of short-term market movements). Accordingly the Board of Trustees has adopted policies and procedures on behalf of the Funds to deter short-term trading. These policies and procedures do not apply with respect to money market funds. The Funds' transfer agent will monitor trades in an effort to detect short-term trading activities. If, as a result of this monitoring, a Fund determines, in its sole discretion, that a shareholder has engaged in excessive short-term trading, it will refuse to process future purchases or exchanges into the Fund from that shareholder's account.

A shareholder will be considered to be engaging in excessive short-term trading in a Fund in the following circumstances:

- i. if the shareholder conducts four or more "round trips" in a Fund (other than a money market fund) in any twelve-month period. A round trip involves the purchase of shares of a Fund and subsequent redemption of all or most of those shares. An exchange into and back out of a Fund in this manner is also considered a round trip.
- ii. if a Fund determines, in its sole discretion, that a shareholder's trading activity constitutes excessive short-term trading, regardless of whether such shareholder exceeds the foregoing round trip threshold.

The Funds, in their sole discretion, also reserve the right to reject any purchase request (including exchange requests) for any reason without notice.

Judgments with respect to implementation of the Funds' policy are made uniformly and in good faith in a manner that the Funds believe is consistent with the best long-term interests of shareholders. When applying the Funds' policy, the Funds may consider (to the extent reasonably available) an investor's trading history in all SEI funds, as well as trading in accounts under common ownership, influence or control, and any other information available to the Funds.

The Funds' monitoring techniques are intended as a reasonable approach to identify and deter short-term trading in the Funds. However, despite the existence of these monitoring techniques, it is possible that short-term trading may occur in the Funds without being identified. For example, certain investors seeking to engage in short-term trading may be adept at taking steps to hide their identity or activity from the Funds' monitoring techniques. Operational or technical limitations may also limit the Funds' ability to identify short-term trading activity.

While it is the Funds' intention that intermediaries trading in Fund shares will assist the Funds in enforcing the Funds' policies, certain intermediaries may be unable or unwilling to effectively enforce the Funds' trading or exchange restrictions. The Funds will monitor trading activity coming from such intermediaries and take reasonable steps to seek cooperation from any intermediary through which the Funds believe short-term trading activity is taking place.

Certain of the SEI funds are sold to participant-directed employee benefit plans. The Funds' ability to monitor or restrict trading activity by individual participants in a plan may be constrained by regulatory restrictions or plan policies. In such circumstances, the Funds will take such action, which may include taking no action, as deemed appropriate in light of all the facts and circumstances.

The Funds may amend these policies and procedures in response to changing regulatory requirements or to enhance the effectiveness of the program.

### **Foreign Investors**

The Funds do not generally accept investments by non-U.S. persons. Non-U.S. persons may be permitted to invest in a Fund subject to the satisfaction of enhanced due diligence.

### **Customer Identification and Verification and Anti-Money Laundering Program**

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Accounts for the Funds are generally opened through other financial institutions or financial intermediaries. When you open your account through your financial institution or financial intermediary, you will have to provide your name, address, date of birth, identification number and other information that will allow the financial institution or financial intermediary to identify you. This information is subject to verification by the financial institution or financial intermediary to ensure the identity of all persons opening an account.

Your financial institution or financial intermediary is required by law to reject your new account application if the required identifying information is not provided. Your financial institution or intermediary may contact you in an attempt to collect any missing information required on the application, and your application may be rejected if they are unable to obtain this information. In certain instances, your financial institution or financial intermediary is required to collect documents, which will be used solely to establish and verify your identity.

The Funds will accept investments and your order will be processed at the NAV next determined after receipt of your application in proper form (or upon receipt of all identifying information required on the application). The Funds, however, reserve the right to close and/or liquidate your account at the then-current day's price if the financial institution or financial intermediary through which you open your account is unable to verify your identity. As a result, you may be subject to a gain or loss on Fund shares and will be subject to corresponding tax consequences.

Customer identification and verification is part of the Funds' overall obligation to deter money laundering under Federal law. The Funds have adopted an Anti-Money Laundering Compliance Program designed to prevent the Funds from being used for money laundering or the financing of terrorist activities. In this regard, the Funds reserve the right to (i) refuse, cancel or rescind any purchase or exchange order, (ii) freeze any account and/or suspend account services or (iii) involuntarily close your account in cases of threatening conduct or suspected fraudulent or illegal activity. These actions will be taken when, in the sole discretion of Fund management, they are deemed to be in the best interest of a Fund or in cases when a Fund is requested or compelled to do so by governmental or law enforcement authority. If your account is closed at the request of governmental or law enforcement authority, you may not receive proceeds of the redemption if a Fund is required to withhold such proceeds.

### **How to Sell Your Fund Shares**

If you hold Fund Shares, you may sell your shares on any Business Day by following the procedures established when you opened your account or accounts. If you have questions, call 1-800-DIAL-SEI. If you own your shares through an account with a broker or other institution, contact that broker or institution to sell your shares. Your financial institution or intermediary may charge a fee for its services. The sale price of each share will be the next NAV determined after the Funds receive your request or after the Funds' authorized intermediary receives your request if transmitted to the Funds in accordance with the Funds' procedures and applicable law.

### **Receiving Your Money**

Normally, the Funds will make payment on your sale on the Business Day following the day on which they receive your request, but it may take up to seven days. You may arrange for your proceeds to be wired to your bank account.

### **Redemptions in Kind**

The Funds generally pay sale (redemption) proceeds in cash. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Funds' remaining shareholders) the Funds might pay all or part of your redemption proceeds in liquid securities with a market value equal to the redemption price (redemption in kind). Although it is highly unlikely that your shares would ever be redeemed in kind, you would probably have to pay brokerage costs to sell the securities distributed to you, as well as taxes on any capital gains from the sale as with any redemption.

### **Suspension of Your Right to Sell Your Shares**

A Fund may suspend your right to sell your shares if the NYSE restricts trading, the Securities and Exchange Commission declares an emergency or for other reasons. More information about this is in the SAI.

### **Telephone Transactions**

Purchasing and selling Fund shares over the telephone is extremely convenient, but not without risk. The Funds have certain safeguards and procedures to confirm the identity of callers and the authenticity of instructions. If the Funds follow these procedures, the Funds will not be responsible for any losses or costs incurred by following telephone instructions that the Funds reasonably believe to be genuine.

### **Distribution of Fund Shares**

SEI Investments Distribution Co. (SIDCo.) is the distributor of the shares of the Funds. SIDCo. receives no compensation for distributing the Funds' shares.

For Class A Shares, shareholder servicing fees, as a percentage of average daily net assets, may be up to 0.25%.

### **Disclosure of Portfolio Holdings Information**

Information regarding the Funds' policy and procedures on the disclosure of portfolio holdings information is available in the SAI. Portfolio holdings information for a Fund can be obtained on the internet at the following address: [http://www.seic.com/fund\\_holdings\\_home.asp](http://www.seic.com/fund_holdings_home.asp). (the Portfolio Holdings Website). Ten calendar days after each month end, a list of the top ten portfolio holdings in each Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Thirty calendar days after the end of each month, a list of all portfolio holdings in each Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Beginning on the day after any portfolio holdings information is posted on the Portfolio Holdings Website, such information will be delivered directly to any person that requests it, through electronic or other means. The portfolio holdings information placed on the Portfolio Holdings Website shall remain there until the first business day of the fifth

month after the date to which the data relates, at which time it will be permanently removed from the site.

Additional information regarding the Funds' policy and procedures on the disclosure of portfolio holdings information is available in the SAI.

## **Dividends, Distributions and Taxes**

### **Dividends and Distributions**

The Funds distribute their investment income periodically as dividends to shareholders. It is the policy of the International Equity, Emerging Markets Equity and International Fixed Income Funds to pay dividends at least once annually. It is the policy of the Emerging Markets Debt Fund to pay dividends quarterly. The Funds make distributions of capital gains, if any, at least annually.

You will receive dividends and distributions in cash unless otherwise stated.

### **Taxes**

**Please consult your tax advisor regarding your specific questions about federal, state, local, and foreign income taxes.** Below, the Funds have summarized some important tax issues that affect the Funds and their shareholders. This summary is based on current tax laws, which may change.

At least annually, each Fund will distribute substantially all of its net investment income and its net realized capital gains, if any. The dividends and distributions you receive from the Funds may be subject to federal, state and local taxation, depending upon your tax situation. If so, they are taxable whether or not you reinvest them. Income distributions are generally taxable at ordinary income tax rates except to the extent they are designated as qualified dividend income. Dividends that are qualified dividend income are eligible for the reduced maximum rate to individuals of 15% (5% for individuals in lower tax brackets) to the extent that a Fund receives qualified dividend income and certain holding period requirements and other requirements are satisfied by you and by the Fund. Capital gains distributions are generally taxable at the rates applicable to long-term capital gains regardless of how long you have held your Fund shares. Long-term capital gains are currently taxable at the maximum rate of 15%. Absent further legislation, the maximum 15% rate on qualified dividend income and long-term capital gains will cease to apply to taxable years beginning after December 31, 2008.

It is expected that distributions from the International Fixed Income and Emerging Markets Debt Funds will primarily consist of ordinary income and that distributions from the Fund will not be eligible for the lower tax rates applicable to qualified dividend income.

Each sale of Fund shares may be a taxable event. Currently, any capital gain or loss realized upon a sale of Fund shares is generally treated as long-term gain or loss if the shares have been held for more than one year. Capital gain or loss realized upon a sale of Fund shares held for one year or less is generally treated as short-term gain or loss, except that any capital loss on the sale of the Fund shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Fund shares.

Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries a portion of these taxes is recoverable, the non-recovered portion will reduce the income received from the securities comprising the portfolios of the Funds.

Each Fund may elect to pass through to you your pro rata share of foreign income taxes paid by the Fund. The Funds will notify you if they make such election.

**Financial Highlights**

The tables that follow present performance information about Class A Shares of each Fund. This information is intended to help you understand each Fund's financial performance for the past five years. Some of this information reflects financial information for a single Fund share. The total returns in the table represent the rate that you would have earned (or lost) on an investment in a Fund, assuming you reinvested all of your dividends and distributions.

This information has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their report, along with each Fund's financial statements, appears in the annual report that accompanies the Funds' SAI. You can obtain the annual report, which contains more performance information, at no charge by calling 1-800-DIAL-SEI.

**FOR THE YEARS ENDED SEPTEMBER 30,  
FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD**

	Net Asset Value, Beginning of Period	Net Investment Income (Loss)	Net Realized and Unrealized Gains (Losses) on Securities	Dividends from Net Investment Income	Total Distributions from Realized Capital Gains	Total Dividends and Distributions	Net Asset Value, End of Period	Total Return†	Net Assets End of Period (\$ Thousands)	Ratio of Expenses to Average Net Assets	Ratio of Net Income (Loss) to Average Net Assets	Ratio of Expenses to Average Net Assets (Excluding Waivers)	Portfolio Turnover Rate
<b>International Equity Fund</b>													
<b>Class A</b>													
<b>2005</b>													
2004	\$ 8.20	\$ 0.10(1)	\$ 1.60(1)	\$ 1.70	\$ (0.09)	\$ (0.09)	\$ 9.81	20.74%	\$ 2,705,544	1.26%	1.06%	1.26%	44%
2003	6.93	0.08(1)	1.23(1)	1.31	(0.04)	(0.04)	8.20	18.91	2,258,034	1.28	1.12	1.32	87
2002	8.25	0.04	(1.34)	(1.30)	(0.02)	(0.02)	6.93	(15.79)	1,952,763	1.28	0.51	1.29	70
2001	12.33	0.03	(3.73)	(3.70)	(0.07)	(0.31)	8.25	(30.85)	2,365,245	1.28	0.36	1.29	91
2000	12.09	0.08	0.43	0.51	(0.04)	(0.23)	12.33	4.15	2,953,872	1.29‡	0.79	1.30	73
<b>Emerging Markets Equity Fund</b>													
<b>Class A</b>													
<b>2005</b>													
2004	\$ 9.00	\$ 0.09(1)	\$ 2.03(1)	\$ 2.12	\$ (0.02)	\$ (0.02)	\$ 11.10	23.61%	\$ 1,039,735	1.95%	0.84%	2.12%	88%
2003	6.53	0.05(1)	2.42(1)	2.47	–	–	9.00	37.83	936,560	1.95	0.71	2.14	69
2002	6.08	0.01	0.47	0.48	(0.03)	(0.03)	6.53	7.78	739,880	1.95	0.08	2.14	109
2001	9.19	0.04	(3.15)	(3.11)	–	–	6.08	(33.84)	1,010,428	1.95	0.54	2.13	126
2000	9.13	(0.05)(1)	0.12(1)	0.07	(0.01)	(0.01)	9.19	0.71	1,285,033	1.96	(0.46)	2.12	110
<b>International Fixed Income Fund</b>													
<b>Class A</b>													
<b>2005</b>													

2004	\$	12.45	\$	0.28(1)	\$	0.63(1)	\$	0.91	\$	(0.92)	\$	(0.22)	\$	(1.14)	\$	12.22	7.43%	\$	907,633	1.00%	2.27%	1.04%	224%
2003		11.00		0.30(1)		1.53(1)		1.83		(0.33)		(0.05)		(0.38)		12.45	17.05		865,698	1.00	2.60	1.06	216
2002		10.12		0.55		0.33		0.88		-		-		-		11.00	8.70		878,082	1.00	2.72	1.07	339
2001		9.81		0.33		(0.02)		0.31		-		-		-		10.12	3.16		1,198,644	1.00	3.13	1.06	235
2000		11.03		0.31		(1.35)		(1.04)		(0.18)		-		(0.18)		9.81	(9.58)		1,105,584	1.00	3.17	1.11	190

#### Emerging Markets Debt Fund

##### Class A

2005																							
2004	\$	11.15	\$	0.61(1)	\$	0.77(1)	\$	1.38	\$	(0.66)	\$	(1.13)	\$	(1.79)	\$	10.74	13.97%	\$	765,483	1.35%	5.91%	1.79%	77%
2003		8.12		0.78(1)		3.01(1)		3.79		(0.76)		-		(0.76)		11.15	49.15		565,237	1.35	7.98	1.80	127
2002		9.03		0.82		(0.56)		0.26		(0.99)		(0.18)		(1.17)		8.12	2.15		422,130	1.35	8.80	1.79	140
2001		9.51		0.94		(0.53)		0.41		(0.89)		-		(0.89)		9.03	4.69		458,950	1.35	10.06	1.78	196
2000		8.11		0.84		1.33		2.17		(0.77)		-		(0.77)		9.51	28.07		490,554	1.35	10.67	1.80	227

† Returns are for the period indicated and have not been annualized. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

‡ The ratio of expenses to average net assets, excluding interest expense, is 1.28% for the year ended September 30, 2000.

(1) Per share net investment income and net realized and unrealized gains/(losses) calculated using average shares.

Amounts designated as “-” are either \$0 or have been rounded to \$0.

## SEI INSTITUTIONAL INTERNATIONAL TRUST

### Investment Adviser

SEI Investments Management Corporation  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

### Distributor

SEI Investments Distribution Co.  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

### Legal Counsel

Morgan, Lewis & Bockius LLP

More information about the Funds is available without charge through the following:

### Statement of Additional Information (SAI)

The SAI dated January 31, 2006 includes detailed information about the SEI Institutional International Trust. The SAI is on file with the SEC and is incorporated by reference into this prospectus. This means that the SAI, for legal purposes, is a part of this prospectus.

### Annual and Semi-Annual Reports

These reports list the Funds' holdings and contain information from the Funds' managers about fund strategies, and market conditions and trends and their impact on Fund performance. The reports also contain detailed financial information about the Funds.

**To Obtain an SAI, Annual or Semi-Annual Report, or More Information:**

**By Telephone:** Call 1-800-DIAL-SEI

**By Mail:** Write to the Funds at:

One Freedom Valley Drive

Oaks, Pennsylvania 19456

**By Internet:** <http://www.seic.com>

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**From the SEC:** You can also obtain the SAI or the Annual and Semi-Annual Reports, as well as other information about the SEI Institutional International Trust, from the EDGAR Database on the SEC's website ("<http://www.sec.gov>"). You may review and copy documents at the SEC Public Reference Room in Washington, DC (for information on the operation of the Public Reference Room, call 1-202-942-8090). You may request documents by mail from the SEC, upon payment of a duplicating fee, by writing to: Securities and Exchange Commission, Public Reference Section, Washington, DC 20549-0102. You may also obtain this information, upon payment of a duplicating fee, by e-mailing the SEC at the following address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

SEI Institutional International Trust's Investment Company Act registration number is 811-5601.

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**SEI INSTITUTIONAL INTERNATIONAL TRUST**

**Class I Shares**

**PROSPECTUS**

**January 31, 2006**

**INTERNATIONAL EQUITY FUND**

**Investment Adviser:**

**SEI INVESTMENTS MANAGEMENT CORPORATION**

**Investment Sub-Advisers:**

**ALLIANCE CAPITAL MANAGEMENT L.P.**

**CAPITAL GUARDIAN TRUST COMPANY**

**FISHER ASSET MANAGEMENT, LLC**

**FULLER & THALER ASSET MANAGEMENT, INC**

**MCKINLEY CAPITAL MANAGEMENT INC.**

**MORGAN STANLEY INVESTMENT MANAGEMENT INC.**

**QUANTITATIVE MANAGEMENT ASSOCIATES LLC**



The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

## About This Prospectus

SEI Institutional International Trust is a mutual fund family that offers different classes of shares in separate investment portfolios (Funds). The Funds have individual investment goals and strategies and are designed primarily for institutional investors and financial institutions and their clients that have signed an investment management agreement (as discussed below). This prospectus gives you important information about the Class I Shares of the International Equity Fund that you should know before investing. Please read this prospectus and keep it for future reference.

*This prospectus has been arranged into different sections so that you can easily review this important information. On the next page, there is some general information you should know about risk and return. For more detailed information about the Fund, please see:*

	<u>Page</u>
<b>PRINCIPAL INVESTMENT STRATEGIES AND RISKS, PERFORMANCE INFORMATION AND EXPENSES</b>	XXX
<b>MORE INFORMATION ABOUT FUND INVESTMENTS</b>	XXX
<b>INVESTMENT ADVISER AND SUB-ADVISERS</b>	XXX
<b>PURCHASING AND SELLING FUND SHARES</b>	XXX
<b>DISCLOSURE OF PORTFOLIO HOLDINGS INFORMATION</b>	XXX
<b>DIVIDENDS, DISTRIBUTIONS AND TAXES</b>	XXX
<b>FINANCIAL HIGHLIGHTS</b>	XXX
<b>HOW TO OBTAIN MORE INFORMATION ABOUT SEI INSTITUTIONAL INTERNATIONAL TRUST</b>	Back Cover

## GLOBAL ASSET ALLOCATION

The International Equity Fund has its own distinct risk and reward characteristics, investment objective, policies and strategies. In addition to managing the Fund, SEI Investments Management Corporation (SIMC) constructs and maintains global asset allocation strategies for certain clients, and the Fund is designed in part to implement those strategies. The degree to which an investor's portfolio is invested in the particular market segments and/or asset classes represented by the Fund and other funds that are part of the allocation strategies varies, as does the investment risk/return potential represented by the Fund and the other funds. Because of the historical lack of correlation among various asset classes, an investment in the Fund along with other funds representing a range of asset classes as part of a global asset allocation strategy may reduce the strategy's overall level of volatility. As a result, a global asset allocation strategy may reduce risk.

In managing the Fund, SIMC focuses on four key principles: asset allocation, portfolio structure, the use of managers, and continuous portfolio management. Asset allocation across appropriate asset classes is the central theme of SIMC's investment philosophy. SIMC seeks to reduce risk further by creating a portfolio that focuses on a specific asset class. SIMC then oversees a network of managers who invest the assets of the Fund in distinct segments of the market or class represented by the Fund. These managers adhere to distinct investment disciplines, with the goal of providing greater consistency and predictability of results, as well as broader diversification across and within asset classes. Finally, SIMC regularly rebalances to ensure that the appropriate mix of assets is constantly in place, and constantly monitors and evaluates managers for the Fund to ensure it does not deviate from its stated investment philosophy or process.

## RISK/RETURN INFORMATION

The International Equity Fund is a mutual fund. A mutual fund pools shareholders' money and, using professional investment managers, invests it in securities.

The Fund has its own investment goal and strategies for reaching that goal. The Fund's assets are managed under the direction of SIMC and one or more Sub-Advisers who manage portions of the Fund's assets in a way that they believe will help the Fund achieve its goal. No matter how good a job SIMC and the Sub-Advisers do, you could lose money on your investment in the Fund, just as you could with other investments. A Fund share is not a bank deposit, and it is not insured or guaranteed by the FDIC or any other government agency.

The value of your investment in the Fund is based on the market prices of the securities the Fund holds. These prices change daily due to economic and other events that affect securities markets generally, as well as those that affect particular companies and other issuers. These price movements, sometimes called volatility, may be greater or lesser depending on the types of securities the Fund owns and the markets in which they trade. The estimated level of volatility for the Fund is set forth in the Fund Summary that follows. The effect on the Fund's share price of a change in the value of a single security will depend on how widely the Fund diversifies its holdings.

## INTERNATIONAL EQUITY FUND

### Fund Summary

<i>Investment Goal:</i>	Long-term capital appreciation
<i>Share Price Volatility:</i>	Medium to high
<i>Principal Investment Strategy:</i>	Utilizing multiple sub-advisers, the Fund invests in equity securities of foreign companies

### Investment Strategy

Under normal circumstances, the International Equity Fund will invest at least 80% of its net assets in equity securities. The Fund will invest primarily in common stocks and other equity securities of issuers of all capitalization ranges that are located in at least three countries other than the United States. The Fund will invest primarily in companies located in developed countries, but may also invest in companies located in emerging markets. The Fund uses a multi-manager approach, relying upon a number of Sub-Advisers with differing investment philosophies to manage portions of the Fund's portfolio under the general supervision of SIMC.

### What are the Risks of Investing in the Fund?

Since it purchases equity securities, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the Fund's securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In the case of foreign stocks, these fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. These factors contribute to price volatility, which is the principal risk of investing in the Fund.

Investing in issuers located in foreign countries poses distinct risks since political and economic events unique to a country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of the Fund's investments. These currency

movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country. These various risks will be even greater for investments in emerging market countries since political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

Emerging market countries are countries that the World Bank or the United Nations considers to be emerging or developing. Emerging markets may be more likely to experience political turmoil or rapid changes in market or economic conditions than more developed countries. Emerging market countries often have less uniformity in accounting and reporting requirements and unreliable securities valuation. It is sometimes difficult to obtain and enforce court judgments in

such countries and there is often a greater potential for nationalization and/or expropriation of assets by the government of an emerging market country. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility associated with the Fund's investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar.

The Fund may purchase shares of exchange-traded funds (ETFs) to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When the Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

The Fund is also subject to the risk that developed international equity securities may underperform other segments of the equity markets or the equity markets as a whole.

### Performance Information

The bar chart and the performance table below illustrate the risks and volatility of an investment in the Fund. Of course, the Fund's past performance does not necessarily indicate how the Fund will perform in the future.

This bar chart shows changes in the performance of the Fund's Class I Shares from year to year for three years. The performance information shown is based on full calendar years.

2003	31.62%
2004	18.37%
2005	XX%

Best Quarter	Worst Quarter
X.XX%	X.XX%
(XX/XX/XX)	(XX/XX/XX)

*This table compares the Fund's average annual total returns for Class I Shares for the periods ended December 31, 2005 to those of the Morgan Stanley Capital International (MSCI) EAFE Index.*

International Equity Fund - Class I Shares	1 Year	Since Inception*
Return Before Taxes	X.XX%	X.XX%
Return After Taxes on Distributions**	X.XX%	X.XX%

<b>Return After Taxes on Distributions and Sale of Fund Shares**</b>	X.XX%	X.XX%
<b>MSCI EAFE Index Return (reflects no deduction for fees, expenses, or taxes)***</b>	X.XX%	X.XX%

- \* The inception date for the Fund's Class I Shares is January 4, 2002. Index returns shown from January 31, 2002.
- \*\* After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Your actual after-tax returns will depend on your tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.
- \*\*\* An index measures the market prices of a specific group of securities in a particular market or securities in a market sector. You cannot invest directly in an index. Unlike a mutual fund, an index does not have an investment adviser and does not pay any commissions or expenses. If an index had expenses, its performance would be lower. The Morgan Stanley Capital International (MSCI) EAFE Index is a widely-recognized, capitalization-weighted (companies with larger market capitalizations have more influence than those with smaller capitalizations) index of 1,010 securities listed on the stock exchanges of developed market countries in Europe, Australasia and the Far East.

### Fund Fees and Expenses

*This table describes the fees and expenses that you may pay if you buy and hold Fund shares.*

#### Annual Fund Operating Expenses (Expenses deducted from Fund assets)

	<u>Class I Shares</u>
Investment Advisory Fees	X.XX%
Distribution (12b-1) Fees	None
Other Expenses	X.XX%
<b>Total Annual Fund Operating Expenses</b>	<b>X.XX%*</b>

\* In the future, if the Fund's "Total Annual Fund Operating Expenses" increase, the Adviser may waive a portion of the fees in order to keep total operating expenses, excluding interest expense, at a specified level. The Adviser may discontinue all or part of these waivers at any time.

For more information about these fees, see "Investment Adviser and Sub-Advisers" and "Distribution of Fund Shares."

### Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and that you sell your shares at the end of the period. The Example also assumes that each year your investment has a 5% return, Fund operating expenses remain the same, and you reinvest all dividends and distributions. For purposes of calculating the Example, the Fund's fees are equal to the "Total Annual Fund Operating Expenses" figure in the table above. Although your actual costs and returns might be different, your approximate costs of investing \$10,000 in the Fund would be:

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
<b>International Equity Fund - Class I Shares</b>	\$ XX	\$ XX	\$ XX	\$ XX

## More Information About Fund Investments

This prospectus describes the Fund's primary investment strategies. However, the Fund also may invest in other securities, use other strategies and engage in other investment practices. These investments and strategies, as well as those described in this prospectus, are described in detail in the Fund's Statement of Additional Information (SAI).

The investments and strategies described in this prospectus are those that the Adviser and the Sub-Advisers use under normal conditions. During unusual economic or market conditions, or for temporary defensive or liquidity purposes, the Fund may invest up to 100% of its assets in cash, money market instruments, repurchase agreements and other short-term obligations that would not ordinarily be consistent with the Fund's objectives. The Fund will do so only if the Adviser or the Sub-Advisers believe that the risk of loss outweighs the opportunity for capital gains and higher income. Of course, there is no guarantee that the Fund will achieve its investment goal.

## Investment Adviser and Sub-Advisers

**SEI Investments Management Corporation (SIMC) acts as the manager of managers of the Fund, and is responsible for the investment performance of the Fund since it allocates the Fund's assets to one or more Sub-Advisers and recommends hiring or changing Sub-Advisers to the Board of Trustees.**

Each Sub-Adviser makes investment decisions for the assets it manages and continuously reviews, supervises and administers its investment program. SIMC oversees the Sub-Advisers to ensure compliance with the Fund's investment policies and guidelines, and monitors each Sub-Adviser's adherence to its investment style. The Board of Trustees supervises SIMC and the Sub-Advisers; establishes policies that they must follow in their management activities; and oversees the hiring and termination of the Sub-Advisers recommended by SIMC. SIMC pays the Sub-Advisers out of the investment advisory fees it receives (described below).

SIMC, an SEC-registered adviser, located at One Freedom Valley Drive, Oaks, Pennsylvania 19456, serves as the Adviser to the Fund. As of December 31, 2005, SIMC had more than \$XXX billion in assets under management. For the fiscal year or period ended September 30, 2005, SIMC received investment advisory fees, as a percentage of the Fund's net assets, at the annual rate of XXX%.

A discussion regarding the basis for the Board of Trustees' approval of the Fund's investment advisory and sub-advisory agreements is available in the SAI.

## Sub-Advisers and Portfolio Managers

### International Equity Fund:

**Alliance Capital Management L.P.:** Alliance Capital Management L.P. (Alliance Capital), located at 1345 Avenue of the Americas, New York, New York 10105, serves as a Sub-Adviser to the International Equity Fund. A team of investment professionals manages the portion of the International Equity Fund's assets allocated to Alliance Capital. The Committee consists of Sharon Fay, Kevin Simms, Giulio Martini and Henry D' Auria. Ms. Fay was appointed Chief Investments Officer of Global Value Equities in 2003 and is responsible for the oversight of all portfolio management and research relating to cross-border and non-U.S. value investment portfolios. She joined Bernstein in 1990.

Mr. Simms was named co-Chief Investments Officer of International Value Equities in 2003, and is Director of Research for Global and International Value Equities, a position he has held since 2000. Mr. Simms joined Bernstein, a unit of Alliance Capital, in 1992. Mr. Martini was appointed to head the newly created quantitative strategies team within the value-equities unit and was named Chief International Economist in 1992. Mr. Martini joined Bernstein in 1985. Mr. D' Auria was named Co-Chief Investments Officer of International Value Equities in 2003, adding to his responsibilities as Chief Investments Officer of Emerging Markets Value Equities, which he assumed in 2002.

Mr. D' Auria was one of the chief architects of Bernstein's global research department, which he managed from 1998 through 2002. Mr. D' Auria joined the firm in 1991.

**Capital Guardian Trust Company:** Capital Guardian Trust Company (Capital Guardian), located at 700 Newport Center Drive, Newport Beach, CA 92660-6397, serves as a Sub-Adviser to the International Equity Fund. Capital Guardian uses a multiple portfolio manager system in managing the International Equity Fund's assets. Under this approach, the portfolio of the International Equity Fund is divided into segments managed by individual managers. Each manager's role is to decide how their respective segment will be invested by selecting securities within the limits provided by the International Equity Fund's objectives and policies. Subject to those objectives and policies, portfolio managers are not limited to where they may invest geographically except for Seung Kwak and John Mant, whose geographical coverage is limited to Japan and Europe, respectively. Capital Guardian's investment committee oversees this process. In addition, Capital Guardian's investment analysts also may make investment decisions with respect to a portion of the International Equity Fund's portfolio. Certain portfolio managers may also have investment analyst responsibilities with respect to specific research coverage. Capital Guardian's portfolio management team consists of David I. Fisher, Chairman of the Board and Portfolio Manager, has been with Capital Guardian for 36 years. Arthur J. Gromadzki, Portfolio Manager, has been with Capital Guardian for 18 years. Richard N. Havas, Portfolio Manager, has been with Capital Guardian for 19 years. Seung Kwak, Portfolio Manager, has been with Capital Guardian for 3 years. Prior to joining Capital Guardian Mr. Kwak was employed at Zurich Scudder Investments. Nancy J. Kyle, Vice Chairman and Portfolio Manager, has been with Capital Guardian for 14 years. John M.N. Mant, Portfolio Manager, has been with Capital Guardian for 15 years. Christopher A. Reed, Director, Senior Vice President and Portfolio Manager, has been with Capital Guardian for 12 years. Lionel M. Sauvage, Director, Senior Vice President and Portfolio Manager, has been with Capital Guardian for 18 years. Nilly Sikorsky, Portfolio Manager, has been with Capital Guardian for 43 years. Rudolf M. Staehelin, Portfolio Manager, has been with Capital Guardian for 24 years.

**Fisher Asset Management LLC.:** Fisher Asset Management LLC. (Fisher), located at 13100 Skyline Blvd., Woodside, California 94062, serves as a Sub-Adviser to the International Equity Fund. A committee of investment professionals at Fisher manages the portion of the International

Equity Fund's assets allocated to Fisher. This committee includes Kenneth L. Fisher, Jeffery L. Silk, and Andrew S. Teufel. Mr. Fisher, Chief Executive Officer and Chief Investments Officer, has been with the Fisher for 26 years. Mr. Silk, Vice Chairman, has been with Fisher for 22 years. Mr. Teufel, co-Presidents and Director of Research, has been with Fisher for 10 years. The investment committee collaboratively makes all strategic investment decisions affecting the Fisher's portfolios. Though the committee functions as a team, each member focuses his efforts on particular segments of investment strategy. While all three committee members conduct macroeconomic, political, and sentiment analysis in support of Fisher's strategies, Mr. Fisher plays the primary role in this process. Mr. Silk and Mr. Teufel are primarily responsible for the selection of securities within Fisher's strategies. Additionally, Mr. Silk and Mr. Teufel oversee Fisher's in-house research efforts, portfolio engineering and implementation and Fisher's technological research resources.

**Fuller & Thaler Asset Management, Inc.:** Fuller & Thaler Asset Management, Inc. (Fuller & Thaler), located at 411 Borel Avenue, Suite 402, San Mateo, California 94402, serves as a Sub-Adviser to the International Equity Fund. Joseph S. Leung, CFA, Senior Vice President and Head of International Strategies, manages the portion of the International Equity Fund's assets allocated to Fuller & Thaler. Prior to joining the Fuller & Thaler in 2002, Mr. Leung worked for AXA Rosenberg Investment Management Inc., in their U.S. and U.K. offices. Most recently, Mr. Leung served as an executive director on the AXA Rosenberg London Board and was Chief Investment Officer at AXA Rosenberg Investment Management Inc. in London.

**McKinley Capital Management Inc.:** McKinley Capital Management Inc. (McKinley Capital), located at 3301 C Street, Suite 500, Anchorage, Alaska 99503, serves as a Sub-Adviser to the International Equity Fund. A team of investment professionals, led by Robert B. Gillam, manages the portion of the International Equity Fund's assets allocated to McKinley Capital. The team consists of Robert B. Gillam, Robert A. Gillam, Greg Samorajski, Frederic Parke, Sheldon Lien, Brandon Rinner and Paul Hanson, who are all responsible for all aspects of the day-to-day decisions regarding investments. Mr. Robert B. Gillam, President & Chief Investment Officer, has been with Mckinley Capital since its inception in 1990, and has over 32 years of investment experience. Mr. Robert A. Gillam, CFA, Director of Global Equities, joined McKinley Capital in 1993. He has over 11 years of investment experience. Mr. Samorajski, Portfolio Manager, has been with McKinley Capital since 1997. He has over 20 years of investment experience. Mr. Parke, Portfolio Manager, has been with McKinley Capital since 1997

and has over 20 years of investment experience. Mr. Lien, Portfolio Manager, has been with McKinley Capital since 1996 and has over 9 years of investment experience. Mr. Rinner, Portfolio Manager, has been with McKinley Capital since 1998 and has over 8 years of investment experience. Mr. Hanson, Portfolio Manager, has been with McKinley Capital since 2000 and has over 6 years of investment experience.

**Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited: Morgan Stanley Investment Management Inc.:** Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited: Morgan Stanley Investment Management Inc. (MSIM Inc.), located at 1221 Avenue of the Americas, New York, New York 10020, serves as a Sub-Adviser to the International Equity Fund. MSIM Inc. delegates certain investment advisory responsibilities to its affiliate, Morgan Stanley Investment Management Limited (MSIM Limited), located at 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom. MSIM Limited's International Equity Value Team manages the portion of the International Equity Fund's assets allocated to MSIM Inc. Current members of the team include Dominic Caldecott, Managing Director, Peter Wright, Managing Director,

William Lock, Managing Director and Walter Riddell, Executive Director. Mr. Caldecott has worked for MSIM Limited since 1986 and began managing the portion of the International Equity Fund's assets allocated to MSIM Limited in October 2001. Mr. Riddell has worked for MSIM Limited since 1995 and began managing the portion of International Equity Fund's assets allocated to MSIM Limited in October 2001. Mr. Wright has worked for MSIM Limited since 1996 and began managing the portion of International Equity Fund's assets allocated to MSIM Limited in October 2001. Mr. Lock has worked for MSIM Limited since 1994 and began managing the portion of International Equity Fund's assets allocated to MSIM Limited in October 2001. Each member's role includes global sector research responsibilities; Messrs. Riddell, Wright and Lock have day-to-day portfolio administration responsibilities as well.

**Quantitative Management Associates LLC:** Quantitative Management Associates LLC (QMA), located at Gateway Center 2, McCarter Highway and Market Street, Newark, New Jersey 07102, serves as a Sub-Adviser to the International Equity Fund. A team of investment professionals at QMA manages the portion of the International Equity Fund's assets allocated to QMA. The members of the team with primary responsibility for managing the assets allocated to QMA are Margaret Stumpp, PhD, John Van Belle, PhD, Peter Xu, PhD and Betty Sit Tong. Ms. Stumpp, Chief Investment Officer, is responsible for portfolio management and investment strategy for the International Equity Fund and is portfolio manager for QMA's enhanced index equity portfolios for institutional investors and mutual fund clients. Ms. Stumpp joined QMA's predecessor, Prudential Investment Management, Inc. (PIM), in 1987. Mr. Van Belle, Managing Director, is responsible for portfolio management and investment strategy for the International Equity Fund and manages QMA's global balanced portfolios, domestic balanced funds, and equity portfolios for foreign-based full service clients. Mr. Van Belle joined PIM in 1983. Mr. Xu, Managing Director, is responsible for portfolio management and investment research for the International Equity Fund and conducts equity market research, the results of which are used in QMA's stock selection process for all quantitative core equity portfolios. Mr. Xu joined PIM in 1997. Ms. Sit Tong, Investment Associate, is responsible for portfolio management and trading for the International Equity Fund and co-manages certain QMA global index portfolios. She is also responsible for trading foreign and domestic equities, foreign exchange, and derivative instruments. Ms. Sit Tong joined PIM in 1994.

### **Purchasing and Selling Fund Shares**

This section tells you how to purchase and sell (sometimes called redeem) Class I Shares of the Fund. The Fund offers Class I Shares only to financial institutions and intermediaries for their own or their customers' accounts.

For information on how to open an account and set up procedures for placing transactions, call 1-800-DIAL-SEI.

### **How to Purchase Fund Shares**

You may purchase shares on any day that the New York Stock Exchange (NYSE) is open for business.

Financial Institutions and intermediaries may purchase Class I Shares by placing orders with the Fund' s Transfer Agent (or its authorized agent). Institutions and intermediaries that use certain SEI proprietary systems may place orders electronically through those systems. Generally, cash

investments must be transmitted or delivered in federal funds to the Fund' s wire agent by the close of business on the day after the order is placed. However, in certain circumstances the Fund at its discretion may allow purchases to settle (*i.e.*, receive final payment) at a later date in accordance with the Fund' s procedures and applicable law. The Fund reserves the right to refuse any purchase requests, particularly those that the Fund reasonably believes may not be in the best interests of the Fund or its shareholders and could adversely affect the Fund or its operations. This includes those from any individual or group who, in the Fund' s view, is likely to engage in excessive trading (usually defined as four or more "round trips" in a fund in any twelve month period). For more information regarding the Fund' s policy and procedures related to excessive trading, please see "Frequent Purchases and Redemptions of Fund Shares" below.

When you purchase or sell Fund shares through certain financial institutions (rather than directly from the Fund), you may have to transmit your purchase and sale requests to these financial institutions at an earlier time for your transaction to become effective that day. This allows these financial institutions time to process your requests and transmit them to the Fund.

Certain other intermediaries, including certain broker-dealers and shareholder organizations, are authorized to accept purchase and redemption requests for Fund shares. These requests are executed at the net asset value per share (NAV) next determined after the intermediary receives the request if transmitted to the Fund in accordance with the Fund' s procedures and applicable law. These authorized intermediaries are responsible for transmitting requests and delivering funds on a timely basis.

If you deal directly with a financial institution or financial intermediary, you will have to follow the institution' s or intermediary' s procedures for transacting with the Fund. For more information about how to purchase or sell Fund shares through these financial institutions, you should contact these financial institutions directly. Investors may be charged a fee for purchase and/or redemption transactions effectuated through certain broker-dealers or other financial intermediaries.

The Fund is open for business each day the NYSE is open (a Business Day). The Fund calculates its NAV once each Business Day as of the close of normal trading on the NYSE (normally, 4:00 p.m. Eastern time). So, for you to receive the current Business Day' s NAV, generally the Fund (or an authorized agent) must receive your purchase order in proper form before 4:00 p.m. Eastern time. The Fund will not accept orders that request a particular day or price for the transaction or any other special conditions.

### **Pricing of Fund Shares**

NAV for one Fund share is the value of that share' s portion of the net assets of the Fund. In calculating NAV, the Fund generally values its investment portfolio at market price.

When valuing portfolio securities, the Funds value securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (other than securities traded on NASDAQ) at the last quoted sale price on the primary exchange or market (foreign or domestic) on which the securities are traded, or, if there is no such reported sale, at the most recent quoted bid price. The Funds value securities traded on NASDAQ at the NASDAQ Official Closing Price. If such prices are not readily available or are determined to be unreliable, the Funds will value the security using a bid price from at least one independent broker obtained by an independent, third-party pricing agent or using the Funds' Fair Value Procedures, as described below. The prices of foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates. Prices for most securities held by the Funds are



provided daily by recognized independent pricing agents. If a security's price cannot be obtained from an independent pricing agent, the Funds will value the securities using a bid price from at least one independent broker obtained by an independent, third-party pricing agent or using the Funds' Fair Value Procedures, as described below.

Securities held by a Fund with remaining maturities of 60 days or less will be valued by the amortized cost method, which involves valuing a security at its cost on the date of purchase and thereafter (absent unusual circumstances) assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuations in general market rates of interest on the value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by this method, is higher or lower than the price a Fund would receive if it sold the instrument, and the value of securities in the Fund can be expected to vary inversely with changes in prevailing interest rates.

Prices for most securities held by a Fund are provided daily by third-party independent pricing agents. SIMC or a Fund's Sub-Adviser, as applicable, reasonably believes that prices provided by independent pricing agents are reliable. However, there can be no assurance that a pricing service's prices will be reliable. SIMC or a Fund's Sub-Adviser, as applicable, will continuously monitor the reliability of prices obtained from any pricing service and shall promptly notify the Administrator if it believes that a particular pricing service is no longer a reliable source of prices. The Administrator, in turn, will notify the Fair Value Pricing Committee if it receives such notification from SIMC or a Fund's Sub-Adviser, as applicable, or if the Administrator reasonably believes that a particular pricing service is no longer a reliable source for prices. The pricing services rely on a variety of information in making their determinations, particularly on prices of actual market transactions as well as on trader quotations. However, the services may also use a matrix system to determine valuations, which system considers such factors as security prices, yields, maturities, call features, ratings and developments relating to specific securities in arriving at valuations. The procedures used by the pricing services and their valuation methodologies are reviewed by the officers of the Trust and the Administrator under the general supervision of the Board of Trustees.

Securities for which market prices are not "readily available" or may be unreliable are valued in accordance with Fair Value Procedures established by the Fund's Board of Trustees. The Fund's Fair Value Procedures are implemented through a Fair Value Committee (the Committee) designated by the Fund's Board of Trustees. The Fair Value Committee is currently composed of two members of the Board of Trustees, as well as representatives from the Fund's Adviser and its affiliates.

Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security's trading has been halted or suspended, the security has been de-listed from a national exchange, the security's primary trading market is temporarily closed at a time when under normal conditions it would be open, or the security's primary pricing source is not able or willing to provide a price. When a security is valued in accordance with the Fair Value Procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee. Examples of factors the Committee may consider are: the facts giving rise to the need to fair value, the last trade price, the performance of the market or the issuer's industry, the liquidity of the security, the size of the holding in the Fund, or any other appropriate information.

The Fund's determination of a security's fair value price often involves the consideration of a number of subjective factors, and is therefore subject to the unavoidable risk that the value that

the Fund assigns to a security may be higher or lower than the security's value would be if a reliable market quotation for the security was readily available.

The Fund uses a third-party fair valuation vendor. The vendor provides a fair value for foreign securities held by the Fund based on certain factors and methodologies (involving, generally, tracking valuation correlations between the U.S. market and each non-U.S. security). Values from the fair value vendor are applied in the event that there is a movement in the U.S. market that exceeds a specific threshold that has been established by the Committee. The Committee has also established a "confidence interval" which is used to determine the level of historical correlation between the value of a specific foreign security and movements in the U.S. market before a particular security will be fair valued when the threshold is exceeded. In the event that the threshold established by the Committee is exceeded on a specific day, the Fund shall

value the non-U.S. securities in its portfolio that exceed the applicable “confidence interval” based upon the adjusted prices provided by the fair valuation vendor.

For securities that principally trade on a foreign market or exchange, a significant gap in time can exist between the time of a particular security’s last trade and the time at which the Fund calculates its net asset value. The closing prices of such securities may no longer reflect their market value at the time the Fund calculates net asset value if an event that could materially affect the value of those securities (a Significant Event) has occurred between the time of the security’s last close and the time that the Fund calculates net asset value. A Significant Event may relate to a single issuer or to an entire market sector. If the Adviser or a Sub-Adviser of the Fund becomes aware of a Significant Event that has occurred with respect to a security or group of securities after the closing of the exchange or market on which the security or securities principally trade, but before the time at which the Fund calculates net asset value, it may request that a Fair Value Committee meeting be called. In addition, the Fund’s administrator monitors price movements among certain selected indices, securities and/or baskets of securities that may be an indicator that the closing prices received earlier from foreign exchanges or markets may not reflect market value at the time the Fund calculates net asset value. If price movements in a monitored index or security exceed levels established by the administrator, the administrator notifies the Adviser or a Sub-Adviser of the Fund that such limits have been exceeded. In such event, the Adviser or a Sub-Adviser makes the determination whether a Fair Value Committee meeting should be called based on the information provided.

### **Minimum Purchases**

To purchase Class I Shares for the first time, you must invest at least \$100,000 in the Fund with minimum subsequent investments of at least \$1,000. The Fund may accept investments of smaller amounts at its discretion.

### **Frequent Purchases and Redemptions of Fund Shares**

“Market timing” refers to a pattern of frequent purchases and sales of the Fund’s shares, often with the intent of earning arbitrage profits. Market timing can harm other shareholders in various ways, including by diluting the value of the shareholders’ holdings, increasing Fund transaction costs, disrupting portfolio management strategy, causing the Fund to incur unwanted taxable gains, and forcing the Fund to hold excess levels of cash.

The Fund is intended to be a long-term investment vehicle and is not designed for investors that engage in short-term trading activity (*i.e.*, a purchase of Fund shares followed shortly thereafter by a redemption of such shares, or vice versa, in an effort to take advantage of short-term market

movements). Accordingly, the Board of Trustees has adopted policies and procedures on behalf of the Fund to deter short-term trading. These policies and procedures do not apply with respect to money market funds. The Fund’s transfer agent will monitor trades in an effort to detect short-term trading activities. If, as a result of this monitoring, the Fund determines, in its sole discretion, that a shareholder has engaged in excessive short-term trading, it will refuse to process future purchases or exchanges into the Fund from that shareholder’s account.

A shareholder will be considered to be engaging in excessive short-term trading in the Fund in the following circumstances:

- i. if the shareholder conducts four or more “round trips” in the Fund (other than a money market fund) in any twelve-month period. A round trip involves the purchase of shares of the Fund and subsequent redemption of all or most of those shares. An exchange into and back out of the Fund in this manner is also considered a round trip.
- ii. if the Fund determines, in its sole discretion, that a shareholder’s trading activity constitutes excessive short-term trading, regardless of whether such shareholder exceeds the foregoing round trip threshold.

The Fund, in its sole discretion, also reserves the right to reject any purchase request (including exchange requests) for any reason without notice.

Judgments with respect to implementation of the Fund's policy are made uniformly and in good faith in a manner that the Fund believes is consistent with the best long-term interests of shareholders. When applying the Fund's policy, the Fund may consider (to the extent reasonably available) an investor's trading history in all SEI funds, as well as trading in accounts under common ownership, influence or control, and any other information available to the Fund.

The Fund's monitoring techniques are intended as a reasonable approach to identify and deter short-term trading in the Fund. However, despite the existence of these monitoring techniques, it is possible that short-term trading may occur in the Fund without being identified. For example, certain investors seeking to engage in short-term trading may be adept at taking steps to hide their identity or activity from the Fund's monitoring techniques. Operational or technical limitations may also limit the Fund's ability to identify short-term trading activity.

While it is the Fund's intention that intermediaries trading in Fund shares will assist the Fund in enforcing the Fund's policies, certain intermediaries may be unable or unwilling to effectively enforce the Fund's trading or exchange restrictions. The Fund will monitor trading activity coming from such intermediaries and take reasonable steps to seek cooperation from any intermediary through which the Fund believes short-term trading activity is taking place.

Certain of the SEI funds are sold to participant-directed employee benefit plans. The Fund's ability to monitor or restrict trading activity by individual participants in a plan may be constrained by regulatory restrictions or plan policies. In such circumstances, the Fund will take such action, which may include taking no action, as deemed appropriate in light of all the facts and circumstances.

The Fund may amend these policies and procedures in response to changing regulatory requirements or to enhance the effectiveness of the program.

## **Foreign Investors**

The Fund does not generally accept investments by non-U.S. persons. Non-U.S. persons may be permitted to invest in the Fund subject to the satisfaction of enhanced due diligence.

## **Customer Identification and Verification and Anti-Money Laundering Program**

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Accounts for the Fund are generally opened through other financial institutions or financial intermediaries. When you open your account through your financial institution or financial intermediary, you will have to provide your name, address, date of birth, identification number and other information that will allow the financial institution or financial intermediary to identify you. This information is subject to verification by the financial institution or financial intermediary to ensure the identity of all persons opening an account.

Your financial institution or financial intermediary is required by law to reject your new account application if the required identifying information is not provided. Your financial institution or intermediary may contact you in an attempt to collect any missing information required on the application, and your application may be rejected if they are unable to obtain this information. In certain instances, your financial institution or financial intermediary is required to collect documents, which will be used solely to establish and verify your identity.

The Fund will accept investments and your order will be processed at the NAV next determined after receipt of your application in proper form (or upon receipt of all identifying information required on the application). The Fund, however, reserves the right to close and/or liquidate your account at the then-current day's price if the financial institution or financial intermediary through which you open your account is unable to verify your identity. As a result, you may be subject to a gain or loss on Fund shares and will be subject to corresponding tax consequences.

Customer identification and verification is part of the Fund's overall obligation to deter money laundering under Federal law. The Fund has adopted an Anti-Money Laundering Compliance Program designed to prevent the Fund from being used for money laundering or the financing of terrorist activities. In this regard, the Fund reserves the right to (i) refuse, cancel or rescind any purchase or exchange order, (ii) freeze any account and/or suspend account services or (iii) involuntarily close your account in cases of threatening conduct or suspected fraudulent or illegal activity. These actions will be taken when, in the sole discretion of Fund management, they are deemed to be in the best interest of the Fund or in cases when the Fund is requested or compelled to do so by governmental or law enforcement authority. If your account is closed at the request of governmental or law enforcement authority, you may not receive proceeds of the redemption if the Fund is required to withhold such proceeds.

### **How to Sell Your Fund Shares**

If you hold Class I Shares, you may sell your shares on any Business Day by following the procedures established when you opened your account or accounts. If you have questions, call 1-800-DIAL-SEI. If you own your shares through an account with a broker or other institution, contact that broker or institution to sell your shares. Your financial institution or intermediary may charge a fee for its services. The sale price of each share will be the next NAV determined after the Fund receives your request or after the Fund's authorized intermediary receives your request if transmitted to the Fund in accordance with the Fund's procedures and applicable law.

### **Receiving Your Money**

Normally, the Fund will make payment on your sale on the Business Day following the day on which it receives your request, but it may take up to seven days. You may arrange for your proceeds to be wired to your bank account.

### **Redemptions in Kind**

The Fund generally pays sale (redemption) proceeds in cash. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Fund's remaining shareholders) the Fund might pay all or part of your redemption proceeds in liquid securities with a market value equal to the redemption price (redemption in kind). Although it is highly unlikely that your shares would ever be redeemed in kind, you would probably have to pay brokerage costs to sell the securities distributed to you, as well as taxes on any capital gains from the sale as with any redemption.

### **Suspension of Your Right to Sell Your Shares**

The Fund may suspend your right to sell your shares if the NYSE restricts trading, the Securities and Exchange Commission declares an emergency or for other reasons. More information about this is in the SAI.

### **Telephone Transactions**

Purchasing and selling Fund shares over the telephone is extremely convenient, but not without risk. The Fund has certain safeguards and procedures to confirm the identity of callers and the authenticity of instructions. If the Fund follows these procedures, the Fund will not be responsible for any losses or costs incurred by following telephone instructions that the Fund reasonably believes to be genuine.

### **Distribution of Fund Shares**

SEI Investments Distribution Co. (SIDCo.) is the distributor of the shares of the Fund. SIDCo. receives no compensation for distributing the Fund's shares.

For Class I Shares, shareholder and administrative servicing fees, as a percentage of average daily net assets, may each be up to 0.25%.

## Disclosure of Portfolio Holdings Information

Information regarding the Fund's policy and procedures on the disclosure of portfolio holdings information is available in the SAI. Portfolio holdings information for a Fund can be obtained on the internet at the following address: [http://www.seic.com/fund\\_holdings\\_home.asp](http://www.seic.com/fund_holdings_home.asp). (the Portfolio Holdings Website). Ten calendar days after each month end, a list of the top ten portfolio holdings in the Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Thirty calendar days after the end of each month, a list of all portfolio holdings in the Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Beginning on the day after any portfolio holdings information is posted on the Portfolio Holdings Website, such information will be delivered directly to any person that requests it, through electronic or other means. The portfolio holdings information placed on the Portfolio Holdings Website shall remain there until the first business day of the fifth

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month after the date to which the data relates, at which time it will be permanently removed from the site.

Additional information regarding the Fund's policy and procedures on the disclosure of portfolio holdings information is available in the SAI.

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## Dividends, Distributions and Taxes

### Dividends and Distributions

The Fund periodically distributes its investment income to shareholders as a dividend. It is the Fund's policy to pay dividends at least once annually. The Fund makes distributions of capital gains, if any, at least annually.

You will receive dividends and distributions in cash unless otherwise stated.

### Taxes

**Please consult your tax advisor regarding your specific questions about federal, state, local and foreign income taxes.** Below the Fund has summarized some important tax issues that affect the Fund and its shareholders. This summary is based on current tax laws, which may change.

At least annually, the Fund will distribute substantially all of its net investment income and its net realized capital gains, if any. The dividends and distributions you receive may be subject to federal, state and local taxation, depending upon your tax situation. If so, they are taxable whether or not you reinvest them. Income distributions are generally taxable at ordinary income tax rates except to the extent they are designated as qualified dividend income. Dividends that are qualified dividend income are eligible for the reduced maximum rate to individuals of 15% (5% for individuals in lower tax brackets) to the extent that the Fund receives qualified dividend income and certain holding period requirements are satisfied by you and by the Fund. Capital gains distributions are generally taxable at the rates applicable to long-term capital gains regardless of how long you have held your Fund shares. Long-term capital gains are currently taxable at the maximum rate of 15%. Absent further legislation, the maximum 15% rate on qualified dividend income and long-term capital gains will cease to apply to taxable years beginning after December 31, 2008.

Each sale of Fund shares may be a taxable event. Currently, any capital gain or loss realized upon a sale of Fund shares is generally treated as long-term gain or loss if the shares have been held for more than one year. Capital gain or loss realized upon a sale of Fund shares held for one year or less is generally treated as short-term gain or loss, except that any capital loss on the sale of the Fund shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Fund shares.

Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries a portion of these taxes is recoverable, the non-recovered portion will reduce the income received from the securities comprising the portfolios of the Fund.

The Fund may elect to pass through to you your pro rata share of foreign income taxes paid by the Fund. The Fund will notify you if it makes such election.

**More information about taxes is in the Fund's SAI.**

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## Financial Highlights

The table that follows presents performance information about Class I Shares of the Fund. This information is intended to help you understand the Fund's financial performance for the past five years, or, if shorter, the period of the Fund's operations. Some of this information reflects financial information for a single Fund share. The total returns in the table represent the rate that you would have earned (or lost) on an investment in the Fund, assuming you reinvested all of your dividends and distributions.

This information has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their report, along with the Fund's financial statements, appears in the annual report that accompanies the Fund's SAI. You can obtain the annual report, which contains more performance information, at no charge by calling 1-800-DIAL-SEI.

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### FOR THE YEARS ENDED SEPTEMBER 30, FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD

Net Asset Value, Beginning of Period	Net Investment Income	Net Realized and Unrealized Gains (Losses) on Securities		Dividends from Investment Income	Distributions from Realized Capital Gains	Total Dividends and Distributions	Net Asset Value, End of Period	Net Assets Total Return†	Net Assets End of Period (\$ Thousands)	Ratio of Expenses to Average Net Assets	Ratio of Investment Income to Average Net Assets	Ratio of Net Expenses to Average Net Assets (Excluding Waivers)	Portfolio Turnover Rate	
		Unrealized	Realized											
<b>International Equity Fund</b>														
<b>Class I</b>														
2005	\$XX	\$XX	\$XX	\$XX	\$XX	\$XX	\$XX	XX%	\$XX	XX%	XX%	XX%	XX%	
2004	8.20	0.10(1)	1.58(1)	1.68	(0.07)	–	(0.07)	9.81	20.54%	5,757	1.51	1.06	1.51	44
2003	6.93	0.09(1)	1.20(1)	1.29	(0.02)	–	(0.02)	8.20	18.65	2,061	1.53	1.15	1.57	87
2002(2)	8.97	0.03	(2.07)	(2.04)	–	–	–	6.93	(22.74)	639	1.53	0.61	1.54	70

† Returns are for the period indicated and have not been annualized. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(1) Per share net investment income and net realized and unrealized gains/(losses) calculated using average shares.

(2) Class I Shares were offered beginning January 4, 2002. All ratios for the period have been annualized.

Amounts designated as “–” are either \$0 or have been rounded to \$0.

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## SEI INSTITUTIONAL INTERNATIONAL TRUST

### Investment Adviser

SEI Investments Management Corporation  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

### Distributor

SEI Investments Distribution Co.  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

### Legal Counsel

Morgan, Lewis & Bockius LLP

More information about the Fund is available without charge through the following:

### Statement of Additional Information (SAI)

The SAI dated January 31, 2006 includes detailed information about the SEI Institutional International Trust. The SAI is on file with the SEC and is incorporated by reference into this prospectus. This means that the SAI, for legal purposes, is a part of this prospectus.

### Annual and Semi-Annual Reports

These reports list the Fund' s holdings and contain information from the Fund' s managers about fund strategies, and market conditions and trends and their impact on Fund performance. The reports also contain detailed financial information about the Fund.

### To Obtain an SAI, Annual or Semi-Annual Report, or More Information:

**By Telephone:** CALL 1-800-DIAL-SEI

**By Mail:** Write to the Fund at:  
One Freedom Valley Drive  
  
Oaks, Pennsylvania 19456

**By Internet:** <http://www.seic.com>

**From the SEC:** You can also obtain the SAI or the Annual and Semi-Annual Reports, as well as other information about the SEI Institutional International Trust, from the EDGAR Database on the SEC' s website ("http://www.sec.gov"). You may review and copy documents at the SEC Public Reference Room in Washington, DC (for information on the operation of the Public Reference Room, call 1-202-942-8090). You may request documents by mail from the SEC, upon payment of a duplicating fee, by writing to: Securities and Exchange Commission, Public

SEI Institutional International Trust's Investment Company Act registration number is 811-5601.

**SEI INSTITUTIONAL INTERNATIONAL TRUST**

**Class A Shares**

**Class A Shares of the Tax-Managed International Equity Fund  
are currently not being offered**

**PROSPECTUS**

**January 31, 2006**

**TAX-MANAGED INTERNATIONAL EQUITY FUND**

**Investment Adviser:  
SEI INVESTMENTS MANAGEMENT CORPORATION**

**[Investment Sub-Advisers:]**

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**The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

**About This Prospectus**

SEI Institutional International Trust is a mutual fund family that offers different classes of shares in separate investment portfolios (Funds). The Funds have individual investment goals and strategies and are designed primarily for institutional investors and financial institutions and their clients. This prospectus gives you important information about the Class A Shares of the Tax-Managed International Equity Fund that you should know before investing. Please read this prospectus and keep it for future reference.

*This prospectus has been arranged into different sections so that you can easily review this important information. On the next page, there is some general information you should know about risk and return. For more detailed information about the Fund, please see:*

	<u>Page</u>
<b>PRINCIPAL INVESTMENT STRATEGIES AND RISKS, PERFORMANCE INFORMATION AND EXPENSES</b>	XXX
<b>MORE INFORMATION ABOUT FUND INVESTMENTS</b>	XXX
<b>INVESTMENT ADVISER AND SUB-ADVISERS</b>	XXX
<b>PURCHASING AND SELLING FUND SHARES</b>	XXX
<b>DISCLOSURE OF PORTFOLIO HOLDINGS INFORMATION</b>	XXX



**GLOBAL ASSET ALLOCATION**

The Tax-Managed International Equity Fund has its own distinct risk and reward characteristics, investment objective, policies and strategies. In addition to managing the Fund, SEI Investments Management Corporation (SIMC) constructs and maintains global asset allocation strategies for certain clients, and the Fund is designed in part to implement those strategies. The degree to which an investor's portfolio is invested in the particular market segments and/or asset classes represented by the Fund and other funds that are part of the allocation strategies varies, as does the investment risk/return potential represented by the Fund and the other funds. The Fund may have extremely volatile returns. Because of the historical lack of correlation among various asset classes, an investment in the Fund along with other funds representing a range of asset classes as part of a global asset allocation strategy may reduce the strategy's overall level of volatility. As a result, a global asset allocation strategy may reduce risk.

In managing the Fund, SIMC focuses on four key principles: asset allocation, portfolio structure, the use of managers, and continuous portfolio management. Asset allocation across appropriate asset classes is the central theme of SIMC's investment philosophy. SIMC seeks to reduce risk further by creating a portfolio that focuses on a specific asset class. SIMC then oversees a network of managers who invest the assets of the Fund in distinct segments of the market or class represented by the Fund. These managers adhere to distinct investment disciplines, with the goal of providing greater consistency and predictability of results, as well as broader diversification across and within asset classes. Finally, SIMC regularly rebalances to ensure that the appropriate mix of assets is constantly in place, and constantly monitors and evaluates managers for the Fund to ensure that they do not deviate from their stated investment philosophy or process.

**RISK/RETURN INFORMATION**

The Tax-Managed International Equity Fund is a mutual fund. A mutual fund pools shareholders' money and, using professional investment managers, invests it in securities.

The Fund has its own investment goal and strategies for reaching that goal. The Fund's assets are managed under the direction of SIMC and one or more Sub-Advisers manage the Fund's assets in a way that they believe will help the Fund achieve its goal. No matter how good a job SIMC and the Sub-Advisers do, you could lose money on your investment in the Fund, just as you could with other investments. A Fund share is not a bank deposit, and it is not insured or guaranteed by the FDIC or any other government agency.

The value of your investment in the Fund is based on the market prices of the securities the Fund holds. These prices change daily due to economic and other events that affect securities markets generally, as well as those that affect particular companies and other issuers. These price movements, sometimes called volatility, may be greater or lesser depending on the types of securities the Fund owns and the markets in which they trade. The estimated level of volatility for the Fund is set forth in the Fund Summary that follows. The effect on the Fund's share price of a change in the value of a single security will depend on how widely the Fund diversifies its holdings.

**TAX-MANAGED INTERNATIONAL EQUITY FUND****Fund Summary*****Investment Goal***

Long-term capital appreciation

**Share Price Volatility**

Medium to high

**Principal Investment Strategy**

Utilizing multiple sub-advisers, the Fund minimizes the current tax impact on shareholders by buying and holding equity securities of foreign companies with lower dividend yields

**Investment Strategy**

Under normal circumstances, the Tax-Managed International Equity Fund will invest at least 80% of its net assets in equity securities. The Fund will invest primarily in common stocks and other equity securities of issuers of all capitalization ranges that are located in at least three countries other than the United States. The Fund will invest primarily in companies located in developed countries, but may also invest in securities of issuers located in emerging markets. The Fund uses a multi-manager approach, relying upon a number of Sub-Advisers with differing investment philosophies to manage portions of the Fund's portfolio under the general supervision of SIMC. Generally, the Sub-Advisers attempt to minimize current taxes by using a "buy and hold" strategy, but they will also utilize such techniques as investing in companies that pay relatively low dividends; selling stocks with the highest tax cost first; and offsetting losses against gains where possible. To protect against loss of value during periods of market decline, the Sub-Advisers may use a variety of hedging techniques, such as buying put options, selling index futures, short selling "against the box" and entering into equity swaps.

**What are the Risks of Investing in the Fund?**

Since it purchases equity securities, the Fund is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of the Fund's securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In the case of foreign stocks, these fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. These factors contribute to price volatility, which is the principal risk of investing in the Fund.

Investing in issuers located in foreign countries poses distinct risks since political and economic events unique to a country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those currencies compared to the U.S. dollar may affect (positively or negatively) the value of the Fund's investments. These currency movements may happen separately from and in response to events that do not otherwise affect the value of the security in the issuer's home country. These various risks will be even greater for investments in emerging

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market countries since political turmoil and rapid changes in economic conditions are more likely to occur in these countries.

The Fund may purchase shares of exchange-traded funds (ETFs) to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When the Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. In addition, because of ETF expenses, compared to owning the underlying securities directly, it may be more costly to own an ETF.

The Fund is also subject to the risk that developed international equity securities may underperform other segments of the equity markets or the equity markets as a whole.

The Fund is managed to minimize tax consequences to investors, but will likely earn taxable income and gains from time to time.

## Performance Information

As of January 31, 2005, the Fund had not commenced operations, and did not have a performance history.

## Fund Fees and Expenses

*This table describes the fees and expenses that you may pay if you buy and hold Fund shares.*

### Annual Fund Operating Expenses (expenses deducted from Fund assets)

	<u>Class A Shares</u>
Investment Advisory Fees	0.XX%
Distribution (12b-1) Fees	None
Other Expenses	0.XX%*
Total Annual Fund Operating Expenses	X.XX%**

\* Other expenses are based on estimated amounts for the current fiscal year.

\*\* The Fund's total actual annual fund operating expenses for the current fiscal year are expected to be less than the amount shown above because the Adviser may waive a portion of the fees in order to keep total operating expenses, excluding interest expense, at a specified level. The Adviser may discontinue all or part of these waivers at any time. With these fee waivers, the Fund's actual total operating expenses are expected to be as follows:

Tax-Managed International Equity Fund – Class A Shares	X.XX%
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For more information about these fees, see “Investment Adviser and Sub-Advisers” and “Distribution of Fund Shares.”

## Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and that you sell your shares at the end of the period. The Example also assumes that each year your investment has a 5% return, Fund operating expenses remain the same, and you reinvest all dividends and distributions. For purposes of calculating the Example, the Fund's fees are equal to the “Total Annual Fund Operating Expenses” figure in the table above. Although your actual costs and returns might be different, your approximate costs of investing \$10,000 in the Fund would be:

	<u>1 Year</u>		<u>3 Years</u>	
Tax-Managed International Equity Fund - Class A Shares	\$	XX	\$	XX

## More Information About Fund Investments

This prospectus describes the Fund's primary investment strategies. However, the Fund also may invest in other securities, use other strategies and engage in other investment practices. These investments and strategies, as well as those described in this prospectus, are described in detail in the Fund's Statement of Additional Information (SAI).

The investments and strategies described in this prospectus are those that SIMC and the Sub-Advisers use under normal conditions. During unusual economic or market conditions, or for temporary defensive or liquidity purposes, the Fund may invest up to 100% of its assets in cash, money market instruments, repurchase agreements and other short-term obligations that would not ordinarily be consistent with the Fund's objectives. The Fund will do so only if SIMC or the Sub-Adviser believes that the risk of loss outweighs the opportunity for capital gains and higher income. Of course, there is no guarantee that the Fund will achieve its investment goal.

### **Investment Adviser and Sub-Advisers**

**SIMC acts as the manager of managers of the Fund, and is responsible for the investment performance of the Fund since it allocates the Fund's assets to one or more Sub-Advisers and recommends hiring or changing Sub-Advisers to the Board of Trustees.**

Each Sub-Adviser makes investment decisions for the assets it manages and continuously reviews, supervises and administers its investment program. SIMC oversees the Sub-Advisers to ensure compliance with the Fund's investment policies and guidelines, and monitors each Sub-Adviser's adherence to its investment style. The Board of Trustees supervises SIMC and the Sub-Advisers; establishes policies that they must follow in their management activities; and oversees the hiring and termination of the Sub-Advisers recommended by SIMC. SIMC pays the Sub-Advisers out of the investment advisory fees it receives (described below).

SIMC, an SEC-registered adviser, located at One Freedom Valley Drive, Oaks, PA 19456, serves as the Adviser to the Fund. As of December 31, 2005, SIMC had more than \$XX billion in assets under management. It is expected that SIMC will receive investment advisory fees of XX% of the average daily net assets of the Fund.

A discussion regarding the basis for the Board of Trustees' approval of the Fund's investment advisory and sub-advisory agreements is available in the SAI.

### **Sub-Advisers and Portfolio Managers**

[ ]

### **Purchasing and Selling Fund Shares**

This section tells you how to purchase and sell (sometimes called "redeem") Class A Shares of the Fund. The Fund offer Class A Shares only to financial institutions and intermediaries for their own or their customers' accounts.

For information on how to open an account and set up procedures for placing transactions, call 1-800-DIAL-SEI.

### **How to Purchase Fund Shares**

You may purchase shares on any day that the New York Stock Exchange (NYSE) is open for business.

Financial institutions and intermediaries may purchase Class A Shares by placing orders with the Fund's Transfer Agent (or its authorized agent). Institutions and intermediaries that use certain SEI proprietary systems may place orders electronically through those systems. Generally, cash investments must be transmitted or delivered in federal funds to the Fund's wire agent by the close of business on the day after the order is placed. However, in certain circumstances the Fund at its discretion may allow purchases to settle (*i.e.*, receive final payment) at a later date in accordance with the Fund's procedures and applicable law. The Fund reserves the right to refuse any purchase requests, particularly those that the Fund reasonably believes may not be in the best interests of the Fund or its shareholders and could adversely affect the Fund or its operations. This includes those from any individual or group who, in the Fund's view, is likely to engage in

excessive trading (usually defined as four or more “round trips” in any twelve month period). For more information regarding the Fund’ s policy and procedures related to excessive trading, please see “Frequent Purchases and Redemptions of Fund Shares” below.

When you purchase or sell Fund shares through certain financial institutions (rather than directly from the Fund), you may have to transmit your purchase and sale requests to these financial institutions at an earlier time for your transaction to become effective that day. This allows these financial institutions time to process your requests and transmit them to the Fund.

Certain other intermediaries, including certain broker-dealers and shareholder organizations, are authorized to accept purchase and redemption requests for Fund shares. These requests are executed at the net asset value per share (NAV) next determined after the intermediary receives the request if transmitted to the Fund in accordance with the Fund’ s procedures and applicable law. These authorized intermediaries are responsible for transmitting requests and delivering funds on a timely basis.

If you deal directly with a financial institution or financial intermediary, you will have to follow the institution’ s or intermediary’ s procedures for transacting with the Fund. For more information about how to purchase or sell Fund shares through these financial institutions, you should contact these financial institutions directly. Investors may be charged a fee for purchase and/or redemption transactions effectuated through certain broker-dealers or other financial intermediaries.

The Fund is open for business each day that the NYSE is open for business (a Business day). The Fund calculates its NAV once each Business Day as of the close of normal trading on the NYSE (normally, 4:00 p.m. Eastern time). So, for you to receive the current Business Day’ s NAV, generally the Fund (or an authorized agent) must receive your purchase order in proper form before 4:00 p.m. Eastern time. The Fund will not accept orders that request a particular day or price for the transaction or any other special conditions.

### **Pricing of Fund Shares**

NAV for one Fund share is the value of that share’ s portion of the net assets of the Fund. In calculating NAV, the Fund generally values its investment portfolio at market price.

When valuing portfolio securities, the Fund values securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (other than securities traded on NASDAQ) at the last quoted sale price on the primary exchange or market (foreign or domestic) on which the securities are traded, or, if there is no such reported sale, at the most recent quoted bid price. The Fund values securities traded on NASDAQ at the NASDAQ Official Closing Price. If such prices are not readily available or are determined to be unreliable, the Fund will value the security using a bid price from at least one independent broker obtained by an independent, third-party pricing agent or using the Fund’ s Fair Value Procedures, as described below. The prices of foreign securities are reported in local currency and converted to U.S. dollars using currency exchange rates. Prices for most securities held by the Fund are provided daily by recognized independent pricing agents. If a security’ s price cannot be obtained from an independent pricing agent, the Fund will value the securities using a bid price from at least one independent broker obtained by an independent, third-party pricing agent or using the Fund’ s Fair Value Procedures, as described below.

Securities held by a Fund with remaining maturities of 60 days or less will be valued by the amortized cost method, which involves valuing a security at its cost on the date of purchase and thereafter (absent unusual circumstances) assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuations in general market rates of interest on the value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by this method, is higher or lower than the price a Fund would receive if it sold the instrument, and the value of securities in the Fund can be expected to vary inversely with changes in prevailing interest rates.

Prices for most securities held by a Fund are provided daily by third-party independent pricing agents. SIMC or a Fund’ s Sub-Adviser, as applicable, reasonably believes that prices provided by independent pricing agents are reliable. However, there can be no assurance that a pricing service’ s prices will be reliable. SIMC or a Fund’ s Sub-Adviser, as applicable, will continuously monitor the reliability of prices

obtained from any pricing service and shall promptly notify the Administrator if it believes that a particular pricing service is no longer a reliable source of prices. The Administrator, in turn, will notify the Fair Value Pricing Committee if it receives such notification from SIMC or a Fund's Sub-Adviser, as applicable, or if the Administrator reasonably believes that a particular pricing service is no longer a reliable source for prices. The pricing services rely on a variety of information in making their determinations, particularly on prices of actual market transactions as well as on trader quotations. However, the services may also use a matrix system to determine valuations, which system considers such factors as security prices, yields, maturities, call features, ratings and developments relating to specific securities in arriving at valuations. The procedures used by the pricing services and their valuation methodologies are reviewed by the officers of the Trust and the Administrator under the general supervision of the Board of Trustees.

Securities for which market prices are not "readily available" or may be unreliable are valued in accordance with Fair Value Procedures established by the Fund's Board of Trustees. The Fund's Fair Value Procedures are implemented through a Fair Value Committee (the Committee) designated by the Fund's Board of Trustees. The Fair Value Committee is currently composed of two members of the Board of Trustees, as well as representatives from the Fund's Adviser and its affiliates.

Some of the more common reasons that may necessitate that a security be valued using Fair Value Procedures include: the security's trading has been halted or suspended, the security has

been de-listed from a national exchange, the security's primary trading market is temporarily closed at a time when under normal conditions it would be open, or the security's primary pricing source is not able or willing to provide a price. When a security is valued in accordance with the Fair Value Procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee. Examples of factors the Committee may consider are: the facts giving rise to the need to fair value, the last trade price, the performance of the market or the issuer's industry, the liquidity of the security, the size of the holding in the Fund, or any other appropriate information.

The Fund's determination of a security's fair value price often involves the consideration of a number of subjective factors, and is therefore subject to the unavoidable risk that the value that the Fund assigns to a security may be higher or lower than the security's value would be if a reliable market quotation for the security was readily available.

The Fund uses a third-party fair valuation vendor. The vendor provides a fair value for foreign securities held by the Fund based on certain factors and methodologies (involving, generally, tracking valuation correlations between the U.S. market and each non-U.S. security). Values from the fair value vendor are applied in the event that there is a movement in the U.S. market that exceeds a specific threshold that has been established by the Committee. The Committee has also established a "confidence interval" which is used to determine the level of historical correlation between the value of a specific foreign security and movements in the U.S. market before a particular security will be fair valued when the threshold is exceeded. In the event that the threshold established by the Committee is exceeded on a specific day, the Fund shall value the non-U.S. securities in its portfolio that exceed the applicable "confidence interval" based upon the adjusted prices provided by the fair valuation vendor.

For securities that principally trade on a foreign market or exchange, a significant gap in time can exist between the time of a particular security's last trade and the time at which the Fund calculates its net asset value. The closing prices of such securities may no longer reflect their market value at the time the Fund calculates net asset value if an event that could materially affect the value of those securities (a Significant Event) has occurred between the time of the security's last close and the time that the Fund calculates net asset value. A Significant Event may relate to a single issuer or to an entire market sector. If the Adviser or a Sub-Adviser of the Fund becomes aware of a Significant Event that has occurred with respect to a security or group of securities after the closing of the exchange or market on which the security or securities principally trade, but before the time at which the Fund calculates net asset value, it may request that a Fair Value Committee meeting be called. In addition, the Fund's administrator monitors price movements among certain selected indices, securities and/or baskets of securities that may be an indicator that the closing prices received earlier from foreign exchanges or markets may not reflect market value at the time the Fund calculates net asset value. If price movements in a monitored index or security exceed levels established by the administrator, the administrator notifies the Adviser or a Sub-Adviser of the Fund that such limits have been exceeded. In such event, the

Adviser or a Sub-Adviser makes the determination whether a Fair Value Committee meeting should be called based on the information provided.

### **Minimum Purchases**

To purchase Class A Shares for the first time, you must invest at least \$100,000 in the Fund with minimum subsequent investments of at least \$1,000. The Fund may accept investments of smaller amounts at its discretion.

### **Frequent Purchases and Redemptions of Fund Shares**

“Market timing” refers to a pattern of frequent purchases and sales of the Fund’s shares, often with the intent of earning arbitrage profits. Market timing can harm other shareholders in various ways, including by diluting the value of the shareholders’ holdings, increasing Fund transaction costs, disrupting portfolio management strategy, causing the Fund to incur unwanted taxable gains, and forcing the Fund to hold excess levels of cash.

The Fund is intended to be a long-term investment vehicle and is not designed for investors that engage in short-term trading activity (*i.e.*, a purchase of Fund shares followed shortly thereafter by a redemption of such shares, or vice versa, in an effort to take advantage of short-term market movements). Accordingly, the Fund’s Board of Trustees has adopted policies and procedure on behalf of the Fund to deter short-term trading. These policies and procedures do not apply with respect to money market funds. The Fund’s transfer agent will monitor trades in an effort to detect short-term trading activities. If, as a result of this monitoring, the Fund determines, in its sole discretion, that a shareholder has engaged in excessive short-term trading, it will refuse to process future purchases or exchanges into the Fund from that shareholder’s account.

A shareholder will be considered to be engaging in excessive short-term trading in the Fund in the following circumstances:

- i. if the shareholder conducts four or more “round trips” in the Fund (other than a money market fund) in any twelve-month period. A round trip involves the purchase of shares of the Fund and subsequent redemption of all or most of those shares. An exchange into and back out of the Fund in this manner is also considered a round trip.
- ii. if the Fund determines, in its sole discretion, that a shareholder’s trading activity constitutes excessive short-term trading, regardless of whether such shareholder exceeds the foregoing round trip threshold.

The Fund, in its sole discretion, also reserves the right to reject any purchase request (including exchange requests) for any reason without notice.

Judgments with respect to implementation of the Fund’s policy are made uniformly and in good faith in a manner that the Fund believes is consistent with the best long-term interests of shareholders. When applying the Fund’s policy, the Fund may consider (to the extent reasonably available) an investor’s trading history in all SEI funds, as well as trading in accounts under common ownership, influence or control, and any other information available to the Fund.

The Fund’s monitoring techniques are intended as a reasonable approach to identify and deter short-term trading in the Fund. However, despite the existence of these monitoring techniques, it is possible that short-term trading may occur in the Fund without being identified. For example, certain investors seeking to engage in short-term trading may be adept at taking steps to hide their identity or activity from the Fund’s monitoring techniques. Operational or technical limitations may also limit the Fund’s ability to identify short-term trading activity.

While it is the Fund’s intention that intermediaries trading in Fund shares will assist the Fund in enforcing the Fund’s policies, certain intermediaries may be unable or unwilling to effectively enforce the Fund’s trading or exchange restrictions. The Fund will monitor trading activity coming from such intermediaries and take reasonable steps to seek cooperation from any intermediary through which the Fund believes short-term trading activity is taking place.

Certain of the SEI funds are sold to participant-directed employee benefit plans. The Fund's ability to monitor or restrict trading activity by individual participants in a plan may be constrained by regulatory restrictions or plan policies. In such circumstances, the Fund will take such action, which may include taking no action, as deemed appropriate in light of all the facts and circumstances.

The Fund may amend these policies and procedures in response to changing regulatory requirements or to enhance the effectiveness of the program.

### **Foreign Investors**

The Fund does not generally accept investments by non-U.S. persons. Non-U.S. persons may be permitted to invest in the Fund subject to the satisfaction of enhanced due diligence.

### **Customer Identification and Verification and Anti-Money Laundering Program**

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. Accounts for the Fund are generally opened through other financial institutions or financial intermediaries. When you open your account through your financial institution or financial intermediary, you will have to provide your name, address, date of birth, identification number and other information that will allow the financial institution or financial intermediary to identify you. This information is subject to verification by the financial institution or financial intermediary to ensure the identity of all persons opening an account.

Your financial institution or financial intermediary is required by law to reject your new account application if the required identifying information is not provided. Your financial institution or intermediary may contact you in an attempt to collect any missing information required on the application, and your application may be rejected if they are unable to obtain this information. In certain instances, your financial institution or financial intermediary is required to collect documents, which will be used solely to establish and verify your identity.

The Fund will accept investments and your order will be processed at the NAV next determined after receipt of your application in proper form (or upon receipt of all identifying information required on the application). The Fund, however, reserves the right to close and/or liquidate your account at the then-current day's price if the financial institution or financial intermediary through which you open your account is unable to verify your identity. As a result, you may be subject to a gain or loss on Fund shares and will be subject to corresponding tax consequences.

Customer identification and verification is part of the Fund's overall obligation to deter money laundering under Federal law. The Fund has adopted an Anti-Money Laundering Compliance Program designed to prevent the Fund from being used for money laundering or the financing of terrorist activities. In this regard, the Fund reserves the right to (i) refuse, cancel or rescind any purchase or exchange order, (ii) freeze any account and/or suspend account services or (iii) involuntarily close your account in cases of threatening conduct or suspected fraudulent or illegal activity. These actions will be taken when, in the sole discretion of Fund management, they are deemed to be in the best interest of the Fund or in cases when the Fund is requested or compelled to do so by governmental or law enforcement authority. If your account is closed at the request

of governmental or law enforcement authority, you may not receive proceeds of the redemption if the Fund is required to withhold such proceeds.

### **How to Sell Your Fund Shares**



If you hold Class A Shares, you may sell your shares on any Business Day by following the procedures established when you opened your account or accounts. If you have questions, call 1-800-DIAL-SEI. If you own your shares through an account with a broker or other institution, contact that broker or institution to sell your shares. Your financial institution or intermediary may charge a fee for its services. The sale price of each share will be the next NAV determined after the Fund receives your request or after the Fund's authorized intermediary receives your request if transmitted to the Fund in accordance with the Fund's procedures and applicable law.

### **Receiving Your Money**

Normally, the Fund will make payment on your sale on the Business Day following the day on which it receives your request, but it may take up to seven days. You may arrange for your proceeds to be wired to your bank account.

### **Redemptions in Kind**

The Fund generally pays sale (redemption) proceeds in cash. However, under unusual conditions that make the payment of cash unwise (and for the protection of the Fund's remaining shareholders) the Fund might pay all or part of your redemption proceeds in liquid securities with a market value equal to the redemption price (redemption in kind). Although it is highly unlikely that your shares would ever be redeemed in kind, you would probably have to pay brokerage costs to sell the securities distributed to you, as well as taxes on any capital gains from the sale as with any redemption.

### **Suspension of Your Right to Sell Your Shares**

The Fund may suspend your right to sell your shares if the NYSE restricts trading, the Securities and Exchange Commission declares an emergency or for other reasons. More information about this is in the SAI.

### **Telephone Transactions**

Purchasing and selling Fund shares over the telephone is extremely convenient, but not without risk. The Fund has certain safeguards and procedures to confirm the identity of callers and the authenticity of instructions. If the Fund follows these procedures, the Fund will not be responsible for any losses or costs incurred by following telephone instructions that the Fund reasonably believes to be genuine.

### **Distribution of Fund Shares**

SEI Investments Distribution Co. (SIDCo.) is the distributor of the shares of the Fund. SIDCo. receives no compensation for distributing the Fund's shares.

For Class A Shares, shareholder servicing fees, as a percentage of average daily net assets, may be up to XX%.

### **Disclosure of Portfolio Holdings Information**

Information regarding the Fund's policy and procedures on the disclosure of portfolio holdings information is available in the SAI. Portfolio holdings information for the Fund can be obtained on the internet at the following address: [http://www.seic.com/fund\\_holdings\\_home.asp](http://www.seic.com/fund_holdings_home.asp). (the Portfolio Holdings Website). Ten calendar days after each month end, a list of the top ten portfolio holdings in the Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Thirty calendar days after the end of each month, a list of all portfolio holdings in the Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Beginning on the day after any portfolio holdings information is posted on the Portfolio Holdings Website, such information will be delivered directly to any person that requests it, through electronic or other means. The portfolio holdings information placed on the Portfolio Holdings Website shall remain there until the first business day of the fifth month after the date to which the data relates, at which time it will be permanently removed from the site.

Additional information regarding the Fund's policy and procedures on the disclosure of portfolio holdings information is available in the SAI.

## **Dividends, Distributions and Taxes**

### **Dividends and Distributions**

The Fund periodically distributes its investment income to shareholders as a dividend. It is the policy of the Fund to pay dividends at least once annually. The Fund makes distributions of capital gains, if any, at least annually.

You will receive dividends and distributions in cash unless otherwise stated.

### **Taxes**

**Please consult your tax advisor regarding your specific questions about federal, state, local and foreign income taxes.** Below the Fund has summarized some important tax issues that affect the Fund and its shareholders. This summary is based on current tax laws, which may change.

At least annually, the Fund will distribute substantially all of its net investment income and its net realized capital gains, if any. The dividends and distributions you receive from the Fund may be subject to federal, state and local taxation, depending upon your tax situation. If so, they are taxable whether or not you reinvest them. Income distributions are generally taxable at ordinary income tax rates except to the extent they are designated as qualified dividend income. Dividends that are qualified dividend income are eligible for the reduced maximum rate to individuals of 15% (5% for individuals in lower tax brackets) to the extent that the Fund receives qualified dividend income and certain holding period requirements and other requirements are satisfied by you and by the Fund. Capital gains distributions are generally taxable at the rates applicable to long-term capital gains regardless of how long you have held your Fund shares. Long-term capital gains are currently taxable at the maximum rate of 15%. Absent further legislation, the maximum 15% rate on qualified dividend income and long-term capital gains will cease to apply to taxable years beginning after December 31, 2008.

Each sale of Fund shares may be a taxable event. Currently, any capital gain or loss realized upon a sale of Fund shares is generally treated as long-term gain or loss if the shares have been held for more than one year. Capital gain or loss realized upon a sale of Fund shares held for one year or less is generally treated as short-term gain or loss, except that any capital loss on the sale of the Fund shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such Fund shares.

Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries a portion of these taxes is recoverable, the non-recovered portion will reduce the income received from the securities comprising the portfolios of the Fund.

The Fund uses a tax management technique known as highest in, first out. Using this technique, the portfolio holdings that have experienced the smallest gain or largest loss are sold first in an effort to minimize capital gains and enhance after-tax returns.

The Fund may elect to pass through to you your pro rata share of foreign income taxes paid by the Fund. The Fund will notify you if it makes such an election.

**More information about taxes is in the Fund's SAI.**

**Investment Adviser**

SEI Investments Management Corporation  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

**Distributor**

SEI Investments Distribution Co.  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

**Legal Counsel**

Morgan, Lewis & Bockius LLP

More information about the Fund is available without charge through the following:

**Statement of Additional Information (SAI)**

The SAI dated January 31, 2006 includes detailed information about the SEI Institutional International Trust. The SAI is on file with the SEC and is incorporated by reference into this prospectus. This means that the SAI, for legal purposes, is a part of this prospectus.

**To Obtain an SAI or More Information:**

**By Telephone:** Call 1-800-DIAL-SEI

**By Mail:** Write to the Fund at:  
One Freedom Valley Drive  
Oaks, Pennsylvania 19456

**By Internet:** <http://www.seic.com>

**From the SEC:** You can also obtain the SAI or the Annual and Semi-Annual Reports, as well as other information about the SEI Institutional International Trust, from the EDGAR Database on the SEC's website ("<http://www.sec.gov>"). You may review and copy documents at the SEC Public Reference Room in Washington, DC (for information on the operation of the Public Reference Room, call 1-202-942-8090). You may request documents by mail from the SEC, upon payment of a duplicating fee, by writing to: Securities and Exchange Commission, Public Reference Section, Washington, DC 20549-0102. You may also obtain this information, upon payment of a duplicating fee, by e-mailing the SEC at the following address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

SEI Institutional International Trust's Investment Company Act registration number is 811-5601.

**SEI INSTITUTIONAL INTERNATIONAL TRUST**

Administrator:

## SEI Investments Fund Management

### Distributor:

SEI Investments Distribution Co.

### Investment Adviser:

SEI Investments Management Corporation

### Sub-Advisers:

Alliance Capital Management L.P.

Ashmore Investment Management Limited

The Boston Company Asset Management LLC

Bridgewater Associates, Inc.

Capital Guardian Trust Company

Emerging Markets Management, L.L.C.

Fischer Francis Trees & Watts, Inc. and its affiliates

Fisher Asset Management, LLC

Fuller & Thaler Asset Management, Inc.

McKinley Capital Management, Inc.

Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited

Quantitative Management Associates LLC

Rexiter Capital Management Limited

Salomon Brothers Asset Management Inc

This **Statement of Additional Information** is not a Prospectus. It is intended to provide additional information regarding the activities and operations of SEI Institutional International Trust (the "Trust"), and should be read in conjunction with the Trust's Prospectuses relating to the Class A Shares of the International Equity, Emerging Markets Equity, International Fixed Income, and Emerging Markets Debt Funds, the Class A Shares of the Tax-Managed International Equity Fund, and the Class I Shares of the International Equity Fund, each dated January 31, 2006. Prospectuses may be obtained without charge by writing the Trust's distributor, SEI Investments Distribution Co., One Freedom Valley Drive, Oaks, Pennsylvania 19456, or by calling 1-800-342-5734.

The Trust's financial statements for the fiscal year ended September 30, 2005, including notes thereto and the report of [\_\_\_\_\_] thereon, are herein incorporated by reference from the Trust's 2005 Annual Report. A copy of the 2005 Annual Report must accompany the delivery of this Statement of Additional Information.

January 31, 2006

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January 31, 2006

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## THE TRUST

SEI Institutional International Trust (formerly, "SEI International Trust") (the "Trust") is an open-end management investment company established as a Massachusetts business trust pursuant to a Declaration of Trust dated June 30, 1988, and has diversified and non-diversified portfolios. The Declaration of Trust permits the Trust to offer separate series ("portfolios") of units of beneficial interest ("shares") and separate classes of shares of such portfolios. Shareholders may purchase shares in certain portfolios through separate classes. Class A and Class I currently may be offered, which provide for variations in transfer agent fees, shareholder servicing fees, administrative servicing fees, dividends and certain voting rights. Except for differences among the classes pertaining to shareholder servicing, administrative servicing, voting rights, dividends and transfer agent expenses, each share of each portfolio represents an equal proportionate interest in that portfolio with each other share of that portfolio.

This Statement of Additional Information relates to the following portfolios: International Equity, Emerging Markets Equity, International Fixed Income, Emerging Markets Debt and Tax-Managed International Equity Funds (each a "Fund" and, together, the "Funds"), including all classes of the Funds. Shares of the Tax-Managed International Equity Fund are currently not being offered to shareholders.

The investment adviser and sub-advisers to the Funds are referred to collectively as the "advisers."

## INVESTMENT OBJECTIVES AND POLICIES

**INTERNATIONAL EQUITY FUND**-The International Equity Fund seeks to provide long-term capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

Under normal circumstances, the Fund will invest at least 80% of its net assets in equity securities. The Fund will invest primarily in common stocks and other equity securities of issuers of all capitalization ranges that are located in at least three countries other than the United States. The Fund will invest primarily in companies located in developed countries, but may also invest in companies located in emerging market countries.

Securities of non-U.S. issuers purchased by the Fund will typically be listed on recognized foreign exchanges, but also may be purchased in over-the-counter markets, on U.S. registered exchanges, or in the form of sponsored or unsponsored American Depositary Receipts ("ADRs") traded on registered exchanges or NASDAQ, or sponsored or unsponsored European Depositary Receipts ("EDRs"), Continental Depositary Receipts ("CDRs") or Global Depositary Receipts ("GDRs").

The Fund may invest up to 20% of its net assets in: foreign corporate government fixed income securities of different types and maturities, including mortgage-backed or other asset-backed securities; securities rated below investment grade; repurchase or reverse repurchase agreements; U.S. or non-U.S. cash reserves; money market instruments; swaps; options on securities and non-U.S. indices; futures contracts, including stock index futures contracts; options on futures contracts; and equity-linked warrants. The Fund is permitted to acquire floating and variable rate securities, purchase securities on a when-issued or delayed delivery basis, and invest up to 15% of its net assets in illiquid securities. The Fund may also lend its securities to qualified borrowers and invest in shares of other investment companies, including securities issued by passive foreign investment companies.

There is no restriction on the maturity of any single instrument held by the Fund. Maturities may vary widely depending on the advisers' assessment of interest rate trends and other economic and market factors. There may be no bottom limit on the ratings of high-yield securities that may be purchased or held by the Fund.

For temporary defensive purposes, when the advisers determine that market conditions warrant, the Fund may invest up to 100% of its assets in U.S. dollar-denominated fixed income securities or debt obligations and the following domestic and foreign money market instruments: government obligations; certificates of deposit; bankers' acceptances; time deposits; commercial paper; short-term corporate debt issues and repurchase agreements; and may hold a portion of its assets in cash. In addition, the Fund may invest in the foregoing instruments and hold cash for liquidity purposes.

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Due to its investments strategy the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

The Fund may purchase shares of exchange-traded funds ("ETFs") to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. Pursuant to an order issued by the Securities and Exchange Commission (the "SEC"), the Fund may invest in iShares ETFs in excess of the 5% and 10% limits set forth in Section 12(d)(1)(A) of the Investment Company Act of 1940, as amended (the "1940 Act"), provided that the Fund complies with the conditions of the SEC, as they may be amended, and any other applicable investment limitations.

**EMERGING MARKETS EQUITY FUND**-The Emerging Markets Equity Fund seeks to provide capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

Under normal circumstances, the Fund will invest at least 80% of its net assets in equity securities of emerging market issuers. The Fund will invest primarily in common stocks and other equity securities of foreign companies located in emerging market countries. The Fund normally maintains investments in at least six emerging market countries, and does not invest more than 35% of its total assets in any one emerging market country. The Fund defines an emerging market country as any country the economy and market of which the World Bank or the United Nations considers to be emerging or developing. The Fund's advisers consider emerging market issuers to include: companies the securities of which are principally traded in the capital markets of emerging market countries; companies that derive at least 50% of their total revenue from either goods produced or services rendered in emerging market countries, regardless of where the securities of such companies are principally traded; or companies that are organized under the laws of, and have a principal office in, an emerging market country.

The Fund expects to be fully invested in the primary investments described above, but may invest up to 20% of its net assets in debt securities, including up to 5% of its total assets in debt securities rated below investment grade. These debt securities will include debt securities of governmental and private issuers in emerging market countries. Bonds rated below investment grade are often referred to as "junk bonds." Such securities involve greater risk of default or price volatility than investment grade securities. The Fund may invest in certain debt securities issued by the governments of emerging market countries that are or may be eligible for conversion into investments in emerging market companies under debt conversion programs sponsored by such governments.

The Fund may invest up to 15% of its net assets in illiquid securities. The Fund's advisers believe that carefully selected investments in joint ventures, cooperatives, partnerships, private placements, unlisted securities and other similar situations (collectively, "special situations") could enhance the Fund's capital appreciation potential. Investments in special situations may be liquid, as determined by the Fund's advisers based on criteria approved by the Board of Trustees. To the extent these investments are deemed illiquid, the Fund's investment in them will be subject to its 15% restriction on investment in illiquid securities.

The Fund may invest in shares of other investment companies, futures contracts, equity-linked warrants and purchase securities on a when-issued or delayed delivery basis. The Fund may also purchase and write options to buy or sell futures contracts, enter into swap transactions, including caps, collars, floors, total return swaps and swaptions, and lend its securities to qualified borrowers.

There is no restriction on the maturity of any single instrument held by the Fund. Maturities may vary widely depending on the advisers' assessment of interest rate trends and other economic and market factors. There may be no bottom limit on the ratings of high-yield securities that may be purchased or held by the Fund.

Due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

For temporary defensive purposes, when the advisers determine that market conditions warrant, the Fund may invest up to 100% of its assets in U.S. dollar-denominated fixed income securities or debt obligations and the following domestic and foreign money market instruments: government obligations; certificates of deposit; bankers' acceptances; time deposits; commercial paper; short-term corporate debt

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issues and repurchase agreements; and may hold a portion of its assets in cash. In addition, the Fund may invest in the foregoing instruments and hold cash for liquidity purposes.

The Fund may purchase shares of ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. Pursuant to an order issued by the SEC, the Fund may invest in iShares ETFs in excess of the 5% and 10% limits set forth in Section 12(d)(1)(A) of the 1940 Act, provided that the Fund complies with the conditions of the SEC, as they may be amended, and any other applicable investment limitations.



**INTERNATIONAL FIXED INCOME FUND**-The International Fixed Income Fund seeks to provide capital appreciation and current income. There can be no assurance that the Fund will achieve its investment objective.

Under normal circumstances, the Fund will invest at least 80% of its net assets in fixed income securities. The Fund will invest primarily in investment grade foreign government and corporate fixed income securities, as well as foreign mortgage-backed and/or asset-backed fixed income securities, of issuers located in at least three countries other than the United States.

The Fund will invest primarily in: (i) fixed income securities issued or guaranteed by a foreign government or one of its agencies, authorities, instrumentalities or political subdivisions; (ii) fixed income securities issued or guaranteed by supranational entities; (iii) fixed income securities issued by foreign or multinational corporations; (iv) convertible securities issued by foreign or multinational corporations; (v) fixed income securities issued by foreign banks or bank holding companies; (vi) asset-backed securities; and (vii) mortgage-backed securities. All such investments will be in investment grade securities denominated in various currencies, including the euro.

The Fund expects to be fully invested in the primary investments described above, but may invest in: obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities ("U.S. Government securities"); shares of other investment companies; swaps; options; futures; forward foreign currency contracts; and equity-linked warrants. The Fund may also purchase and write options to buy or sell futures contracts, purchase securities on a when-issued or delayed delivery basis and engage in short selling and currency transactions and lend its securities to qualified borrowers. The Sub-Advisers seek to enhance the Fund's return by actively managing the Fund's foreign currency exposure. In managing the Fund's currency exposure, the Sub-Advisers buy and sell securities (*i.e.*, take long or short positions) using futures, foreign currency forward contracts and other derivatives. The Fund may take long and short positions in foreign currencies in excess of the value of the Fund's assets denominated in a particular currency or when the Fund does not own assets denominated in that currency. The Fund may invest up to 10% of its total assets in illiquid securities. Furthermore, although the Fund will concentrate its investments in relatively developed countries, the Fund may invest up to 20% of its assets in investment-grade fixed income securities of issuers in, or denominated in the currencies of, developing countries or are determined by the advisers to be of comparable quality to such securities at the time of purchase.

There are no restrictions on the Fund's average portfolio maturity, or on the maturity of any specific security. Maturities may vary widely depending on the advisers' assessment of interest rate trends and other economic and market factors. There may be no bottom limit on the ratings of high-yield securities that may be purchased or held by the Fund.

Due to its investment strategy, the Fund may buy or sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

The Fund is non-diversified, which means that it may invest in the securities of relatively few issuers. As a result, the Fund may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers, and may experience increased volatility due to its investments in those securities.

For temporary defensive purposes, when the advisers determine that market conditions warrant, the Fund may invest up to 100% of its assets in U.S. dollar-denominated fixed income securities or debt obligations and the following domestic and foreign money market instruments: government obligations;

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certificates of deposit; bankers' acceptances; time deposits; commercial paper; short-term corporate debt issues and repurchase agreements; and may hold a portion of its assets in cash. In addition, the Fund may invest in the foregoing instruments and hold cash for liquidity purposes.

The Fund may purchase shares of ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. Pursuant to an order issued by the SEC, the Fund may invest in iShares ETFs in excess of the 5% and 10% limits set forth in Section 12(d)(1)(A) of the 1940 Act, provided that the Fund complies with the conditions of the SEC, as they may be amended, and any other applicable investment limitations.

**EMERGING MARKETS DEBT FUND**-The investment objective of the Emerging Markets Debt Fund is to maximize total return. There can be no assurance that the Fund will achieve its investment objective.

Under normal circumstances, the Fund will invest at least 80% of its net assets in fixed income securities of emerging market issuers. The Fund will invest primarily in U.S. dollar-denominated debt securities of government, government-related and corporate issuers in emerging market countries, as well as entities organized to restructure the outstanding debt of such issuers. The Fund defines an emerging market country as any country the economy and market of which the World Bank or the United Nations considers to be emerging or developing. The Fund's advisers consider emerging market issuers to be: companies the securities of which are principally traded in the capital markets of emerging market countries; companies that derive at least 50% of their total revenue from either goods produced or services rendered in emerging market countries, regardless of where the securities of such companies are principally traded; companies that are organized under the laws of and have a principal office in an emerging market country; or government issuers located in an emerging market country.

Fixed income securities of emerging market issuers in which the Fund may invest are U.S. dollar-denominated and non-U.S. dollar-denominated corporate and government debt securities, including bonds, notes, bills, debentures, convertible securities, warrants, bank debt obligations, short-term paper, mortgage and other asset-backed securities, preferred stock, loan participations and assignments and interests issued by entities organized and operated for the purpose of restructuring the investment characteristics of instruments issued by emerging market issuers. The Fund may invest in Brady Bonds, which are debt securities issued by debtor nations to restructure their outstanding external indebtedness, and which comprise a significant portion of the emerging debt market.

The Fund's investments in high yield government, government-related and restructured debt securities will consist of: (i) debt securities or obligations issued or guaranteed by governments, governmental agencies or instrumentalities and political subdivisions located in emerging market countries (including participations in loans between governments and financial institutions); (ii) debt securities or obligations issued by government-owned, controlled or sponsored entities located in emerging market countries (including participations in loans between governments and financial institutions); and (iii) interests in structured securities of issuers organized and operated for the purpose of restructuring the investment characteristics of instruments issued by any of the entities described above (collectively, "High Yield Foreign Sovereign Debt Securities"). Even though many of these securities are issued by governmental issuers, they may still be considered junk bonds on account of the governmental issuer's poor credit rating. The Fund may also purchase investment grade obligations of the foregoing governmental issuers.

The Fund's investments in debt securities of corporate issuers in emerging market countries may include high yield or investment grade debt securities or other obligations issued by: (i) banks located in emerging market countries or by branches of emerging market country banks located in other emerging market countries; or (ii) companies organized under the laws of an emerging market country.

The Fund expects to be fully invested in the primary investments described above, but may invest up to 10% of its total assets in: common stock; convertible securities; warrants; or other equity securities, when consistent with the Fund's objective. The Fund will generally hold such equity investments as a result of purchases of unit offerings of fixed-income securities which include such securities or in connection with

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an actual or proposed conversion or exchange of fixed income securities. The Fund may also enter into repurchase agreements and reverse repurchase agreements, may purchase when-issued and delayed-delivery securities, lend portfolio securities to qualified borrowers and invest in shares of other investment companies. The Fund may purchase restricted securities and may invest up to 15% of the value of its net assets in illiquid securities. The Fund may invest in options and futures for hedging purposes, and may enter into swaps or related transactions. The Fund may invest in receipts, zero coupon securities, pay-in-kind bonds, Eurobonds, dollar rolls, and deferred payment securities.

There is no minimum rating standard for the Fund's securities and the Fund's securities will generally be in the lower or lowest rating categories (including those below investment grade, commonly referred to as "junk bonds"). Information about "junk bonds" is provided under "Fixed Income Securities."

There is no limit on the percentage of the Fund's assets that may be invested in non-U.S. dollar-denominated securities. However, it is expected that the majority of the Fund's assets will be denominated in U.S. dollars.

There are no restrictions on the Fund's average portfolio maturity, or on the maturity of any specific security. Maturities may vary widely depending on the advisers' assessment of interest rate trends and other economic and market factors. There may be no bottom limit on the ratings of high-yield securities that may be purchased or held by the Fund.

Due to its investment strategy, the Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

The Fund is non-diversified, which means that it may invest in the securities of relatively few issuers. As a result, the Fund may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers, and may experience increased volatility due to its investments in those securities.

For temporary defensive purposes, when the advisers determine that market conditions warrant, the Fund may invest up to 100% of its assets in U.S. dollar-denominated fixed income securities or debt obligations and the following domestic and foreign money market instruments: government obligations; certificates of deposit; bankers' acceptances; time deposits; commercial paper; short-term corporate debt issues and repurchase agreements; and may hold a portion of its assets in cash. In addition, the Fund may invest in the foregoing instruments and hold cash for liquidity purposes.

The Fund may purchase shares of ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. Pursuant to an order issued by the SEC, the Fund may invest in iShares ETFs in excess of the 5% and 10% limits set forth in Section 12(d)(1)(A) of the 1940 Act, provided that the Fund complies with the conditions of the SEC, as they may be amended, and any other applicable investment limitations.

**TAX-MANAGED INTERNATIONAL EQUITY FUND**-The Tax-Managed International Equity Fund seeks to provide long-term capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

Under normal circumstances, the Fund will invest at least 80% of its net assets in equity securities. The Fund will invest primarily in common stocks and other equity securities of issuers of all capitalization ranges that are located in at least three countries other than the United States. The Fund will invest primarily in companies located in developed countries, but may also invest in securities of issuers located in emerging market countries.

Securities of non-U.S. issuers purchased by the Fund will typically be listed on recognized foreign exchanges, but also may be purchased in over-the-counter markets, on U.S. registered exchanges, or in the form of sponsored or unsponsored ADRs traded on registered exchanges or NASDAQ, or sponsored or unsponsored EDRs, CDRs or GDRs.

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The Fund expects to be fully invested in the primary investments described above, but may invest up to 20% of its net assets in: U.S. or non-U.S. cash reserves; money market instruments; swaps; options on securities and non-U.S. indices; futures contracts, including stock index futures contracts; and options on futures contracts. The Fund is permitted to acquire floating and variable rate securities, purchase securities on a when-issued or delayed delivery basis, invest up to 15% of its net assets in illiquid securities, lend its securities to qualified borrowers and invest in shares of other investment companies, including securities issued by passive foreign investment companies.

The Fund is designed for long-term taxable investors, including high net worth individuals. While the Fund seeks to maximize after-tax returns for its shareholders, the Fund is very likely to have taxable investment income and will likely realize taxable gains from time to time.

The Fund seeks to maximize after-tax returns for its shareholders in part by minimizing the taxes they incur in connection with the Fund's realization of investment income and capital gains. Taxable investment income will be minimized by investing primarily in lower yielding securities. If this strategy is carried out, the Fund can be expected to distribute relatively low levels of taxable investment income.

Realized capital gains will be minimized in part by investing primarily in established companies with the expectation of holding these securities for a period of years. The Fund's advisers will generally seek to avoid realizing short-term capital gains. When a decision is made to sell a particular appreciated security, the Fund will attempt to select for sale those share lots with holding periods sufficient to qualify for long-term capital gains treatment, and among those, the share lots with the highest cost basis. The Fund may, when prudent, sell securities to realize capital losses that can be used to offset realized capital gains.

To protect against price declines affecting securities with large unrealized gains, the Fund may use hedging techniques such as the purchase of put options, short sales "against the box," the sale of stock index futures contracts, and equity swaps. A short sale against the box is a taxable transaction to the Fund with respect to the securities that are sold short. By using these techniques rather than selling such securities, the Fund will attempt to reduce its exposure to price declines without realizing substantial capital gains under the current tax law. Although the Fund may utilize certain hedging strategies in lieu of selling appreciated securities, the Fund's exposure to losses during stock market declines may nonetheless be higher than that of other funds that do not follow a general policy of avoiding sales of highly-appreciated securities. There may be no bottom limit on the ratings of high-yield securities that may be purchased or held by the Fund.

For temporary defensive purposes, when the advisers determine that market conditions warrant, the Fund may invest up to 100% of its assets in U.S. dollar-denominated fixed income securities or debt obligations and the following domestic and foreign money market instruments: government obligations; certificates of deposit; bankers' acceptances; time deposits; commercial paper; short-term corporate debt issues and repurchase agreements; and may hold a portion of their assets in cash. In addition, the Fund may invest in the foregoing instruments and hold cash for liquidity purposes.

The Fund may purchase shares of ETFs to gain exposure to a particular portion of the market while awaiting an opportunity to purchase securities directly. Pursuant to an order issued by the SEC, the Fund may invest in iShares ETFs in excess of the 5% and 10% limits set forth in Section 12(d)(1)(A) of the 1940 Act, provided that the Fund complies with the conditions of the SEC, as they may be amended, and any other applicable investment limitations.

## DESCRIPTION OF PERMITTED INVESTMENTS AND RISK FACTORS

The following are descriptions of the permitted investments and investment practices discussed in the Funds' "Investment Objectives and Policies" section and the associated risk factors. A Fund may purchase any of these instruments and/or engage in any of these investment practices if, in the opinion of an adviser, such investment will be advantageous to the Fund. A Fund is free to reduce or eliminate its activity in any of these areas. Each Fund's advisers will only invest in any of the following instruments or engage in any of the

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following investment practices if such investment or activity is consistent with and permitted by the Fund's stated investment policies. There is no assurance that any of these strategies or any other strategies and methods of investment available to a Fund will result in the achievement of the Fund's objectives.

**AMERICAN DEPOSITARY RECEIPTS**-American Depositary Receipts ("ADRs"), as well as other "hybrid" forms of ADRs, including EDRs, CDRs and GDRs, are certificates evidencing ownership of shares of a foreign issuer.

Depositary receipts may be sponsored or unsponsored. These certificates are issued by depository banks and generally trade on an established market in the United States or elsewhere. The underlying shares are held in trust by a custodian bank or similar financial institution in the issuer's home country. The depository bank may not have physical custody of the underlying securities at all times and may charge fees for various services, including forwarding dividends and interest and corporate actions. ADRs are alternatives to directly purchasing the

underlying foreign securities in their national markets and currencies. However, ADRs continue to be subject to many of the risks associated with investing directly in foreign securities.

Investments in the securities of foreign issuers may subject the underlying SEI Funds to investment risks that differ in some respects from those related to investments in securities of U.S. issuers. Such risks include future adverse political and economic developments, possible imposition of withholding taxes on income, possible seizure, nationalization or expropriation of foreign deposits, possible establishment of exchange controls or taxation at the source or greater fluctuation in value due to changes in exchange rates. Foreign issuers of securities often engage in business practices different from those of domestic issuers of similar securities, and there may be less information publicly available about foreign issuers. In addition, foreign issuers are, generally speaking, subject to less government supervision and regulation and different accounting treatment than are those in the United States.

Although the two types of depositary receipt facilities (unsponsored or sponsored) are similar, there are differences regarding a holder's rights and obligations and the practices of market participants. A depositary may establish an unsponsored facility without participation by (or acquiescence of) the underlying issuer; typically, however, the depositary requests a letter of non-objection from the underlying issuer prior to establishing the facility. Holders of unsponsored depositary receipts generally bear all the costs of the facility. The depositary usually charges fees upon the deposit and withdrawal of the underlying securities, the conversion of dividends into U.S. dollars or other currency, the disposition of non-cash distributions, and the performance of other services. The depositary of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the underlying issuer or to pass through voting rights to depositary receipt holders with respect to the underlying securities.

Sponsored depositary receipt facilities are created in generally the same manner as unsponsored facilities, except that sponsored depositary receipts are established jointly by a depositary and the underlying issuer through a deposit agreement. The deposit agreement sets out the rights and responsibilities of the underlying issuer, the depositary, and the depositary receipt holders. With sponsored facilities, the underlying issuer typically bears some of the costs of the depositary receipts (such as dividend payment fees of the depositary), although most sponsored depositary receipts holders may bear costs such as deposit and withdrawal fees. Depositories of most sponsored depositary receipts agree to distribute notices of shareholder meetings, voting instructions, and other shareholder communications and information to the depositary receipt holders at the underlying issuer's request

**ASSET-BACKED SECURITIES**-Asset-backed securities are securities backed by non-mortgage assets such as company receivables, truck and auto loans, leases and credit card receivables. Other asset-backed securities may be created in the future. Asset-backed securities are generally issued as pass-through certificates, which represent undivided fractional ownership interests in the underlying pools of assets. Asset-backed securities also may be debt instruments, which are also known as collateralized obligations and are generally issued as the debt of a special purpose entity, such as a trust, organized solely for the purpose of owning such assets and issuing debt obligations. Asset-backed securities may be traded over-the-counter and

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typically have a short-intermediate maturity structure depending on the paydown characteristics of the underlying financial assets which are passed through to the security holder.

Asset-backed securities are not issued or guaranteed by the U.S. Government, its agencies or instrumentalities; however, the payment of principal and interest on such obligations may be guaranteed up to certain amounts and, for a certain period, by a letter of credit issued by a financial institution (such as a bank or insurance company) unaffiliated with the issuers of such securities. The purchase of asset-backed securities raises risk considerations peculiar to the financing of the instruments underlying such securities. For example, there is a risk that another party could acquire an interest in the obligations superior to that of the holders of the asset-backed securities. There also is the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on those securities.

Asset-backed securities entail prepayment risk, which may vary depending on the type of asset, but is generally less than the prepayment risk associated with mortgage-backed securities. In addition, credit card receivables are unsecured obligations of the card holder. There may be a limited secondary market for such securities.

**BRADY BONDS**-Certain debt obligations, customarily referred to as "Brady Bonds," are created through the exchange of existing commercial bank loans to foreign entities for new obligations in connection with a debt restructuring. Brady Bonds have only been issued since 1989, and, accordingly, do not have a long payment history. In addition, they are issued by governments that may have previously defaulted on the loans being restructured by the Brady Bonds, so are subject to the risk of default by the issuer. Brady Bonds may be fully or partially collateralized or uncollateralized and issued in various currencies (although most are U.S. dollar-denominated) and they are actively traded in the over-the-counter secondary market. U.S. dollar-denominated, collateralized Brady Bonds, which may be fixed rate par bonds or floating rate discount bonds, are generally collateralized in full as to principal due at maturity by U.S. Treasury zero coupon obligations which have the same maturity as the Brady Bonds. Certain interest payments on these Brady Bonds may be collateralized by cash or securities in an amount that, in the case of fixed rate bonds, is typically equal to between 12 and 18 months of rolling interest payments or, in the case of floating rate bonds, initially is typically equal to between 12 and 18 months rolling interest payments based on the applicable interest rate at that time and is adjusted at regular intervals thereafter with the balance of interest accruals in each case being uncollateralized. Payment of interest and (except in the case of principal collateralized Brady Bonds) principal on Brady Bonds with no or limited collateral depends on the willingness and ability of the foreign government to make payment. In the event of a default on collateralized Brady Bonds for which obligations are accelerated, the collateral for the payment of principal will not be distributed to investors, nor will such obligations be sold and the proceeds distributed. The collateral will be held by the collateral agent to the scheduled maturity of the defaulted Brady Bonds, which will continue to be outstanding, at which time the face amount of the collateral will equal the principal payments which would have then been due on the Brady Bonds in the normal course.

Based upon current market conditions, a Fund would not intend to purchase Brady Bonds which, at the time of investment, are in default as to payment. However, in light of the residual risk of Brady Bonds and, among other factors, the history of default with respect to commercial bank loans by public and private entities of countries issuing Brady Bonds, investments in Brady Bonds are to be viewed as speculative. A substantial portion of the Brady Bonds and other sovereign debt securities in which the Emerging Markets Debt Fund invests are likely to be acquired at a discount, which involves certain additional considerations.

Sovereign obligors in developing and emerging market countries are among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. These obligors have in the past experienced substantial difficulties in servicing their external debt obligations, which led to defaults on certain obligations and the restructuring of certain indebtedness. Restructuring arrangements have included, among other things, reducing and rescheduling interest and principal payments by negotiating new or amended credit agreements or converting outstanding principal and unpaid interest to Brady Bonds, and obtaining new credit to finance interest payments. Holders of certain foreign sovereign debt securities may be requested to participate in the restructuring of such obligations and to extend further loans

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to their issuers. There can be no assurance that the Brady Bonds and other foreign sovereign debt securities in which a Fund may invest will not be subject to similar restructuring arrangements or to requests for new credit which may adversely affect the Fund's holdings. Furthermore, certain participants in the secondary market for such debt may be directly involved in negotiating the terms of these arrangements and may therefore have access to information not available to other market participants.

**COMMERCIAL PAPER**-Commercial paper is the term used to designate unsecured short-term promissory notes issued by corporations and other entities. Maturities on these issues vary from a few days up to 270 days.

**DOLLAR ROLLS**-"Dollar rolls" are transactions in which a Fund sells securities for delivery in the current month and simultaneously contracts to repurchase substantially similar securities on a specified future date. The difference between the sale price and the purchase price (plus any interest earned on the cash proceeds of the sale) is netted against the interest income foregone on the securities sold to arrive at an

implied borrowing rate. Alternatively, the sale and purchase transactions can be executed at the same price, with the Fund being paid a fee as consideration for entering into the commitment to purchase. If a Fund enters into dollar roll transactions, the Fund will "cover" its position as required by the 1940 Act.

**EQUITY-LINKED WARRANTS**-Equity linked warrants provide a way for investors to access markets where entry is difficult and time consuming due to regulation. Typically, a broker issues warrants to an investor and then purchases shares in the local market and issues a call warrant hedged on the underlying holding. If the investor exercises his call and closes his position, the shares are sold and the warrant is redeemed with the proceeds.

Each warrant represents one share of the underlying stock. Therefore, the price, performance and liquidity of the warrant are all directly linked to the underlying stock. The warrants can be redeemed for 100% of the value of the underlying stock (less transaction costs). Being American style warrants, they can be exercised at any time. The warrants are U.S. dollar-denominated and priced daily on several international stock exchanges.

There are risks associated with equity-linked warrants. The investor will bear the full counterparty risk to the issuing broker (but the advisers select to mitigate this risk by only purchasing from issuers with high credit ratings). They also have a longer settlement period because they go through the same registration process as the underlying shares (about three weeks) and during this time the shares cannot be sold. There is currently no active trading market for equity-linked warrants. Certain issuers of such warrants may be deemed to be "investment companies" as defined in the 1940 Act. As a result, a Fund's investment in such warrants may be limited by certain investment restrictions contained in the 1940 Act.

**EQUITY SECURITIES**-Equity securities represent ownership interests in a company and include common stocks, preferred stocks, warrants to acquire common stock and securities convertible into common stock. Investments in equity securities in general are subject to market risks, which may cause their prices to fluctuate over time. Fluctuations in the value of equity securities in which a Fund invests will cause the net asset value of the Fund to fluctuate. The Funds purchase and sell equity securities in various ways, including securities listed on recognized foreign exchanges, traded in the United States on registered exchanges or in the over-the-counter market. Equity securities are described in more detail below:

*Common Stock.* Common stock represents an equity or ownership interest in an issuer. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds and preferred stock take precedence over the claims of those who own common stock.

*Preferred Stock.* Preferred stock represents an equity or ownership interest in an issuer that pays dividends at a specified rate and that has precedence over common stock in the payment of dividends. In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds take precedence over the claims of those who own preferred and common stock.

*Warrants.* Warrants are instruments that entitle the holder to buy an equity security at a specific price for a specific period of time. Changes in the value of a warrant do not necessarily correspond to changes in

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the value of its underlying security. The price of a warrant may be more volatile than the price of its underlying security, and a warrant may offer greater potential for capital appreciation as well as capital loss. Warrants do not entitle a holder to dividends or voting rights with respect to the underlying security and do not represent any rights in the assets of the issuing company. A warrant ceases to have value if it is not exercised prior to its expiration date. These factors can make warrants more speculative than other types of investments.

*Convertible Securities.* Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted or exchanged (by the holder or by the issuer) into shares of the underlying common stock (or cash or securities of equivalent value) at a stated exchange ratio. A convertible security may also be called for redemption or conversion by the issuer after a particular date and under certain circumstances (including a specified price) established upon issue. If a convertible security held by a Fund is called for redemption or conversion, the Fund could be required to tender it for redemption, convert it into the underlying common stock, or sell it to a third party.

Convertible securities generally have less potential for gain or loss than common stocks. Convertible securities generally provide yields higher than the underlying common stocks, but generally lower than comparable non-convertible securities. Because of this higher yield, convertible securities generally sell at a price above their "conversion value," which is the current market value of the stock to be received upon conversion. The difference between this conversion value and the price of convertible securities will vary over time depending on changes in the value of the underlying common stocks and interest rates. When the underlying common stocks decline in value, convertible securities will tend not to decline to the same extent because of the interest or dividend payments and the repayment of principal at maturity for certain types of convertible securities. However, securities that are convertible other than at the option of the holder generally do not limit the potential for loss to the same extent as securities convertible at the option of the holder. When the underlying common stocks rise in value, the value of convertible securities may also be expected to increase. At the same time, however, the difference between the market value of convertible securities and their conversion value will narrow, which means that the value of convertible securities will generally not increase to the same extent as the value of the underlying common stocks. Because convertible securities may also be interest-rate sensitive, their value may increase as interest rates fall and decrease as interest rates rise. Convertible securities are also subject to credit risk, and are often lower-quality securities.

*Small and Medium Capitalization Issuers.* Investing in equity securities of small and medium capitalization companies often involves greater risk than is customarily associated with investments in larger capitalization companies. This increased risk may be due to the greater business risks of smaller size, limited markets and financial resources, narrow product lines and the frequent lack of depth of management. The securities of smaller companies are often traded over-the-counter and, even if listed on a national securities exchange, may not be traded in volumes typical for that exchange. Consequently, the securities of smaller companies are likely to be less liquid, may have limited market stability and may be subject to more severe, abrupt or erratic market movements than securities of larger, more established companies or the market averages in general.

**EUROBONDS**-A Eurobond is a fixed income security denominated in U.S. dollars or another currency and sold to investors outside of the country whose currency is used. Eurobonds may be issued by government or corporate issuers, and are typically underwritten by banks and brokerage firms from numerous countries. While Eurobonds typically pay principal and interest in Eurodollars, U.S. dollars held in banks outside of the United States, they may pay principal and interest in other currencies.

**FIXED INCOME SECURITIES**-Fixed income securities consist primarily of debt obligations issued by governments, corporations, municipalities and other borrowers, but may also include structured securities that provide for participation interests in debt obligations. The market value of the fixed income investments in which a Fund invests will change in response to interest rate changes and other factors. During periods of falling interest rates, the values of outstanding fixed income securities generally rise. Conversely, during periods of rising interest rates, the values of such securities generally decline. Moreover, while securities with longer maturities tend to produce higher yields, the prices of longer maturity securities are also subject to

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greater market fluctuations as a result of changes in interest rates. Changes by recognized agencies in the rating of any fixed income security and in the ability of an issuer to make payments of interest and principal also affect the value of these investments. Changes in the value of these securities will not necessarily affect cash income derived from these securities, but will affect a Fund's net asset value.

Additional information regarding fixed income securities is described below:

*Duration.* Duration is a measure of the expected change in value of a fixed income security for a given change in interest rates. For example, if interest rates changed by one percent, the value of a security having an effective duration of two years generally would vary by two percent. Duration takes the length of the time intervals between the present time and time that the interest and principal payments are scheduled, or in the case of a callable bond, expected to be received, and weighs them by the present values of the cash to be received at each future point in time.



*Investment Grade Fixed Income Securities.* Fixed income securities are considered investment grade if they are rated in one of the four highest rating categories by a nationally recognized statistical rating organization ("NRSRO"), or, if not rated, are determined to be of comparable quality by a Fund's adviser. See "Appendix A-Description of Corporate Bond Ratings" for a description of the bond rating categories of several NRSROs. Ratings of each NRSRO represent its opinion of the safety of principal and interest payments (and not the market risk) of bonds and other fixed income securities it undertakes to rate at the time of issuance. Ratings are not absolute standards of quality and may not reflect changes in an issuer's creditworthiness. Fixed income securities rated BBB- or Baa3 lack outstanding investment characteristics, and have speculative characteristics as well. In the event a security owned by a Fund is downgraded, the advisers will review the situation and take appropriate action with regard to the security.

*Lower Rated Securities.* Lower rated bonds are commonly referred to as "junk bonds" or high yield/high-risk securities. Lower rated securities are defined as securities rated below the fourth highest rating category by an NRSRO. Such obligations are speculative and may be in default.

Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Lower rated or unrated (*i.e.*, high yield) securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Yields and market values of high yield securities will fluctuate over time, reflecting not only changing interest rates but the market's perception of credit quality and the outlook for economic growth. When economic conditions appear to be deteriorating, medium to lower rated securities may decline in value due to heightened concern over credit quality, regardless of prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities generally are not meant for short-term investing.

Adverse economic developments can disrupt the market for high yield securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity which may lead to a higher incidence of default on such securities. In addition, the secondary market for high yield securities may not be as liquid as the secondary market for more highly rated securities. As a result, a Fund's adviser could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were highly liquid. Furthermore, a Fund may experience difficulty in valuing certain securities at certain times. Prices realized upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating such Fund's net asset value. Prices for high yield securities may also be affected by legislative and regulatory developments.

Lower rated or unrated fixed income obligations also present risks based on payment expectations. If an issuer calls the obligations for redemption, a Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If a Fund experiences unexpected net redemptions, it

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may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of the Fund's investment portfolio and increasing the exposure of the Fund to the risks of high yield securities.

**Sensitivity to Interest Rate and Economic Changes.** Lower rated bonds are very sensitive to adverse economic changes and corporate developments. During an economic downturn, highly leveraged issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet projected business goals, and to obtain additional financing. If the issuer of a bond defaulted on its obligations to pay interest or principal or entered into bankruptcy proceedings, a Fund may incur losses or expenses in seeking recovery of amounts owed to it. In addition, periods of economic uncertainty and change can be expected to result in increased volatility of market prices of high-yield, high-risk bonds and a Fund's net asset value.

**Payment Expectations.** High-yield, high-risk bonds may contain redemption or call provisions. If an issuer exercised these provisions in a declining interest rate market, a Fund would have to replace the security with a lower yielding security, resulting in a decreased return for investors. Conversely, a high-yield, high-risk bond's value may decrease in a rising interest rate market, as will the value of a Fund's assets. If

a Fund experiences significant unexpected net redemptions, this may force it to sell high-yield, high-risk bonds without regard to their investment merits, thereby decreasing the asset base upon which expenses can be spread and possibly reducing the Fund's rate of return.

**Liquidity and Valuation.** There may be little trading in the secondary market for particular bonds, which may affect adversely a Fund's ability to value accurately or dispose of such bonds. Adverse publicity and investor perception, whether or not based on fundamental analysis, may decrease the value and liquidity of high-yield, high-risk bonds, especially in a thin market.

**Taxes.** A Fund may purchase debt securities (such as zero coupon or pay-in-kind securities) that contain original issue discount. Original issue discount that accretes in a taxable year is treated as earned by a Fund and therefore is subject to the distribution requirements applicable to regulated investment companies under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). Because the original issue discount earned by a Fund in a taxable year may not be represented by cash income, the Fund may have to dispose of other securities and use the proceeds to make distributions to shareholders.

**FOREIGN SECURITIES-**Foreign securities are securities issued by non-U.S. issuers. Investments in foreign securities may subject a Fund to investment risks that differ in some respects from those related to investments in securities of U.S. issuers. Such risks include future adverse political and economic developments, possible imposition of withholding taxes on income, possible seizure, nationalization, or expropriation of foreign deposits, possible establishment of exchange controls or taxation at the source or greater fluctuations in value due to changes in the exchange rates. Foreign issuers of securities often engage in business practices different from those of domestic issuers of similar securities, and there may be less information publicly available about foreign issuers. In addition, foreign issuers are, generally speaking, subject to less government supervision and regulation and different accounting treatment than are those in the United States. Foreign branches of U.S. banks and foreign banks may be subject to less stringent reserve requirements than those applicable to domestic branches of U.S. banks.

The value of a Fund's investments denominated in foreign currencies will depend on the relative strengths of those currencies and the U.S. dollar, and a Fund may be affected favorably or unfavorably by changes in the exchange rates or exchange or currency control regulations between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates also may affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, to be distributed to shareholders by a Fund. Such investments may also entail higher custodial fees and sales commissions than domestic investments.

A Fund's investments in emerging markets can be considered speculative, and therefore may offer higher potential for gains and losses than investments in developed markets of the world. With respect to an emerging

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country, there may be a greater potential for nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or investments in such countries. The economies of developing countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange or currency controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade.

In addition to the risks of investing in emerging market country debt securities, a Fund's investment in government or government-related securities of emerging market countries and restructured debt instruments in emerging markets are subject to special risks, including the inability or unwillingness to repay principal and interest, requests to reschedule or restructure outstanding debt, and requests to extend additional loan amounts. A Fund may have limited recourse in the event of default on such debt instruments.

**FORWARD FOREIGN CURRENCY CONTRACTS-**A forward foreign currency contract involves a negotiated obligation to purchase or sell (with delivery generally required) a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are traded in the interbank market conducted directly between currency traders (usually large, commercial banks) and their customers. A forward foreign currency contract generally has no deposit requirement, and no commissions are charged at any stage for trades.

The Funds may use currency instruments to engage in the following types of currency transactions:

*Transaction Hedging.* Transaction Hedging is entering into a currency transaction with respect to specific assets or liabilities of a Fund, which will generally arise in connection with the purchase or sale of its portfolio securities or the receipt of income therefrom. A Fund may enter into Transaction Hedging out of a desire to preserve the U.S. dollar price of a security when it enters into a contract for the purchase or sale of a security denominated in a foreign currency. A Fund may be able to protect itself against possible losses resulting from changes in the relationship between the U.S. dollar and foreign currencies during the period between the date the security is purchased or sold and the date on which payment is made or received by entering into a forward contract for the purchase or sale, for a fixed amount of dollars, of the amount of the foreign currency involved in the underlying security transactions.

*Position Hedging.* A Fund may sell a non-U.S. currency and purchase U.S. currency to reduce exposure to the non-U.S. currency ("Position Hedging"). A Fund may use Position Hedging when an adviser reasonably believes that the currency of a particular foreign country may suffer a substantial decline against the U.S. dollar. A Fund may enter into a forward foreign currency contract to sell, for a fixed amount of dollars, the amount of foreign currency approximating the value of some or all of its portfolio securities denominated in such foreign currency. The precise matching of the forward foreign currency contract amount and the value of the portfolio securities involved may not have a perfect correlation since the future value of the securities hedged will change as a consequence of the market between the date the forward contract is entered into and the date it matures. The projection of short-term currency market movement is difficult, and the successful execution of this short-term hedging strategy is uncertain.

*Cross Hedges.* A Fund may also cross-hedge currencies by entering into transactions to purchase or sell one or more currencies that are expected to decline in value relative to other currencies to which the Fund has or in which the Fund expects to have portfolio exposure.

*Proxy Hedges.* A Fund may also engage in proxy hedging. Proxy hedging is often used when the currency to which a Fund's portfolio is exposed is difficult to hedge or to hedge against the U.S. dollar. Proxy hedging entails entering into a forward contract to sell a currency whose changes in value are generally considered to be linked to a currency or currencies in which some or all of a Fund's portfolio securities are or are expected to be denominated, and to buy U.S. dollars. The amount of the contract would not exceed the value of the Fund's securities denominated in linked currencies.

*Risks.* Currency hedging involves some of the same risks and considerations as other transactions with similar instruments. Currency transactions can result in losses to a Fund if the currency being hedged

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fluctuates in value to a degree in a direction that is not anticipated. Furthermore, there is a risk that the perceived linkage between various currencies may not be present or may not be present during the particular time that a Fund is engaging in proxy hedging. If a Fund enters into a currency hedging transaction, the Fund will "cover" its position as required by the 1940 Act.

Currency transactions are subject to risks that are different from those of other portfolio transactions. Because currency control is of great importance to the issuing governments and influences economic planning and policy, purchase and sales of currency and related instruments can be negatively affected by government exchange controls, blockages, and manipulations or exchange restrictions imposed by governments. These can result in losses to a Fund if it is unable to deliver or receive currency or funds in settlement of obligations and could also cause hedges it has entered into to be rendered useless, resulting in full currency exposure as well as incurring transaction costs. Buyers and sellers of currency futures are subject to the same risks that apply to the use of futures generally. Further, settlement of a currency futures contract for the purchase of most currencies must occur at a bank based in the issuing nation. Trading options on currency futures is relatively new, and the ability to establish and close out positions on such options is subject to the maintenance of a liquid market, which may not always be available. Currency exchange rates may fluctuate based on factors extrinsic to that country's economy. Although forward foreign currency contracts and currency futures tend to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they may limit any potential gain which might result should the value of such currency increase.

A Fund (except the International Fixed Income Fund) will not enter into a transaction to hedge currency exposure to an extent greater, after netting all transactions intended wholly or partially to offset other transactions, than the aggregate market value (at the time of entering into the transaction) of the securities held in its portfolio that are denominated or generally quoted in or currently convertible into such currency, other than with respect to proxy hedging as described above.

The International Fixed Income Fund may take long and short positions in foreign currencies in excess of the value of the Fund's assets denominated in a particular currency or when the Fund does not own assets denominated in that currency. If the International Fixed Income Fund enters into currency transactions when it does not own assets denominated in that currency, the Fund's volatility may increase and losses on such transactions will not be offset by increases in the value of the Fund's assets.

**FUTURES AND OPTIONS ON FUTURES**-Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a specific security or currency at a specified future time and at a specified price. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. An index futures contract is a bilateral agreement pursuant to which two parties agree to take or make delivery of an amount of cash equal to a specified dollar amount times the difference between the index value at the close of trading of the contract and the price at which the futures contract is originally struck. No physical delivery of the securities comprising the index is made; generally contracts are closed out prior to the expiration date of the contract.

A Fund will reduce the risk that it will be unable to close out a futures contract by only entering into futures contracts which are traded on national futures exchanges regulated by the Commodities Futures Trading Commission ("CFTC"). Consistent with CFTC regulations, the Funds have claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act and, therefore, are not subject to registration or regulation as a pool operator under the Commodity Exchange Act. A Fund may use futures contracts and related options for either hedging purposes or risk management purposes, as permitted by its stated investment policies, except that the International Fixed Income Fund may buy and sell currencies using futures and related options for purposes other than hedging and risk management. Instances in which a Fund may use futures contracts and related options for risk management purposes include: attempting to offset changes in the value of securities held or expected to be acquired or be disposed of; attempting to minimize fluctuations in foreign currencies; attempting to gain exposure to a particular market, index or instrument; or other risk management purposes.

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When a Fund purchases or sells a futures contract, or sells an option thereon, the Fund is required to "cover" its position as required by the 1940 Act. A Fund may also "cover" its long position in a futures contract by purchasing a put option on the same futures contract with a strike price (*i.e.*, an exercise price) as high or higher than the price of the futures contract. In the alternative, if the strike price of the put is less than the price of the futures contract, the Fund will maintain in a segregated account cash or liquid securities equal in value to the difference between the strike price of the put and the price of the futures contract. A Fund may also "cover" its long position in a futures contract by taking a short position in the instruments underlying the futures contract, or by taking positions in instruments with prices which are expected to move relatively consistently with the futures contract. A Fund may "cover" its short position in a futures contract by taking a long position in the instruments underlying the futures contract, or by taking positions in instruments with prices which are expected to move relatively consistently with the futures contract.

A Fund may also "cover" its sale of a call option on a futures contract by taking a long position in the underlying futures contract at a price less than or equal to the strike price of the call option. In the alternative, if the long position in the underlying futures contract is established at a price greater than the strike price of the written (sold) call, the Fund will maintain in a segregated account cash or liquid securities equal in value to the difference between the strike price of the call and the price of the futures contract. A Fund may also "cover" its sale of a call option by taking positions in instruments with prices which are expected to move relatively consistently with the call option. A Fund may "cover" its sale of a put option on a futures contract by taking a short position in the underlying futures contract at a price greater than or equal to the strike price of the put option, or, if the short position in the underlying futures contract is established at a price less than the strike price of the written put, the Fund will maintain in a segregated account cash or liquid securities equal in value to the difference between the strike

price of the put and the price of the futures contract. A Fund may also "cover" its sale of a put option by taking positions in instruments with prices which are expected to move relatively consistently with the put option.

There are significant risks associated with a Fund's use of futures contracts and options on futures including the following: (1) the success of a hedging strategy may depend on the advisers' ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect or no correlation between the changes in market value of the securities held by a Fund and the prices of futures and options on futures; (3) there may not be a liquid secondary market for a futures contract or option; (4) trading restrictions or limitations may be imposed by an exchange; and (5) government regulations may restrict trading in futures contracts and options on futures. In addition, some strategies reduce a Fund's exposure to price fluctuations, while others tend to increase its market exposure.

**HIGH YIELD FOREIGN SOVEREIGN DEBT SECURITIES**-Investing in fixed and floating rate high yield foreign sovereign debt securities will expose a Fund to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities. The ability of a foreign sovereign obligor to make timely payments on its external debt obligations will also be strongly influenced by the obligor's balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates and the extent of its foreign reserves. Countries such as those in which a Fund may invest have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate or trade difficulties and extreme poverty and unemployment. Many of these countries are also characterized by political uncertainty or instability. Additional factors which may influence the ability or willingness to service debt include, but are not limited to, a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due, the relative size of its debt service burden to the economy as a whole, and its government's policy towards the International Monetary Fund, the World Bank and other international agencies. A country whose exports are concentrated in a few commodities or whose economy depends on certain strategic imports could be vulnerable to fluctuations in international prices of these commodities or imports. To the extent that a country receives payment for its exports in currencies other than dollars, its ability to make debt payments denominated in dollars could be adversely affected. If a foreign sovereign obligor cannot generate sufficient earnings from foreign trade to service its external debt, it may need to depend on continuing loans and aid from foreign governments, commercial banks and multilateral organizations, and inflows of foreign investment. The commitment on the part of these foreign

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governments, multilateral organizations and others to make such disbursements may be conditioned on the government's implementation of economic reforms and/or economic performance and the timely service of its obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds, which may further impair the obligor's ability or willingness to timely service its debts.

**ILLIQUID SECURITIES**-Illiquid securities are securities that cannot be disposed of in the ordinary course of business (within seven days) at approximately the prices at which they are valued. Because of their illiquid nature, illiquid securities must be priced at fair value as determined in good faith pursuant to procedures approved by the Trust's Board of Trustees. Despite such good faith efforts to determine fair value prices, a Fund's illiquid securities are subject to the risk that the security's fair value price may differ from the actual price which the Fund may ultimately realize upon its sale or disposition. Difficulty in selling illiquid securities may result in a loss or may be costly to the Fund. Under the supervision of the Trust's Board of Trustees, the advisers determine the liquidity of a Fund's investments. In determining the liquidity of the Fund's investments, the advisers may consider various factors, including: (1) the frequency and volume of trades and quotations; (2) the number of dealers and prospective purchasers in the marketplace; (3) dealer undertakings to make a market; and (4) the nature of the security and the market in which it trades (including any demand, put or tender features, the mechanics and other requirements for transfer, any letters of credit or other credit enhancement features, any ratings, the number of holders, the method of soliciting offers, the time required to dispose of the security, and the ability to assign or offset the rights and obligations of the security).

**INVESTMENT COMPANIES**-Securities of other investment companies, including shares of closed-end investment companies, unit investment trusts, open-end investment companies, and real estate investment trusts represent interests in professionally managed portfolios that may invest in various types of instruments. Investing in other investment companies involves substantially the same risks as investing

directly in the underlying instruments, but may involve additional expenses at the investment company-level, such as portfolio management fees and operating expenses. Certain types of investment companies, such as closed-end investment companies, issue a fixed number of shares that trade on a stock exchange or over-the-counter at a premium or a discount to their net asset value. Others are continuously offered at net asset value, but may also be traded in the secondary market. Federal securities laws limit the extent to which a Fund can invest in securities of other investment companies. Generally, a Fund is prohibited from acquiring the securities of another investment company if, as a result of such acquisition: (1) the Fund owns more than 3% of the total voting stock of the other company; (2) securities issued by any one investment company represent more than 5% of the Fund's total assets; or (3) securities (other than treasury stock) issued by all investment companies represent more than 10% of the total assets of the Fund. The Trust and SEI Investments Management Corporation have obtained an order from the SEC that permits the Funds to invest their uninvested cash and cash collateral from securities lending activities in one or more affiliated investment companies, which complies with Rule 2a-7 under the 1940 Act, in excess of the limits of Section 12 of the 1940 Act. A Fund may invest in investment companies managed by the advisers to the extent permitted by any rule or regulation of the SEC or any order or interpretation thereunder.

The Funds are prohibited from acquiring any securities of registered open-end investment companies or registered unit investment trusts in reliance on Section 12(d)(1)(G) or Section 12(d)(1)(F) of the 1940 Act.

Because of restrictions on direct investment by U.S. entities in certain countries, investment in other investment companies may be the most practical or the only manner in which an international and global fund can invest in the securities markets of those countries. A Fund also may incur tax liability to the extent it invests in the stock of a foreign issuer that constitutes a "passive foreign investment company."

*Exchange-Traded Funds.* Exchange-traded funds ("ETFs") are investment companies that are registered under the 1940 Act as open-end funds or unit investment trusts. ETFs are actively traded on national securities exchanges and are generally based on specific domestic and foreign market indices. An "index-based ETF" seeks to track the performance of an index by holding in its portfolio either the contents of the index or a representative sample of the securities in the index. Because ETFs are based on an underlying

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basket of stocks or an index, they are subject to the same market fluctuations as these types of securities in volatile market swings.

**LOAN PARTICIPATIONS AND ASSIGNMENTS**-Loan participations are interests in loans to corporations or governments which are administered by the lending bank or agent for a syndicate of lending banks, and sold by the lending bank, financial institution or syndicate member ("intermediary bank"). In a loan participation, the borrower will be deemed to be the issuer of the participation interest, except to the extent a Fund derives its rights from the intermediary bank. Because the intermediary bank does not guarantee a loan participation in any way, a loan participation is subject to the credit risks generally associated with the underlying borrower. In the event of the bankruptcy or insolvency of the borrower, a loan participation may be subject to certain defenses that can be asserted by such borrower as a result of improper conduct by the intermediary bank. In addition, in the event the underlying borrower fails to pay principal and interest when due, a Fund may be subject to delays, expenses and risks that are greater than those that would have been involved if the Fund had purchased a direct obligation of such borrower. Under the terms of a loan participation, a Fund may be regarded as a creditor of the intermediary bank, (rather than of the underlying borrower), so that the Fund may also be subject to the risk that the intermediary bank may become insolvent.

Loan assignments are investments in assignments of all or a portion of certain loans from third parties. When a Fund purchases assignments from lenders, it will acquire direct rights against the borrower on the loan. Since assignments are arranged through private negotiations between potential assignees and assignors, however, the rights and obligations acquired by the Fund may differ from, and be more limited than, those held by the assigning lender. Loan participations and assignments may be considered liquid, as determined by the Funds' advisers based on criteria approved by the Board of Trustees.

**MONEY MARKET SECURITIES**-Money market securities include: short-term U.S. Government securities; custodial receipts evidencing separately traded interest and principal components of securities issued by the U.S. Treasury; commercial paper rated in the highest short-term rating category by an NRSRO, such as S&P or Moody's, or determined by an adviser to be of comparable quality at the time of purchase;

short-term bank obligations (certificates of deposit, time deposits and bankers' acceptances) of U.S. commercial banks with assets of at least \$1 billion as of the end of their most recent fiscal year; and repurchase agreements involving such securities. For a description of ratings, see Appendix A to this SAI.

**MORTGAGE-BACKED SECURITIES**-Mortgage-backed securities are instruments that entitle the holder to a share of all interest and principal payments from mortgages underlying the security. The mortgages backing these securities include conventional fifteen and thirty-year fixed-rate mortgages, graduated payment mortgages, adjustable rate mortgages and floating mortgages. Mortgage-backed securities are described in more detail below:

*Government Pass-Through Securities.* These are securities that are issued or guaranteed by a U.S. Government agency representing an interest in a pool of mortgage loans. The primary issuers or guarantors of these mortgage-backed securities are the Government National Mortgage Association ("GNMA"), Fannie Mae and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). Obligations of GNMA are backed by the full faith and credit of the U.S. Government. Obligations of Fannie Mae and Freddie Mac are not backed by the full faith and credit of the U.S. Government. Fannie Mae obligations are supported by the discretionary authority of the U.S. Government to purchase such obligations and Freddie Mac obligations are supported only by the credit of Freddie Mac. Fannie Mae and Freddie Mac obligations are not backed by the full faith and credit of the U.S. Government as GNMA certificates are, but Fannie Mae and Freddie Mac securities are supported by the instrumentalities' right to borrow from the U.S. Treasury. GNMA, Fannie Mae and Freddie Mac each guarantee timely distributions of interest to certificate holders. GNMA and Fannie Mae also guarantee timely distributions of scheduled principal. In the past, Freddie Mac has only guaranteed the ultimate collection of principal of the underlying mortgage loan; however, Freddie Mac now issues mortgage-backed securities (FHLMC Gold PCS) which also guarantee timely payment of monthly principal reductions. Government and private guarantees do not extend to the securities' value, which is likely to vary inversely with fluctuations in interest rates.

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The market value and interest yield of these mortgage-backed securities can vary due to market interest rate fluctuations and early prepayments of underlying mortgages. These securities represent ownership in a pool of federally insured mortgage loans with a maximum maturity of 30 years. However, due to scheduled and unscheduled principal payments on the underlying loans, these securities have a shorter average maturity and, therefore, less principal volatility than a comparable 30-year bond. Since prepayment rates vary widely, it is not possible to accurately predict the average maturity of a particular mortgage-backed security. The scheduled monthly interest and principal payments relating to mortgages in the pool will be "passed through" to investors.

Government mortgage-backed securities differ from conventional bonds in that principal is paid back to the certificate holders over the life of the loan rather than at maturity. As a result, there will be monthly scheduled payments of principal and interest. In addition, there may be unscheduled principal payments representing prepayments on the underlying mortgages. Although these securities may offer yields higher than those available from other types of U.S. Government securities, mortgage-backed securities may be less effective than other types of securities as a means of "locking in" attractive long-term rates because of the prepayment feature. For instance, when interest rates decline, the value of these securities likely will not rise as much as comparable debt securities due to the prepayment feature. In addition, these prepayments can cause the price of a mortgage-backed security originally purchased at a premium to decline in price to its par value, which may result in a loss.

*Private Pass-Through Securities.* Private pass-through securities are mortgage-backed securities issued by a non-governmental entity, such as a trust. While they are generally structured with one or more types of credit enhancement, private pass-through securities generally lack a guarantee by an entity having the credit status of a governmental agency or instrumentality. The two principal types of private mortgage-backed securities are collateralized mortgage obligations ("CMOs") and real estate mortgage investment conduits ("REMICs").

*Commercial Mortgage-Backed Securities ("CMBS").* CMBS are generally multi-class or pass-through securities backed by a mortgage loan or a pool of mortgage loans secured by commercial property, such as industrial and warehouse properties, office buildings, retail space and shopping malls, multifamily properties and cooperative apartments. The commercial mortgage loans that underlie CMBS are generally not

amortizing or not fully amortizing. That is, at their maturity date, repayment of the remaining principal balance or "balloon" is due and is repaid through the attainment of an additional loan or sale of the property.

*CMOs.* CMOs are securities collateralized by mortgages, mortgage pass-throughs, mortgage pay-through bonds (bonds representing an interest in a pool of mortgages where the cash flow generated from the mortgage collateral pool is dedicated to bond repayment), and mortgage-backed bonds (general obligations of the issuers payable out of the issuers' general funds and additionally secured by a first lien on a pool of single family detached properties). CMOs are rated in one of the two highest categories by S&P or Moody's. Many CMOs are issued with a number of classes or series which have different expected maturities. Investors purchasing such CMOs are credited with their portion of the scheduled payments of interest and principal on the underlying mortgages plus all unscheduled prepayments of principal based on a predetermined priority schedule. Accordingly, the CMOs in the longer maturity series are less likely than other mortgage pass-throughs to be prepaid prior to their stated maturity. Although some of the mortgages underlying CMOs may be supported by various types of insurance, and some CMOs may be backed by GNMA certificates or other mortgage pass-throughs issued or guaranteed by U.S. Government agencies or instrumentalities, the CMOs themselves are not generally guaranteed.

*REMICs.* REMICs are private entities formed for the purpose of holding a fixed pool of mortgages secured by interests in real property. Guaranteed REMIC pass-through certificates ("REMIC Certificates") issued by Fannie Mae or Freddie Mac represent beneficial ownership interests in a REMIC trust consisting principally of mortgage loans or Fannie Mae, Freddie Mac or GNMA-guaranteed mortgage pass-through certificates. For Freddie Mac REMIC Certificates, Freddie Mac guarantees the timely payment of interest. GNMA REMIC Certificates are backed by the full faith and credit of the U.S. Government.

*Adjustable Rate Mortgage Securities ("ARMS").* ARMS are a form of pass-through security representing interests in pools of mortgage loans whose interest rates are adjusted from time to time. The

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adjustments usually are determined in accordance with a predetermined interest rate index and may be subject to certain limits. While the value of ARMS, like other debt securities, generally varies inversely with changes in market interest rates (increasing in value during periods of declining interest rates and decreasing in value during periods of increasing interest rates), the value of ARMS should generally be more resistant to price swings than other debt securities because the interest rates of ARMS move with market interest rates. The adjustable rate feature of ARMS will not, however, eliminate fluctuations in the prices of ARMS, particularly during periods of extreme fluctuations in interest rates. Also, since many adjustable rate mortgages only reset on an annual basis, it can be expected that the prices of ARMS will fluctuate to the extent that changes in prevailing interest rates are not immediately reflected in the interest rates payable on the underlying adjustable rate mortgages.

*Stripped Mortgage-Backed Securities.* Stripped mortgage-backed securities are securities that are created when a U.S. Government agency or a financial institution separates the interest and principal components of a mortgage-backed security and sells them as individual securities. The holder of the "principal-only" security ("PO") receives the principal payments made by the underlying mortgage-backed security, while the holder of the "interest-only" security ("IO") receives interest payments from the same underlying security. The prices of stripped mortgage-backed securities may be particularly affected by changes in interest rates. As interest rates fall, prepayment rates tend to increase, which tends to reduce prices of IOs and increase prices of POs. Rising interest rates can have the opposite effect.

*Parallel Pay Securities; PAC Bonds.* Parallel pay CMOs and REMICs are structured to provide payments of principal on each payment date to more than one class. These simultaneous payments are taken into account in calculating the stated maturity date or final distribution date of each class, which must be retired by its stated maturity date or final distribution date, but may be retired earlier. Planned Amortization Class CMOs ("PAC Bonds") generally require payments of a specified amount of principal on each payment date. PAC Bonds are always parallel pay CMOs with the required principal payment on such securities having the highest priority after interest has been paid to all classes.

*Pfandbriefe.* A Pfandbriefe is a fixed-term, fixed-rate bond issued by a German mortgage bank or a public-sector bank to finance secured real estate loans or public sector loans. Although Pfandbriefe are collateralized securities, the issuer assumes all of the prepayment risk.



*Estimated Average Life.* Due to the possibility of prepayments of the underlying mortgage instruments, mortgage-backed securities generally do not have a known maturity. In the absence of a known maturity, market participants generally refer to an estimated average life. An average life estimate is a function of an assumption regarding anticipated prepayment patterns, based upon current interest rates, current conditions in the relevant housing markets and other factors. The assumption is necessarily subjective, and thus different market participants can produce different average life estimates with regard to the same security. There can be no assurance that estimated average life will be a security's actual average life.

**NON-DIVERSIFICATION**-The International Fixed Income and Emerging Markets Debt Funds are non-diversified investment companies, as defined in the 1940 Act, which means that a relatively high percentage of their assets may be invested in the obligations of a limited number of issuers. The value of shares of the Funds may be more susceptible to any single economic, political or regulatory occurrence than the shares of a diversified investment company would be. The Funds intend to satisfy the diversification requirements necessary to qualify as a regulated investment company under the Code, which requires that the Funds be diversified (*i.e.*, not invest more than 5% of their assets in the securities in any one issuer) as to 50% of their assets.

**OBLIGATIONS OF DOMESTIC BANKS, FOREIGN BANKS AND FOREIGN BRANCHES OF U.S. BANKS**-The Funds may invest in obligations issued by banks and other savings institutions. Investments in bank obligations include obligations of domestic branches of foreign banks and foreign branches of domestic banks. Such investments in domestic branches of foreign banks and foreign branches of domestic banks may involve risks that are different from investments in securities of domestic branches of U.S. banks. These risks may include future unfavorable political and economic developments, possible withholding taxes on interest income, seizure or nationalization of foreign deposits, currency controls, interest limitations, or

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other governmental restrictions which might affect the payment of principal or interest on the securities held by a Fund. Additionally, these institutions may be subject to less stringent reserve requirements and to different accounting, auditing, reporting and recordkeeping requirements than those applicable to domestic branches of U.S. banks. Bank obligations include the following:

*Bankers' Acceptances.* Bankers' acceptances are bills of exchange or time drafts drawn on and accepted by a commercial bank. Corporations use bankers' acceptances to finance the shipment and storage of goods and to furnish dollar exchange. Maturities are generally six months or less.

*Certificates of Deposit.* Certificates of deposit are interest-bearing instruments with a specific maturity. They are issued by banks and savings and loan institutions in exchange for the deposit of funds and normally can be traded in the secondary market prior to maturity. Certificates of deposit with penalties for early withdrawal will be considered illiquid. Additional information about illiquid securities is provided under the section "Illiquid Securities."

*Time Deposits.* Time deposits are non-negotiable receipts issued by a bank in exchange for the deposit of funds. Like a certificate of deposit, it earns a specified rate of interest over a definite period of time; however, it cannot be traded in the secondary market. Time deposits with a withdrawal penalty or that mature in more than seven days are considered to be illiquid securities. Additional information about illiquid securities is provided under the section "Illiquid Securities."

**OBLIGATIONS OF SUPRANATIONAL ENTITIES**-Supranational entities are entities established through the joint participation of several governments, including the Asian Development Bank, the Inter-American Development Bank, International Bank for Reconstruction and Development (World Bank), African Development Bank, European Economic Community, European Investment Bank and the Nordic Investment Bank. The governmental members, or "stockholders," usually make initial capital contributions to the supranational entity and, in many cases, are committed to make additional capital contributions if the supranational entity is unable to repay its borrowings.

**OPTIONS**-A Fund may purchase and write put and call options on indices and enter into related closing transactions. A put option on a security gives the purchaser of the option the right to sell, and the writer of the option the obligation to buy, the underlying security at any time during the option period. A call option on a security gives the purchaser of the option the right to buy, and the writer of the option the

obligation to sell, the underlying security at any time during the option period. The premium paid to the writer is the consideration for undertaking the obligations under the option contract.

A Fund may purchase and write put and call options on foreign currencies (traded on U.S. and foreign exchanges or over-the-counter markets) to manage its exposure to exchange rates. Call options on foreign currency written by a Fund will be "covered" as required by the 1940 Act.

Put and call options on indices are similar to options on securities except that options on an index give the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the underlying index is greater than (or less than, in the case of puts) the exercise price of the option. This amount of cash is equal to the difference between the closing price of the index and the exercise price of the option, expressed in dollars multiplied by a specified number. Thus, unlike options on individual securities, all settlements are in cash, and gain or loss depends on price movements in the particular market represented by the index generally, rather than the price movements in individual securities. All options written on indices or securities must be "covered" as required by the 1940 Act.

Each Fund may trade put and call options on securities, securities indices and currencies, as the advisers determine is appropriate in seeking the Fund's investment objective, and except as restricted by a Fund's investment limitations as set forth below. See "Investment Limitations."

The initial purchase (sale) of an option contract is an "opening transaction." In order to close out an option position, a Fund may enter into a "closing transaction," which is simply the sale (purchase) of an option contract on the same security with the same exercise price and expiration date as the option contract originally opened. If a Fund is unable to effect a closing purchase transaction with respect to an option it has written, it will not be able to sell the underlying security until the option expires or the Fund delivers the security upon exercise.

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A Fund may purchase put and call options on securities for any lawful purpose, including to protect against a decline in the market value of the securities in its portfolio or to anticipate an increase in the market value of securities that the Fund may seek to purchase in the future. A Fund purchasing put and call options pays a premium for such options. If price movements in the underlying securities are such that exercise of the options would not be profitable for the Fund, loss of the premium paid may be offset by an increase in the value of the Fund's securities or by a decrease in the cost of acquisition of securities by the Fund.

A Fund may write (*i.e.*, sell) "covered" call options on securities for any lawful purpose, including as a means of increasing the yield on its assets and as a means of providing limited protection against decreases in its market value. When a Fund writes an option, if the underlying securities do not increase or decrease, as applicable, to a price level that would make the exercise of the option profitable to the holder thereof, the option generally will expire without being exercised and the Fund will realize as profit the premium received for such option. When a call option of which a Fund is the writer is exercised, the Fund will be required to sell the underlying securities to the option holder at the strike price, and will not participate in any increase in the price of such securities above the strike price. When a put option of which a Fund is the writer is exercised, the Fund will be required to purchase the underlying securities at a price in excess of the market value of such securities.

A Fund may purchase and write options on an exchange or over-the-counter. Over-the-counter options ("OTC options") differ from exchange-traded options in several respects. They are transacted directly with dealers and not with a clearing corporation, and therefore entail the risk of non-performance by the dealer. OTC options are available for a greater variety of securities and for a wider range of expiration dates and exercise prices than are available for exchange-traded options. Because OTC options are not traded on an exchange, pricing is done normally by reference to information from a market maker. It is the SEC's position that OTC options are generally illiquid.

The market value of an option generally reflects the market price of an underlying security. Other principal factors affecting market value include supply and demand, interest rates, the pricing volatility of the underlying security and the time remaining until the expiration date.

*Risks.* Risks associated with options transactions include: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (3) there may not be a liquid secondary market for options; and

(4) while a Fund will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security.

**PAY-IN-KIND BONDS**-Pay-in-kind bonds are securities which, at the issuer's option, pay interest in either cash or additional securities for a specified period. Pay-in-kind bonds, like zero coupon bonds, are designed to give an issuer flexibility in managing cash flow. Pay-in-kind bonds are expected to reflect the market value of the underlying debt plus an amount representing accrued interest since the last payment. Pay-in-kind bonds are usually less volatile than zero coupon bonds, but more volatile than cash pay securities.

**PRIVATIZATIONS**-Privatizations are foreign government programs for selling all or part of the interests in government owned or controlled enterprises. The ability of a U.S. entity to participate in privatizations in certain foreign countries may be limited by local law, or the terms on which a Fund may be permitted to participate may be less advantageous than those applicable for local investors. There can be no assurance that foreign governments will continue to sell their interests in companies currently owned or controlled by them or that privatization programs will be successful.

**RECEIPTS**-Receipts are interests in separately traded interest and principal component parts of U.S. Government obligations that are issued by banks or brokerage firms and are created by depositing U.S. Government obligations into a special account at a custodian bank. The custodian holds the interest and principal payments for the benefit of the registered owners of the certificates or receipts. The custodian arranges for the issuance of the certificates or receipts evidencing ownership and maintains the register.

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Receipts include "Treasury Receipts" ("TRs"), "Treasury Investment Growth Receipts" ("TIGRs"), "Liquid Yield Option Notes" ("LYONs") and "Certificates of Accrual on Treasury Securities" ("CATS"). LYONS, TIGRs and CATS are interests in private proprietary accounts while TRs and Separately Traded Registered Interest and Principal Securities ("STRIPS") (see "U.S. Treasury Obligations") are interests in accounts sponsored by the U.S. Treasury. Receipts are sold as zero coupon securities, which means that they are sold at a substantial discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. This discount is accreted over the life of the security, and such accretion will constitute the income earned on the security for both accounting and tax purposes. For tax purposes, original issue discount that accretes in a taxable year is treated as earned by a Fund and therefore is subject to the distribution requirements applicable to regulated investment companies under Subchapter M of the Code. Because of these features, such securities may be subject to greater interest rate volatility than interest paying fixed income securities.

**REPURCHASE AGREEMENTS**-A repurchase agreement is an agreement in which one party sells securities to another party in return for cash, with an agreement to repurchase equivalent securities at an agreed price and on an agreed future date. A Fund may enter into repurchase agreements with financial institutions. The Funds each follow certain procedures designed to minimize the risks inherent in such agreements. These procedures include effecting repurchase transactions only with large, well-capitalized and well-established financial institutions deemed creditworthy by the advisers. The repurchase agreements entered into by a Fund will provide that the underlying collateral at all times shall have a value at least equal to 102% of the resale price stated in the agreement. The advisers monitor compliance with this requirement, as well as the ongoing financial condition and creditworthiness of the counterparty. Under all repurchase agreements entered into by a Fund, the custodian or its agent must take possession of the underlying collateral. In the event of a default or bankruptcy by a selling financial institution, a Fund will seek to liquidate such collateral. However, the exercising of each Fund's right to liquidate such collateral could involve certain costs or delays and, to the extent that proceeds from any sale upon a default of the obligation to repurchase were less than the repurchase price, the Fund could suffer a loss. The investments of each of the Funds in repurchase agreements, at times, may be substantial when, in the view of the advisers, liquidity or other considerations so warrant.

**RESTRICTED SECURITIES**-Restricted securities are securities that may not be sold freely to the public absent registration under the Securities Act of 1933, as amended (the "1933 Act"), or an exemption from registration. Permitted investments for the Funds include restricted securities. Restricted securities, including securities eligible for re-sale under Rule 144A of the 1933 Act, that are determined to be liquid are not subject to a Fund's limitation on investing in illiquid securities. The determination of whether a restricted security is illiquid is to be made by an adviser pursuant to guidelines adopted by the Trust's Board of Trustees. Under these guidelines, the particular adviser will

consider the frequency of trades and quotes for the security, the number of dealers in, and potential purchasers for, the securities, dealer undertakings to make a market in the security, and the nature of the security and of the marketplace trades. In purchasing such restricted securities, the advisers intend to purchase securities that are exempt from registration under Rule 144A under the 1933 Act and Section 4(2) commercial paper issued in reliance on an exemption from registration under Section 4(2) of the 1933 Act.

**REVERSE REPURCHASE AGREEMENTS**-Certain Funds may borrow funds for temporary purposes by entering into reverse repurchase agreements. Reverse repurchase agreements are transactions in which a Fund sells portfolio securities to financial institutions such as banks and broker-dealers, and agrees to repurchase them at a mutually agreed-upon date and price which is higher than the original sale price. Reverse repurchase agreements are similar to a fully collateralized borrowing by the Fund. At the time the Fund enters into a reverse repurchase agreement, it will earmark or place in a segregated account cash or liquid securities having a value equal to the repurchase price (including accrued interest), and will subsequently monitor the account to ensure that such equivalent value is maintained.

Reverse repurchase agreements involve risks. Reverse repurchase agreements are a form of leverage and the use of reverse repurchase agreements by a Fund may increase the Fund's volatility. Reverse repurchase agreements are also subject to the risk that the other party to the reverse repurchase agreement will be unable

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or unwilling to complete the transaction as scheduled, which may result in losses to a Fund. Reverse repurchase agreements also involve the risk that the market value of the securities sold by a Fund may decline below the price at which it is obligated to repurchase the securities. In addition, when a Fund invests the proceeds it receives in a reverse repurchase transaction, there is a risk that those investments may decline in value. In this circumstance, the Fund could be required to sell other investments in order to meet its obligations to repurchase the securities.

**SECURITIES LENDING**-Each Fund may lend portfolio securities to brokers, dealers and other financial organizations that meet capital and other credit requirements or other criteria established by the Fund's Board of Trustees. These loans, if and when made, may not exceed 33 $\frac{1}{3}$ % of the total asset value of the Fund (including the loan collateral). No Fund will lend portfolio securities to its investment adviser, sub-adviser or their affiliates unless it has applied for and received specific authority to do so from the SEC. Loans of portfolio securities will be fully collateralized by cash, letters of credit or U.S. Government securities, and the collateral will be maintained in an amount equal to at least 100% of the current market value of the loaned securities by marking to market daily, although the borrower will be required to deliver collateral of 102% and 105% of the market value of borrowed securities for domestic and foreign issuers, respectively. Any gain or loss in the market price of the securities loaned that might occur during the term of the loan would be for the account of the Fund.

The Fund may pay a part of the interest earned from the investment of collateral, or other fee, to an unaffiliated third party for acting as the Fund's securities lending agent.

By lending its securities, a Fund may increase its income by receiving payments from the borrower that reflect the amount of any interest or any dividends payable on the loaned securities as well as by either investing cash collateral received from the borrower in short-term instruments or obtaining a fee from the borrower when U.S. Government securities or letters of credit are used as collateral. Each Fund will adhere to the following conditions whenever its portfolio securities are loaned: (i) the Fund must receive at least 100% cash collateral or equivalent securities of the type discussed in the preceding paragraph from the borrower; (ii) the borrower must increase such collateral whenever the market value of the securities rises above the level of such collateral; (iii) the Fund must be able to terminate the loan on demand; (iv) the Fund must receive reasonable interest on the loan, as well as any dividends, interest or other distributions on the loaned securities and any increase in market value; (v) the Fund may pay only reasonable fees in connection with the loan (which fees may include fees payable to the lending agent, the borrower, the Fund's administrator and the custodian); and (vi) voting rights on the loaned securities may pass to the borrower, provided, however, that if a material event adversely affecting the investment occurs, the Fund must terminate the loan and regain the right to vote the securities. The Board has adopted procedures reasonably designed to ensure that the foregoing criteria will be met. Loan agreements involve certain risks in the event of default or insolvency of the borrower, including possible delays or restrictions upon the Fund's ability to recover the loaned securities or dispose of the collateral for the loan, which could give rise to loss because of adverse market action, expenses and/or delays in connection with the disposition of the underlying securities.

**SOVEREIGN DEBT**-The cost of servicing external debt will also generally be adversely affected by rising international interest rates, because many external debt obligations bear interest at rates which are adjusted based upon international interest rates. The ability to service external debt will also depend on the level of the relevant government's international currency reserves and its access to foreign exchange. Currency devaluations may affect the ability of a sovereign obligor to obtain sufficient foreign exchange to service its external debt.

As a result of the foregoing or other factors, a governmental obligor may default on its obligations. If such an event occurs, a Fund may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign sovereign debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial bank debt will not contest

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payments to the holders of other foreign sovereign debt obligations in the event of default under their commercial bank loan agreements.

**STRUCTURED SECURITIES**-The Emerging Markets Debt Fund may invest a portion of its assets in entities organized and operated solely for the purpose of restructuring the investment characteristics of sovereign debt obligations of emerging market issuers. This type of restructuring involves the deposit with, or purchase by, an entity, such as a corporation or trust, of specified instruments (such as commercial bank loans or Brady Bonds) and the issuance by that entity of one or more classes of securities ("Structured Securities") backed by, or representing interests in, the underlying instruments. The cash flow on the underlying instruments may be apportioned among the newly issued Structured Securities to create securities with different investment characteristics, such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to Structured Securities is dependent on the extent of the cash flow on the underlying instruments. Because Structured Securities of the type in which the Fund anticipates it will invest typically involve no credit enhancement, their credit risk generally will be equivalent to that of the underlying instruments. The Fund is permitted to invest in a class of Structured Securities that is either subordinated or unsubordinated to the right of payment of another class. Subordinated Structured Securities typically have higher yields and present greater risks than unsubordinated Structured Securities. Structured Securities are typically sold in private placement transactions, and there currently is no active trading market for Structured Securities. Certain issuers of such structured securities may be deemed to be "investment companies" as defined in the 1940 Act. As a result, the Fund's investment in such securities may be limited by certain investment restrictions contained in the 1940 Act.

**SWAPS, CAPS, FLOORS, COLLARS AND SWAPTIONS**-Swaps are privately negotiated over-the-counter derivative products in which two parties agree to exchange payment streams calculated in relation to a rate, index, instrument or certain securities (referred to as the "underlying") and a predetermined amount (referred to as the "notional amount"). The underlying for a swap may be an interest rate (fixed or floating), a currency exchange rate, a commodity price index, a security, group of securities or a securities index, a combination of any of these, or various other rates, assets or indices. Swap agreements generally do not involve the delivery of the underlying or principal, and a party's obligations generally are equal to only the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the swap agreement.

A great deal of flexibility is possible in the way swaps may be structured. For example, in a simple fixed-to-floating interest rate swap, one party makes payments equivalent to a fixed interest rate, and the other party makes payments calculated with reference to a specified floating interest rate, such as LIBOR or the prime rate. In a currency swap, the parties generally enter into an agreement to pay interest streams in one currency based on a specified rate in exchange for receiving interest streams denominated in another currency. Currency swaps may involve initial and final exchanges that correspond to the agreed upon notional amount.

A Fund may engage in simple or more complex swap transactions involving a wide variety of underlyings for various reasons. For example, a Fund may enter into a swap to gain exposure to investments (such as an index of securities in a market) or currencies without actually purchasing those stocks or currencies; to make an investment without owning or taking physical custody of securities or currencies in circumstances in which direct investment is restricted for legal reasons or is otherwise impracticable; to hedge an existing position; to obtain a particular desired return at a lower cost to the Fund than if it had invested directly in an instrument that yielded the desired return; or for various other reasons.

Certain Funds may enter into credit default swaps, as a buyer or a seller. The buyer in a credit default contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided no event of default has occurred. If an event of default occurs, the seller must pay the buyer the full notional value ("par value") of the underlying in exchange for the underlying. If a Fund is a buyer and no event of default occurs, the Fund will have made a stream of payments to the seller without having benefited from the default protection it purchased. However, if an event of default occurs, the Fund, as buyer, will receive the full notional value of the underlying that may have little or no value following default. As a seller, a Fund

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receives a fixed rate of income throughout the term of the contract, provided there is no default. If an event of default occurs, the Fund would be obligated to pay the notional value of the underlying in return for the receipt of the underlying. The value of the underlying received by the Fund, coupled with the periodic payments previously received may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Fund. Credit default swaps involve different risks than if a Fund invests in the underlying directly.

Caps, floors, collars and swaptions are privately-negotiated option-based derivative products. Like a put or call option, the buyer of a cap or floor pays a premium to the writer. In exchange for that premium, the buyer receives the right to a payment equal to the differential if the specified index or rate rises above (in the case of a cap) or falls below (in the case of a floor) a pre-determined strike level. Like swaps, obligations under caps and floors are calculated based upon an agreed notional amount, and, like most swaps (other than foreign currency swaps), the entire notional amount is not exchanged. A collar is a combination product in which one party buys a cap from and sells a floor to another party. Swaptions give the holder the right to enter into a swap. A Fund may use one or more of these derivative products in addition to or in lieu of a swap involving a similar rate or index.

Under current market practice, swaps, caps, collars and floors between the same two parties are generally documented under a "master agreement." In some cases, options and forwards between the parties may also be governed by the same master agreement. In the event of a default, amounts owed under all transactions entered into under, or covered by, the same master agreement would be netted, and only a single payment would be made.

Generally, the Fund would calculate the obligations of the swap agreements' counterparties on a "net basis." Consequently, a Fund's current obligation (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each counterparty to the swap agreement (the "net amount"). A Fund's current obligation under a swap agreement will be accrued daily (offset against any amounts owed to the Fund) and any accrued but unpaid net amounts owed to a swap counterparty will be covered as required by the 1940 Act. Each Fund will not enter into a swap agreement with any single party if the net amount owed or to be received under the existing agreements with that party would exceed 5% of the Fund's total assets.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents using standardized swap agreements. As a result, the use of swaps has become more prevalent in comparison with the markets for other similar instruments that are also traded in over-the-counter markets.

Swaps and other derivatives involve risks. One significant risk in a swap, cap, floor, collar or swaption is the volatility of the specific interest rate, currency or other underlying that determines the amount of payments due to and from a Fund. This is true whether these derivative products are used to create additional risk exposure for a Fund or to hedge, or manage, existing risk exposure. If under a swap, cap, floor, collar or swaption agreement a Fund is obligated to make a payment to the counterparty, the Fund must be prepared to make the payment when due. A Fund could suffer losses with respect to such an agreement if the Fund is unable to terminate the agreement or reduce its exposure through offsetting transactions. Further, the risks of caps, floors and collars, like put and call options, may be unlimited for the seller if the cap or floor is not hedged or covered, but is limited for the buyer.

Because under swap, cap, floor, collar and swaption agreements a counterparty may be obligated to make payments to a Fund, these derivative products are subject to risks related to the counterparty's creditworthiness. If a counterparty defaults, a Fund's risk of loss will consist of any payments that the Fund is entitled to receive from the counterparty under the agreement (this may not be true for currency swaps that require

the delivery of the entire notional amount of one designated currency in exchange for the other). Upon default by a counterparty, however, a Fund may have contractual remedies under the swap agreement.

A Fund will enter into swaps only with counterparties that an adviser believes to be creditworthy. In addition, a Fund will earmark or segregate cash or liquid securities in an amount equal to any liability amount

owned under a swap, cap, floor, collar or swaption agreement, or will otherwise "cover" its position as required by the 1940 Act.

**U.S. GOVERNMENT SECURITIES**-Examples of types of U.S. Government obligations in which a Fund may invest include U.S. Treasury obligations and the obligations of U.S. Government agencies or U.S. Government sponsored entities such as Federal Home Loan Banks, Federal Farm Credit Banks, Federal Land Banks, the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, Fannie Mae, GNMA, General Services Administration, Student Loan Marketing Association, Central Bank for Cooperatives, Freddie Mac, Federal Intermediate Credit Banks, Maritime Administration, and other similar agencies. Whether backed by the full faith and credit of the U.S. Treasury or not, U.S. Government securities are not guaranteed against price movements due to fluctuating interest rates.

*U.S. Treasury Obligations.* U.S. Treasury obligations consist of bills, notes and bonds issued by the U.S. Treasury and separately traded interest and principal component parts of such obligations that are transferable through the federal book-entry system known as Separately Traded Registered Interest and Principal Securities ("STRIPS") and Treasury Receipts ("TRs").

*U.S. Government Zero Coupon Securities.* STRIPS and receipts are sold as zero coupon securities, that is, fixed income securities that have been stripped of their unmatured interest coupons. Zero coupon securities are sold at a (usually substantial) discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. The amount of this discount is accreted over the life of the security, and the accretion constitutes the income earned on the security for both accounting and tax purposes. Because of these features, the market prices of zero coupon securities are generally more volatile than the market prices of securities that have similar maturity but that pay interest periodically. Zero coupon securities are likely to respond to a greater degree to interest rate changes than are non-zero coupon securities with similar maturity and credit qualities.

*U.S. Government Agencies.* Some obligations issued or guaranteed by agencies of the U.S. Government are supported by the full faith and credit of the U.S. Treasury (e.g., Treasury bills, notes and bonds, and securities guaranteed by GNMA), others are supported by the right of the issuer to borrow from the Treasury (e.g., Federal Home Loan Banks), while still others are supported only by the credit of the instrumentality (e.g., Fannie Mae). Guarantees of principal by agencies or instrumentalities of the U.S. Government may be a guarantee of payment at the maturity of the obligation so that in the event of a default prior to maturity there might not be a market and thus no means of realizing on the obligation prior to maturity. Guarantees as to the timely payment of principal and interest do not extend to the value or yield of these securities nor to the value of a Fund's shares.

**VARIABLE AND FLOATING RATE INSTRUMENTS**-Certain obligations may carry variable or floating rates of interest and may involve a conditional or unconditional demand feature. Such instruments bear interest at rates which are not fixed, but which vary with changes in specified market rates or indices. The interest rates on these securities may be reset daily, weekly, quarterly or at some other reset period. There is a risk that the current interest rate on such obligations may not accurately reflect existing market interest rates. A demand instrument with a demand notice exceeding seven days may be considered illiquid if there is no secondary market for such security.

**WHEN-ISSUED AND DELAYED DELIVERY SECURITIES**-When-issued or delayed delivery basis transactions involve the purchase of an instrument with payment and delivery taking place in the future. Delivery of and payment for these securities may occur a month or more after the date of the purchase commitment. The interest rate realized on these securities is fixed as of the purchase date and no interest accrues to the Fund before settlement. These securities are subject to market fluctuation due to changes in market interest rates, and it is possible that the market value at the time of settlement could be higher or lower than the purchase price if the general level of interest rates has changed.

Although a Fund generally purchases securities on a when-issued or forward commitment basis with the intention of actually acquiring securities

for its portfolio, the Fund may dispose of a when-issued security or forward commitment prior to settlement if it deems it appropriate. When a Fund purchases when-issued or delayed delivery securities, it will "cover" its position as required by the 1940 Act.

**YANKEE OBLIGATIONS**-Yankee obligations ("Yankees") are U.S. dollar-denominated instruments of foreign issuers who either register with the SEC or issue under Rule 144A under the Securities Act of 1933. These obligations consist of debt securities (including preferred or preference stock of non-governmental issuers), certificates of deposit, fixed time deposits and bankers' acceptances issued by foreign banks, and debt obligations of foreign governments or their subdivisions, agencies and instrumentalities, international agencies and supranational entities. Some securities issued by foreign governments or their subdivisions, agencies and instrumentalities may not be backed by the full faith and credit of the foreign government.

The Yankee obligations selected for a Fund will adhere to the same quality standards as those utilized for the selection of domestic debt obligations.

**ZERO COUPON SECURITIES**-Zero coupon securities are securities that are sold at a discount to par value and securities on which interest payments are not made during the life of the security. Upon maturity, the holder is entitled to receive the par value of the security. While interest payments are not made on such securities, holders of such securities are deemed to have received "phantom income" annually. Because a Fund will distribute its "phantom income" to shareholders, to the extent that shareholders elect to receive dividends in cash rather than reinvesting such dividends in additional shares, the Fund will have fewer assets with which to purchase income producing securities. Pay-in-kind securities pay interest in either cash or additional securities, at the issuer's option, for a specified period. Pay-in-kind bonds, like zero coupon bonds, are designed to give an issuer flexibility in managing cash flow. Pay-in-kind bonds are expected to reflect the market value of the underlying debt plus an amount representing accrued interest since the last payment. Pay-in-kind bonds are usually less volatile than zero coupon bonds, but more volatile than cash pay securities. Pay-in-kind securities are securities that have interest payable by delivery of additional securities. Upon maturity, the holder is entitled to receive the aggregate par value of the securities. Deferred payment securities are securities that remain zero coupon securities until a predetermined date, at which time the stated coupon rate becomes effective and interest becomes payable at regular intervals.

To avoid any leveraging concerns, a Fund will "cover" its position as required by the 1940 Act. Zero coupon, pay-in-kind and deferred payment securities may be subject to greater fluctuation in value and lesser liquidity in the event of adverse market conditions than comparably rated securities paying cash interest at regular interest payment periods. STRIPS and receipts (TRs, TIGRs, LYONs and CATS) are sold as zero coupon securities, that is, fixed income securities that have been stripped of their unmatured interest coupons. Zero coupon securities are sold at a (usually substantial) discount and redeemed at face value at their maturity date without interim cash payments of interest or principal. The amount of this discount is accreted over the life of the security, and the accretion constitutes the income earned on the security for both accounting and tax purposes. Because of these features, the market prices of zero coupon securities are generally more volatile than the market prices of securities that have similar maturity but that pay interest periodically. Zero coupon securities are likely to respond to a greater degree to interest rate changes than non-zero coupon securities with similar maturity and credit qualities.

Corporate zero coupon securities are: (i) notes or debentures which do not pay current interest and are issued at substantial discounts from par value; or (ii) notes or debentures that pay no current interest until a stated date one or more years into the future, after which date the issuer is obligated to pay interest until maturity, usually at a higher rate than if interest were payable from the date of issuance, and may also make interest payments in kind (e.g., with identical zero coupon securities). Such corporate zero coupon securities, in addition to the risks identified above, are subject to the risk of the issuer's failure to pay interest and repay principal in accordance with the terms of the obligation. A Fund must accrete the discount or interest on high-yield bonds structured as zero coupon securities as income even though it does not receive a corresponding cash interest payment until the security's maturity or payment date. For tax purposes, original issue discount that accretes in a taxable year is treated as earned by a Fund and therefore is subject to the



distribution requirements applicable to the regulated investment companies under Subchapter M of the Code. A Fund may have to dispose of its securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing cash to satisfy distribution requirements. A Fund accrues income with respect to the securities prior to the receipt of cash payments.

## INVESTMENT LIMITATIONS

### Fundamental Policies

The following investment limitations are fundamental policies of the International Equity, Emerging Markets Equity, Emerging Markets Debt, Tax-Managed International Equity and International Fixed Income Funds and may not be changed without shareholder approval.

Each of the International Equity, Emerging Markets Equity, International Fixed Income and Emerging Markets Debt Funds may not:

1. Purchase securities of an issuer if it would cause the Fund to fail to satisfy the diversification requirement for a diversified management company under the 1940 Act, the rules or regulations thereunder or any exemption therefrom, as such statute, rules or regulations may be amended or interpreted from time to time. This investment limitation does not apply to the Emerging Markets Debt or International Fixed Income Funds.
2. Concentrate investments in a particular industry or group of industries, as concentration is defined under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules or regulations may be amended or interpreted from time to time.
3. Borrow money or issue senior securities (as defined under the 1940 Act), except to the extent permitted under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules or regulations may be amended or interpreted from time to time.
4. Make loans, except to the extent permitted under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules or regulations may be amended or interpreted from time to time.
5. Purchase or sell commodities or real estate, except to the extent permitted under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules or regulations may be amended or interpreted from time to time.
6. Underwrite securities issued by other persons, except to the extent permitted under the 1940 Act, the rules and regulations thereunder or any exemption therefrom, as such statute, rules or regulations may be amended or interpreted from time to time.
7. With respect to the International Fixed Income Fund, acquire more than 10% of the voting securities of any one issuer.

The Tax-Managed International Equity Fund may not:

1. With respect to 75% of its total assets: (i) purchase securities of any issuer (except securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer.
2. Purchase any securities which would cause more than 25% of its total assets to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities.
3. Borrow money in an amount exceeding 33 $\frac{1}{3}$ % of the value of its total assets, provided that, for purposes of this limitation, investment strategies which either obligate the Fund to purchase securities or require the Fund to segregate assets are not considered to be borrowings. To the extent that its borrowings

exceed 5% of its assets: (i) all borrowings will be repaid before making additional investments and any interest paid on such borrowings will reduce income; and (ii) asset coverage of at least 300% is required.

4. Make loans if, as a result, more than 33 $\frac{1}{3}$ % of its total assets would be lent to other parties, except that the Fund may: (i) purchase or hold debt instruments in accordance with its investment objective and policies; (ii) enter into repurchase agreements; and (iii) lend its securities.

5. Purchase or sell real estate, physical commodities, or commodities contracts, except that the Fund may purchase: (i) marketable securities issued by companies which own or invest in real estate (including REITs), commodities, or commodities contracts; and (ii) commodities contracts relating to financial instruments, such as financial futures contracts and options on such contracts.

6. Act as an underwriter of securities of other issuers except as it may be deemed an underwriter in selling a fund security.

7. Issue senior securities (as defined in the 1940 Act), except as permitted by rule, regulation or order of the SEC.

### **Non-Fundamental Policies**

The following investment limitations are non-fundamental policies and may be changed without shareholder approval.

Each of the International Equity, Emerging Markets Equity, Emerging Market Debt and Tax-Managed International Equity Funds may not:

1. Pledge, mortgage or hypothecate assets except to secure permitted borrowings or related to the deposit of assets in escrow or in segregated accounts in compliance with the asset segregation requirements imposed by Section 18 of the 1940 Act, or any rule or SEC staff interpretation thereunder.

2. Invest in companies for the purpose of exercising control.

3. Purchase securities on margin or effect short sales, except that each Fund may: (i) obtain short-term credits as necessary for the clearance of security transactions; (ii) provide initial and variation margin payments in connection with transactions involving futures contracts and options on such contracts; and (iii) make short sales "against the box" or in compliance with the SEC's position regarding the asset segregation requirements of Section 18 of the 1940 Act.

4. Purchase or hold illiquid securities, *i.e.*, securities that cannot be disposed of for their approximate carrying value in seven days or less (which term includes repurchase agreements and time deposits maturing in more than seven days) if, in the aggregate, more than 15% of its net assets would be invested in illiquid securities.

5. Invest its assets in securities of any investment company, except as permitted by the 1940 Act.

6. With respect to 75% of its total assets: (i) purchase securities of any issuer (except securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer; or (ii) acquire more than 10% of the outstanding voting securities of any one issuer. This limitation does not apply to the Emerging Markets Debt or Tax-Managed International Equity Funds.

7. Purchase any securities which would cause 25% or more of the total assets of the Fund to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities. This limitation does not apply to the Tax-Managed International Equity Fund.

8. Borrow money in an amount exceeding 33 $\frac{1}{3}$ % of the value of its total assets, provided that, for purposes of this limitation, investment strategies which either obligate a Fund to purchase securities or require a

Fund to segregate assets are not considered to be borrowings. To the extent its borrowings exceed 5% of its assets: (i) all borrowings will be repaid before a Fund makes additional investments and any interest paid on such borrowings will reduce income; and (ii) asset coverage of at least 300% is required. This limitation does not apply to the Tax-Managed International Equity Fund.

9. Make loans if, as a result, more than 33 $\frac{1}{3}$ % of its total assets would be lent to other parties, except that each Fund may: (i) purchase or hold debt instruments in accordance with its investment objective and policies; (ii) enter into repurchase agreements; and (iii) lend its securities. This limitation does not apply to the Tax-Managed International Equity Fund.

10. Purchase or sell real estate, physical commodities, or commodities contracts, except that each Fund may purchase: (i) marketable securities issued by companies which own or invest in real estate (including REITs), commodities, or commodities contracts; and (ii) commodities contracts relating to financial instruments, such as financial futures contracts and options on such contracts. This limitation does not apply to the Tax-Managed International Equity Fund.

11. Issue senior securities (as defined in the 1940 Act), except as permitted by rule, regulation or order of the SEC. This limitation does not apply to the Tax-Managed International Equity Fund.

12. Invest in interests in oil, gas or other mineral exploration or development programs and oil, gas or mineral leases. This limitation does not apply to the Tax-Managed International Equity Fund.

13. With respect to the International Equity Fund, invest less than 80% of its net assets, under normal circumstances, in equity securities. This non-fundamental policy may be changed by the Board of Trustees with at least 60 days' notice to the International Equity Fund's shareholders.

14. With respect to the Emerging Markets Equity Fund, invest less than 80% of its net assets, under normal circumstances, in equity securities of emerging market issuers. This non-fundamental policy may be changed by the Board of Trustees with at least 60 days' notice to the Emerging Markets Equity Fund's shareholders.

15. With respect to the Emerging Markets Debt Fund, invest less than 80% of its net assets, under normal circumstances, in fixed income securities of emerging markets issuers. This non-fundamental policy may be changed by the Board of Trustees with at least 60 days' notice to the Emerging Markets Debt Fund's shareholders.

16. With respect to the Tax-Managed International Equity Fund, invest less than 80% of its net assets, under normal circumstances, in equity securities. This non-fundamental policy may be changed by the Board of Trustees with at least 60 days' notice to the Tax-Managed International Equity Fund's shareholders.

The International Fixed Income Fund may not:

1. Purchase any securities which would cause 25% or more of the total assets of the Fund to be invested in the securities of one or more issuers conducting their principal business activities in the same industry, provided that this limitation does not apply to investments in obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

2. Borrow money except for temporary or emergency purposes and then only in an amount not exceeding 10% of the value of the total assets of the Fund. This borrowing provision is included solely to facilitate the orderly sale of portfolio securities to accommodate substantial redemption requests if they should occur and is not for investment purposes. All borrowings will be repaid before the Fund makes additional investments and any interest paid on such borrowings will reduce the income of the Fund.

3. Pledge, mortgage or hypothecate assets except to secure temporary borrowings as described in its Prospectus in aggregate amounts not to exceed 10% of the net assets of such Fund taken at current value at the time of the incurrence of such loan.

4. Make loans, except that the Fund may: (i) enter into repurchase agreements, provided that repurchase agreements and time deposits maturing in more than seven days, and other illiquid securities, including securities which are not readily marketable or are restricted, are not to exceed, in the aggregate, 10% of the Fund's total assets; (ii) engage in securities lending as described in its Prospectus and in the Statement of Additional Information; and (iii) purchase or hold debt securities in accordance with its investment objectives and policies.

5. Invest in companies for the purpose of exercising control.

6. Purchase or sell real estate, real estate limited partnership interests, commodities or commodities contracts. However, subject to its permitted investments, the Fund may purchase obligations issued by companies which invest in real estate, commodities or commodities contracts.

7. Make short sales of securities, maintain a short position or purchase securities on margin, except as described in the Prospectus and except that the Trust may obtain short-term credits as necessary for the clearance of security transactions.

8. Purchase securities of other investment companies except as permitted by the 1940 Act and the rules and regulations thereunder and may only purchase securities of money market funds. Under these rules and regulations, the Fund is prohibited from acquiring the securities of other investment companies if, as a result of such acquisition, the Fund owns more than 3% of the total voting stock of the company; securities issued by any one investment company represent more than 5% of the total Fund assets; or securities (other than treasury stock) issued by all investment companies represent more than 10% of the total assets of the Fund. A Fund's purchase of such investment company securities results in the bearing of expenses such that shareholders would indirectly bear a proportionate share of the operating expenses of such investment companies, including advisory fees.

9. Issue senior securities (as defined in the 1940 Act), except in connection with permitted borrowing as described in the Prospectus and this Statement of Additional Information or as permitted by rule, regulation or order of the SEC.

10. Invest in interests in oil, gas or other mineral exploration or development programs and oil, gas or mineral leases.

11. Invest more than 10% of its net assets in illiquid securities.

12. Invest less than 80% of its net assets, under normal circumstances, in fixed income securities. This non-fundamental policy may be changed by the Board of Trustees with at least 60 days' notice to the International Fixed Income Fund's shareholders.

The foregoing percentages (except for the limitation on borrowing) will apply at the time of the purchase of a security and shall not be violated unless an excess or deficiency occurs, immediately after or as a result of a purchase of such security.

The following descriptions of the 1940 Act may assist shareholders in understanding the above policies and restrictions.

**Diversification.** Under the 1940 Act, a diversified investment management company, as to 75% of its total assets, may not purchase securities of any issuer (other than securities issued or guaranteed by the U.S. Government, its agents or instrumentalities or securities of other investment companies) if, as a result, more than 5% of its total assets would be invested in the securities of such issuer, or more than 10% of the issuer's outstanding voting securities would be held by the fund.

**Concentration.** The SEC has presently defined concentration as investing 25% or more of an investment company's net assets in an industry or group of industries, with certain exceptions.

For purposes of the industry concentration limitations discussed above, these definitions apply to each Fund, and for purposes of the Tax-Managed International Equity Fund, these limitations form part of the fundamental limitation: (i) utility companies will be divided according to their services, for example, gas, gas

transmission, electric and telephone will each be considered a separate industry; (ii) financial service companies will be classified according to end users of their services, for example, automobile finance, bank finance and diversified finance will each be considered a separate industry; (iii) supranational agencies will be deemed to be issuers conducting their principal business activities in the same industry; and (iv) governmental issuers within a particular country will be deemed to be conducting their principal business in the same industry.

**Borrowing.** The 1940 Act presently allows a fund to borrow from any bank (including pledging, mortgaging or hypothecating assets) in an amount up to 33 $\frac{1}{3}$ % of its total assets (not including temporary borrowings not in excess of 5% of its total assets).

**Senior Securities.** Senior securities may include any obligation or instrument issued by a fund evidencing indebtedness. The 1940 Act generally prohibits funds from issuing senior securities, although it does not treat certain transactions as senior securities, such as certain borrowings, short sales, reverse repurchase agreements, firm commitment agreements and standby commitments, with appropriate earmarking or segregation of assets to cover such obligation.

**Lending.** Under the 1940 Act, a fund may only make loans if expressly permitted by its investment policies. Each Fund's non-fundamental investment policy on lending is set forth above.

**Underwriting.** Under the 1940 Act, underwriting securities involves a fund purchasing securities directly from an issuer for the purpose of selling (distributing) them or participating in any such activity either directly or indirectly. Under the 1940 Act, a diversified fund may not make any commitment as underwriter, if immediately thereafter the amount of its outstanding underwriting commitments, plus the value of its investments in securities of issuers (other than investment companies) of which it owns more than 10% of the outstanding voting securities, exceeds 25% of the value of its total assets.

**Real Estate.** The 1940 Act does not directly restrict a fund's ability to invest in real estate, but does require that every fund have a fundamental investment policy governing such investments. The International Equity, Emerging Markets Equity, International Fixed Income and Emerging Markets Debt Funds have adopted a fundamental policy that would permit direct investment in real estate. However, the International Equity, Emerging Markets Equity, International Fixed Income and Emerging Markets Debt Funds have a non-fundamental investment limitation that prohibits them from investing directly in real estate. This non-fundamental policy may be changed only by vote of each Fund's Board of Trustees.

## THE ADMINISTRATOR AND TRANSFER AGENT

**General.** SEI Investments Fund Management (the "Administrator"), a Delaware statutory trust, has its principal business offices at One Freedom Valley Drive, Oaks, Pennsylvania 19456. SEI Investments Management Corporation, a wholly-owned subsidiary of SEI Investments Company ("SEI Investments"), is the owner of all beneficial interest in the Administrator. SEI Investments and its subsidiaries and affiliates, including the Administrator, are leading providers of fund evaluation services, trust accounting systems, and brokerage and information services to financial institutions, institutional investors, and money managers. The Administrator and its affiliates also serve as administrator or sub-administrator to other mutual funds.

**Administration Agreement with the Trust.** The Trust and the Administrator have entered into an administration and transfer agency agreement (the "Administration Agreement"). Under the Administration Agreement, the Administrator provides the Trust with administrative and transfer agency services or employs certain other parties, including its affiliates, who provide such services, including regulatory reporting and all necessary office space, equipment, personnel and facilities. The Administration Agreement provides that the Administrator shall not be liable for any error of judgment or mistake of law or for any loss suffered by the Trust in connection with the matters to which the

Administration Agreement relates, except a loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Administrator in the performance of its duties or from reckless disregard of its duties and obligations thereunder.

The Administration Agreement shall remain effective for the initial term of the Agreement and each renewal term thereof unless earlier terminated: (a) by a vote of a majority of the Trustees of the Trust on not less than 60 days' written notice to the Administrator; or (b) by the Administrator on not less than 90 days' written notice to the Trust.

If operating expenses of any Fund exceed applicable limitations, the Administrator will pay such excess. The Administrator will not be required to bear expenses of any Fund to an extent which would result in the Fund's inability to qualify as a regulated investment company under provisions of the Code. The term "expenses" is defined in such laws or regulations, and generally excludes brokerage commissions, distribution expenses, taxes, interest and extraordinary expenses.

For each Fund, the following table shows: (i) the dollar amount of fees paid to the Administrator by the Funds; and (ii) the dollar amount of the Administrator's voluntary fee waiver for the fiscal years ended September 30, 2003, 2004, and 2005:

Fund	Net Fees Paid (000)			Fees Waived (000)		
	2003	2004	2005	2003	2004	2005
International Equity Fund	\$ 9,487	\$ 11,887	\$ X X	\$ 0	\$ 0	\$ X X
Emerging Markets Equity Fund	\$ 5,206	\$ 6,740	\$ X X	\$ 0	\$ 0	\$ X X
International Fixed Income Fund	\$ 4,965	\$ 5,441	\$ X X	\$ 0	\$ 0	\$ X X
Emerging Markets Debt Fund	\$ 3,345	\$ 4,138	\$ X X	\$ 0	\$ 0	\$ X X
Tax-Managed International Equity Fund	*	*	*	*	*	*

\* Not in operation during such period.

### THE ADVISER AND SUB-ADVISERS

**General.** SEI Investments Management Corporation ("SIMC") serves as the investment adviser for the Funds. SIMC is a wholly-owned subsidiary of SEI Investments, a financial services company. The principal business address of SIMC and SEI Investments is One Freedom Valley Drive, Oaks, Pennsylvania 19456. SEI Investments was founded in 1968 and is a leading provider of investment solutions to banks, institutional investors, investment advisers and insurance companies. SIMC and its affiliates currently serve as adviser to more than 8 investment companies, including more than XX funds, with more than \$XX billion in assets under management as of December 31, 2005.

**Manager of Managers Structure.** SIMC operates as a "manager of managers." SIMC and the Trust have obtained an exemptive order from the SEC that permits SIMC, with the approval of the Trust's Board of Trustees, to retain sub-advisers unaffiliated with SIMC for the Funds without submitting the sub-advisory agreements to a vote of the Funds' shareholders. Among other things, the exemptive relief permits the disclosure of only the aggregate amount payable by SIMC under all such sub-advisory agreements for each Fund. The Funds will notify shareholders in the event of any addition or change in the identity of its sub-advisers.

Subject to Board review, SIMC allocates and, when appropriate, reallocates the Funds' assets among sub-advisers, monitors and evaluates sub-adviser performance, and oversees sub-adviser compliance with the Funds' investment objectives, policies and restrictions. **SIMC has the ultimate responsibility for the investment performance of the Funds due to its responsibility to oversee sub-advisers and recommend their hiring, termination and replacement.**

**Advisory and Sub-Advisory Agreements.** The Trust and SIMC have entered into an investment advisory agreement (the "Advisory Agreement"). Pursuant to the Advisory Agreement, SIMC oversees the investment advisory services provided to the Funds and may manage the cash portion of the Funds' assets. Pursuant to separate sub-advisory agreements (the "Sub-Advisory Agreements" and together with the Advisory Agreement, the "Investment Advisory Agreements") with SIMC, and under the supervision of SIMC and the Board of Trustees, the sub-advisers are responsible for the day-to-day investment management

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of all or a discrete portion of the assets of the Funds. Sub-advisers also are responsible for managing their employees who provide services to these Funds. The sub-advisers are selected based primarily upon the research and recommendations of SIMC, which evaluates quantitatively and qualitatively each sub-adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies.

The Advisory Agreement and certain of the Sub-Advisory Agreements provide that SIMC (or any sub-adviser) shall not be protected against any liability to the Trust or its shareholders by reason of willful misfeasance, bad faith or gross negligence on its part in the performance of its duties or from reckless disregard of its obligations or duties thereunder. In addition, certain of the Sub-Advisory Agreements provide that the sub-adviser shall not be protected against any liability to the Trust or its shareholders by reason of willful misfeasance, bad faith or negligence on its part in the performance of its duties, or from reckless disregard of its obligations or duties thereunder.

The continuance of each Investment Advisory Agreement must be specifically approved at least annually: (i) by the vote of a majority of the outstanding shares of that Fund or by the Trustees; and (ii) by the vote of a majority of the Trustees who are not parties to such Agreement or "interested persons" of any party thereto, cast in person at a meeting called for the purpose of voting on such approval. Each Investment Advisory Agreement will terminate automatically in the event of its assignment, and is terminable at any time without penalty by the Trustees of the Trust or, with respect to a Fund, by a majority of the outstanding shares of that Fund, on not less than 30 days' nor more than 60 days' written notice to SIMC or a sub-adviser, as applicable, or by SIMC or a sub-adviser, as applicable, on 90 days' written notice to the Trust.

**Advisory Fees.** For these advisory services, SIMC receives a fee, which is calculated daily and paid monthly, at an annual rate of 0.51% of the International Equity Fund's average daily net assets, 0.51% of the Tax-Managed International Equity Fund's average daily net assets, 1.05% of the Emerging Markets Equity Fund's average daily net assets, 0.85% of the Emerging Markets Debt Fund's average daily net assets and 0.15% of the International Fixed Income Fund's average daily net assets. SIMC pays the sub-advisers out of its investment advisory fees.

For each Fund, the following table shows: (i) the dollar amount of fees paid to SIMC by each Fund; and (ii) the dollar amount of SIMC's voluntary fee waivers for the fiscal years ended September 30, 2003, 2004, and 2005:

Fund	Net Fees Paid (000)			Fee Waivers (000)		
	2003	2004	2005	2003	2004	2005
International Equity Fund	\$ 9,906	\$ 13,339	\$ X X	\$ 741	\$ 0	\$ X X
Emerging Markets Equity Fund	\$ 6,879	\$ 9,145	\$ X X	\$ 1,531	\$ 1,743	\$ X X
International Fixed Income Fund	\$ 1,241	\$ 1,360	\$ X X	\$ 0	\$ 0	\$ X X
Emerging Markets Debt Fund	\$ 2,769	\$ 3,503	\$ X X	\$ 1,605	\$ 1,908	\$ X X
Tax-Managed International Equity Fund	*	*	*	*	*	*

\* Not in operation during such period.

## The Sub-Advisers

### Alliance Capital Management L.P.

Alliance Capital Management L.P. ("Alliance Capital") serves as a Sub-Adviser to a portion of the assets of the Emerging Markets Equity and International Equity Funds. Alliance Capital is a Delaware limited partnership of which Alliance Capital Management Corporation, an indirect wholly-owned subsidiary of AXA Financial, Inc. ("AXA Financial") is a general partner. AXA Financial is a wholly-owned subsidiary of AXA.

#### **Ashmore Investment Management Limited**

Ashmore Investment Management Limited ("Ashmore") serves as a Sub-Adviser to a portion of the assets of the Emerging Markets Debt and Emerging Markets Equity Funds. Ashmore is an indirectly wholly-owned subsidiary of Ashmore Group Limited.

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#### **The Boston Company Asset Management LLC**

The Boston Company Asset Management LLC ("The Boston Company") serves as a Sub-Adviser to a portion of the assets of the Emerging Markets Equity Fund. The Boston Company is a wholly-owned indirect subsidiary of Mellon Financial Corporation.

#### **Bridgewater Associates, Inc.**

Bridgewater Associates, Inc. ("Bridgewater") serves as a Sub-Adviser to a portion of the assets of the International Fixed Income Fund. Bridgewater was founded in 1975 and is 100% employee owned and controlled.

#### **Capital Guardian Trust Company**

Capital Guardian Trust Company ("Capital Guardian") serves as a Sub-Adviser to a portion of the assets of the International Equity Fund. Capital Guardian is a wholly-owned subsidiary of Capital Group International, Inc., which in turn is a wholly-owned subsidiary of The Capital Group Companies, Inc. Capital Guardian was founded in 1968 and is a registered investment adviser.

#### **Emerging Markets Management, L.L.C.**

Emerging Markets Management, L.L.C. ("EMM") serves as a Sub-Adviser to a portion of the assets of the Emerging Markets Equity Fund. EMM is majority-owned by Emerging Markets Investors Corporation ("EMI"), EMI, in turn, is majority-owned by Antoine van Agtmael and Michael Duffy. EMM and EMI are both registered investment advisors.

#### **Fischer Francis Trees & Watts, Inc. and its Affiliates**

Fischer Francis Trees & Watts, Inc. ("Fischer Francis"), a New York corporation and three of its affiliates, Fischer Francis Trees & Watts, a corporate partnership organized under the laws of the United Kingdom, Fischer Francis Trees & Watts (Singapore) Pte Ltd, a Singapore corporation, and Fischer Francis Trees & Watts Kabushiki Kaisha, a Japanese corporation, collectively serve as a Sub-Adviser to a portion of the assets of the International Fixed Income Fund. Fischer Francis is wholly-owned by Charter Atlantic Corporation, which in-turn is owned by 16 employee shareholders and one institutional shareholder, BNP Paribas. Fischer Francis owns approximately 99% of Fischer Francis Trees & Watts. Fischer Francis Trees & Watts (Singapore) Pte Ltd and Fischer Francis Trees & Watts Kabushiki Kaisha are each wholly-owned by Fischer Francis.

#### **Fisher Asset Management, LLC**

Fisher Asset Management, LLC (d/b/a Fisher Investments ("Fisher")), serves as a Sub-Adviser to a portion of the assets of the International Equity Fund. Fisher is wholly owned by Fisher Investments, Inc.

#### **Fuller & Thaler Asset Management, Inc.**



Fuller & Thaler Asset Management, Inc. ("Fuller & Thaler") serves as a Sub-Adviser to a portion of the assets of the International Equity Fund. Fuller & Thaler is 52% owned by Russel J. Fuller, President of Fuller & Thaler. Fuller & Thaler was founded in 1993.

### McKinley Capital Management Inc.

McKinley Capital Management Inc. ("McKinley Capital") serves as a Sub-Adviser to a portion of the assets of the International Equity Fund. McKinley Capital was founded in 1990 and is wholly-owned by its employees.

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### Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited

Morgan Stanley Investment Management Inc. ("MSIM Inc.") serves as a Sub-Adviser to a portion of the assets of the International Equity Fund. MSIM Inc. is a wholly-owned subsidiary of Morgan Stanley. MSIM Inc. delegates certain investment advisory responsibilities to its affiliate, Morgan Stanley Investment Management Limited ("MSIM Limited"). MSIM Limited is an indirect wholly-owned subsidiary of Morgan Stanley.

### Quantitative Management Associates LLC

Quantitative Management Associates LLC ("QMA") serves as a Sub-Adviser to a portion of the assets of the International Equity Fund. QMA is a direct wholly-owned subsidiary of Prudential Investment Management, Inc., a wholly-owned subsidiary of Prudential Asset Management Holding Company, Inc., which in turn is wholly-owned by Prudential Financial, Inc. QMA is a New Jersey limited liability company formed in 2003.

### Rexiter Capital Management Limited

Rexiter Capital Management Limited ("Rexiter") serves as a Sub-Adviser to a portion of the assets of the Emerging Markets Equity Fund. Rexiter was founded in 1997 and is 75% owned by State Street Global Alliance, LLC and 25% owned by its employees. State Street Global Alliance, LLC is beneficially owned 51% by State Street Corporation and 49% by ABP (the pension fund for Dutch State employees).

### Salomon Brothers Asset Management Inc

Salomon Brothers Asset Management Inc ("SaBAM") serves as a Sub-Adviser to a portion of the assets of the Emerging Markets Debt Fund. SaBAM was established in 1987 and is an indirect wholly-owned subsidiary of Citigroup Inc.

**Sub-Advisory Fees.** For each Fund, the following table shows: (i) the dollar amount of fees paid to the sub-advisers by SIMC; and (ii) the dollar amount of the sub-advisers' voluntary fee waivers for the fiscal years ended September 30, 2003, 2004, and 2005:

Fund	Sub-Advisory Fees Paid (000)			Sub-Advisory Fees Waived (000)		
	2003	2004	2005	2003	2004	2005
	International Equity Fund	\$ 6,488	\$ 8,379	\$ X X	\$ 0	\$ 0
Emerging Markets Equity Fund	\$ 3,500	\$ 5,095	\$ X X	\$ 0	\$ 0	\$ X X
International Fixed Income Fund	\$ 910	\$ 998	\$ X X	\$ 0	\$ 0	\$ X X
Emerging Markets Debt Fund	\$ 2,001	\$ 2,545	\$ X X	\$ 0	\$ 0	\$ X X
Tax-Managed International Equity Fund	*	*	*	*	*	*

\* Not in operation during such period.

## Portfolio Management

### Alliance Capital

*Compensation.* SIMC pays Alliance Capital a fee based on the assets under management of the Emerging Markets Equity and International Equity Funds as set forth in an investment sub-advisory agreement between Alliance Capital and SIMC. Alliance Capital pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the Emerging Markets Equity and International Equity Funds. The following information relates to the period ended September 30, 2005.

Alliance Capital's compensation program for investment professionals is designed to reflect their ability to generate long-term investment success for Alliance Capital's clients. Investment professionals do not receive any direct compensation based upon the investment returns of any individual client account, nor is

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compensation tied directly to the level or change in the level of assets under management. Investment professionals' annual compensation is comprised of the following:

*Fixed base salary:* This is generally the smallest portion of compensation. The base salary is a relatively low, fixed salary within a similar range for all investment professionals. The base salary is determined at the outset of employment based on level of experience, does not change significantly from year-to-year, and hence, is not particularly sensitive to performance.

*Discretionary incentive compensation in the form of an annual cash bonus:* Alliance Capital's overall profitability determines the total amount of incentive compensation available to investment professionals. This portion of compensation is determined subjectively based on qualitative and quantitative factors. In evaluating this component of an investment professional's compensation, Alliance Capital considers the contribution to his/her team or discipline as it relates to that team's overall contribution to the long-term investment success, business results and strategy of Alliance Capital. Quantitative factors considered include, among other things, relative investment performance (*e.g.*, by comparison to competitor or peer group funds or similar styles of investments, and appropriate, broad-based or specific market indices), and consistency of performance. There are no specific formulas used to determine this part of an investment professional's compensation and the compensation is not tied to any pre-determined or specified level of performance. Alliance Capital also considers qualitative factors such as the complexity and risk of investment strategies involved in the style or type of assets managed by the investment professional; success of marketing/business development efforts and client servicing; seniority/length of service with the firm; management and supervisory responsibilities; and fulfillment of Alliance Capital's leadership criteria.

*Discretionary incentive compensation in the form of awards under Alliance Capital's Partners Compensation Plan ("deferred awards"):* Alliance Capital's overall profitability determines the total amount of deferred awards available to investment professionals. The deferred awards are allocated among investment professionals based on criteria similar to those used to determine the annual cash bonus. There is no fixed formula for determining these amounts. Deferred awards, for which there are various investment options, vest over a four-year period and are generally forfeited if the employee resigns or Alliance Capital terminates his/her employment.

*Contributions under Alliance Capital's Profit Sharing/401(k) Plan:* The contributions are based on Alliance Capital's overall profitability. The amount and allocation of the contributions are determined at the sole discretion of Alliance Capital.

*Ownership of Fund Shares.* As of the end of the Emerging Markets Equity and International Equity Funds' most recently completed fiscal year, Alliance Capital's portfolio managers did not beneficially own any shares of the Emerging Markets Equity and International Equity Funds.

*Other Accounts.* As of September 30, 2005, in addition to the Emerging Markets Equity and International Equity Funds, Alliance Capital's portfolio managers were responsible for the day-to-day management of certain other accounts, as follows:

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number	Total Assets	Number	Total Assets	Number	Total Assets
	of Accounts		of Accounts		of Accounts	
Ed Barker	9	\$ 1,805,000,000	7	\$ 2,852,000,000	45	\$ 1,591,000,000
	N/A	N/A	N/A	N/A	8	\$ 1,988,000,000 *
Sharon Fay	15	\$ 2,746,000,000	14	\$ 3,055,000,000	157	\$ 19,788,000,000
	1 *	\$ 1,305,000,000*	N/A	N/A	5 *	\$ 1,279,000,000 *
Kevin Simms	15	\$ 2,746,000,000	14	\$ 3,055,000,000	157	\$ 19,788,000,000
	1 *	\$ 1,305,000,000*	N/A	N/A	5 *	\$ 1,279,000,000 *
Henry D'Auria	15	\$ 2,746,000,000	14	\$ 3,055,000,000	157	\$ 19,788,000,000
	1 *	\$ 1,305,000,000*	N/A	N/A	5 *	\$ 1,279,000,000 *
Giulio Martini	15	\$ 2,746,000,000	14	\$ 3,055,000,000	157	\$ 19,788,000,000
	1 *	\$ 1,305,000,000*	N/A	N/A	5 *	\$ 1,279,000,000 *

\* Accounts listed above are subject to a performance-based advisory fee

*Conflicts of Interest.* Alliance Capital has developed policies, procedures and disclosures reasonably designed to detect, manage and mitigate the effects of potential conflicts of interest in the area of employee personal trading, managing multiple accounts for multiple clients and allocating investment opportunities. Investment professionals, including portfolio managers and research analysts, are subject to the above-mentioned policies and oversight to help ensure that all clients are treated equitably.

*Employee Personal Trading and the Code of Business Conduct and Ethics.* Alliance Capital has policies to avoid conflicts of interest when investment professionals and other personnel of Alliance Capital own, buy or sell securities also owned by, or bought or sold for clients. Personal securities transactions by an employee may raise a potential conflict of interest when an employee owns or trades in a security that is owned or considered for purchase or sale by a client, or recommended for purchase or sale by an employee to a client. Alliance Capital has adopted a Code of Business Conduct and Ethics ("Code") that is designed to detect and prevent such conflicts of interest.

*Managing Multiple Accounts for Multiple Clients.* The investment professional or investment professional teams for the Emerging Markets Equity and International Equity Funds have responsibilities for managing all or a portion of the investments of multiple accounts with a common investment strategy, including other registered investment companies, unregistered investment vehicles, such as hedge funds, pension plans, separate accounts, collective trusts and charitable foundations. Potential conflicts of interest may arise when an investment professional has responsibilities for the investments of more than one account because the investment professional may be unable to devote equal time and attention to each account. Accordingly, Alliance Capital has compliance policies and oversight to manage these conflicts.

*Allocating Investment Opportunities.* In addition, the investment professionals may have to decide how to select and allocate investment opportunities among accounts. Portfolio holdings, position sizes, and industry and sector exposures tend to be similar across similar accounts, which minimizes the potential for conflicts of interest. Nevertheless, investment opportunities may be allocated differently among accounts due to the particular characteristics of an account, such as cash position, tax status, risk tolerance and investment restrictions or for other reasons. Potential conflicts of interest may also occur where Alliance Capital would have an incentive, such as a performance-based management fee, relating to an account. An investment professional may devote more time to developing and analyzing investment strategies and opportunities or allocating securities preferentially to the account for which Alliance Capital could share in investment gains. As noted

above, Alliance Capital has procedures designed to ensure that information relevant to investment decisions is disseminated fairly and investment opportunities are allocated equitably among different clients.

### Ashmore

*Compensation.* SIMC pays Ashmore a fee based on the assets under management of the Emerging Markets Equity and Emerging Markets Debt Funds as set forth in an investment sub-advisory agreement between Ashmore and SIMC. Ashmore pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the Emerging Markets Equity and Emerging Markets Debt Funds. This information relates to the period ended September 30, 2005

Investment professionals are compensated by fixed annual salaries, and by performance-based annual bonuses determined at the discretion of the Managing Director involving a thorough and on-going assessment of performance and contribution to Ashmore's profitability. This assessment is performed on a continuous basis as well as via a formal annual review. They may also be granted access to equity upside in the business through shares, equity options and other earned-in mechanisms.

*Ownership of Fund Shares.* As of the end of the Emerging Markets Equity and Emerging Markets Debt Funds' most recently completed fiscal year, Ashmore's portfolio managers did not beneficially own any shares of the Emerging Markets Equity and Emerging Markets Debt Funds.

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*Other Accounts.* As of September 30, 2005, in addition to the Emerging Markets Equity and Emerging Markets Debt Funds, Ashmore's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Number of Accounts	Other Pooled Investment Vehicles		Number of Accounts	Other Accounts	
	Number of Accounts	Total Assets		Total Assets	Total Assets			
Investment Committee	N/A	N/A	15	*	\$ 9,420,000,000*	11	*	\$ 3,357,000,000 *

\* A number of the Accounts included above are subject to a performance-based fee advisory fee.

*Conflicts of Interest.* Ashmore's management of "other accounts" may give rise to potential conflicts of interest in connection with their management of the Emerging Markets Equity and Emerging Markets Debt Funds' investments, on the one hand, and the investments of the other accounts (collectively the "Other Accounts"), on the other. The Other Accounts include other pooled emerging markets equity and emerging markets debt funds. The Other Accounts might have similar investment objectives as the Emerging Markets Equity and Emerging Markets Debt Funds or hold, purchase, or sell securities that are eligible to be held, purchased, or sold by the Emerging Markets Equity and Emerging Markets Debt Funds. While Ashmore's management of Other Accounts may give rise to the following potential conflicts of interest, Ashmore does not believe that the conflicts, if any, are material or, to the extent any such conflicts are material, Ashmore believes that it has designed policies and procedures that are designed to manage those conflicts in an appropriate way.

A potential conflict of interest may arise as a result of Ashmore's day-to-day management of the Emerging Markets Equity and Emerging Markets Debt Funds. Because of its position with the Emerging Markets Equity and Emerging Markets Debt Funds, Ashmore knows the size, timing, and possible market impact of Emerging Markets Equity and Emerging Markets Debt Funds' trades. It is theoretically possible that Ashmore could use this information to the advantage of Other Accounts it manages and to the possible detriment of the Emerging Markets Equity and Emerging Markets Debt Funds. However, Ashmore has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time.

A potential conflict of interest may arise as a result of Ashmore's management of the Emerging Markets Equity and Emerging Markets Debt Funds and Other Accounts which, in theory, may allow them to aggregate and allocate investment opportunities in a way that could favor Other Accounts over the Emerging Markets Equity and Emerging Markets Debt Funds. This conflict of interest may be exacerbated to the extent that Ashmore receives, or expects to receive, greater compensation from their management of the Other Accounts than the Emerging Markets Equity and Emerging Markets Debt Funds. Notwithstanding this theoretical conflict of interest, it is Ashmore's policy to manage each account based on its investment objectives and related restrictions and, as discussed above, Ashmore has adopted policies and procedures reasonably designed to aggregate and allocate investment opportunities on a fair and equitable basis over time and in a manner consistent with each account's investment objectives and related restrictions. For example, while Ashmore may decide to buy securities for one or more Other Accounts that differ in identity or quantity from securities bought for the Emerging Markets Equity and Emerging Markets Debt Funds, such an approach might not be suitable for the Emerging Markets Equity and Emerging Markets Debt Funds given their investment objectives and related restrictions.

### **The Boston Company**

*Compensation.* SIMC pays The Boston Company a fee based on the assets under management of the Emerging Markets Equity Fund as set forth in an investment sub-advisory agreement between The Boston Company and SIMC. The Boston Company pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the Emerging Markets Equity Fund. The following information relates to the period ended September 30, 2005.

At The Boston Company, portfolio managers' cash compensation is comprised primarily of a market-based salary and incentive compensation plans (annual and long term incentive). Funding for The Boston Company's Annual Incentive Plan and Long Term Incentive Plan is through a pre-determined fixed percentage of The Boston Company's overall profitability. Therefore, all bonus awards are based initially

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on The Boston Company's financial performance. Portfolio managers are eligible to receive annual cash bonus awards from the Annual Incentive Plan. Annual incentive opportunities are pre-established for each individual, expressed as a percentage of base salary ("target awards"). Annual awards are determined by applying multiples to this target award (0-2 times target award represents a portfolio manager's range of opportunity) and are capped at a maximum range of incentive opportunity for the job category. Awards are 100% discretionary and regardless of performance will be subject to pool funding availability. Awards are paid in cash on an annual basis. A significant portion of the target opportunity awarded is based upon the one-year (weighted 50%) and three-year (weighted 50%) pre-tax performance of the portfolio manager's accounts relative to the performance of the appropriate Lipper and Callan peer groups. Other factors considered in determining the award are individual qualitative performance and the asset size and revenue growth of the products managed.

For research analysts and other investment professionals, awards are distributed to the respective product teams (in the aggregate) based upon product performance relative to The Boston Company-wide performance measured on the same basis as described above. Further allocations are made to specific team members by the product portfolio manager based upon sector contribution and other qualitative factors.

All portfolio managers and analysts are also eligible to participate in the The Boston Company Long Term Incentive Plan. This plan provides for an annual award, payable equally in Mellon Financial restricted stock and The Boston Company phantom stock. Both the restricted stock and phantom stock cliff vest after three years. The value of the phantom stock award changes during the vesting period based upon changes in The Boston Company's operating income.

*Ownership of Fund Shares.* As of the end of the Emerging Markets Equity Fund's most recently completed fiscal year, The Boston Company's portfolio managers did not beneficially own any shares of the Emerging Markets Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the Emerging Markets Equity Fund, The Boston Company's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts		
	Number	Total Assets	Number	Total Assets	Number	Total Assets	
	of Accounts		of Accounts		of Accounts		
D. Kirk Henry	18	\$ 7,600,000,000	9	\$ 10,800,000,000	75	\$	16,300,000,000
	N/A	N/A	N/A	N/A	1	*	\$ 263,000,000 *
Clifford Smith	18	\$ 7,600,000,000	9	\$ 10,800,000,000	75	\$	16,300,000,000
	N/A	N/A	N/A	N/A	1	*	\$ 263,000,000 *
Carolyn Kedersha	18	\$ 7,600,000,000	9	\$ 10,800,000,000	75	\$	16,300,000,000
	N/A	N/A	N/A	N/A	1	*	\$ 263,000,000 *
Andrew Johnsen	18	\$ 7,600,000,000	9	\$ 10,800,000,000	75	\$	16,300,000,000
	N/A	N/A	N/A	N/A	1	*	\$ 263,000,000 *
Param							
Roychoudhury	18	\$ 7,600,000,000	9	\$ 10,800,000,000	75	\$	16,300,000,000
	N/A	N/A	N/A	N/A	1	*	\$ 263,000,000 *
Michelle Chan	18	\$ 7,600,000,000	9	\$ 10,800,000,000	75	\$	16,300,000,000
	N/A	N/A	N/A	N/A	1	*	\$ 263,000,000 *

\* Accounts listed above are subject to a performance-based advisory fee

*Conflicts of Interests.* A conflict of interest is generally defined as a single person or entity having two or more interests that are inconsistent. The Boston Company has implemented various policies and procedures that are intended to address the conflicts of interest that may exist or be perceived to exist at The Boston Company.

These conflicts may include, but are not limited to the fact that a portfolio manager is responsible for the management of more than one account; the potential arises for the portfolio manager to favor one account over another. Generally, the risk of such conflicts of interest could increase if a portfolio manager has a financial incentive to favor one account over another.

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This disclosure statement is not intended to cover all of the conflicts that exist within The Boston Company, but rather to highlight the general categories of conflicts and the associated mitigating controls. Other conflicts are addressed within the policies of The Boston Company. Further, the Chief Compliance Officer of The Boston Company shall maintain a Conflicts Matrix that further defines the conflicts specific to The Boston Company.

*New Investment Opportunities.* A portfolio manager could favor one account over another in allocating new investment opportunities that have limited supply, such as initial public offerings and private placements. If, for example, an initial public offering that was expected to appreciate in value significantly shortly after the offering was allocated to a single account, that account may be expected to have better investment performance than other accounts that did not receive an allocation. The Boston Company has policies that require a portfolio manager to allocate such investment opportunities in an equitable manner and generally to allocate such investments proportionately among all accounts with similar investment objectives.

*Compensation.* A portfolio manager may favor an account if the portfolio manager's compensation is tied to the performance of that account rather than all accounts managed by the portfolio manager. If, for example, the portfolio manager receives a bonus based upon the performance of certain accounts relative to a benchmark while Other Accounts are disregarded for this purpose, the portfolio manager will have a financial incentive to seek to have the accounts that determine the bonus achieve the best possible performance to the possible detriment of Other Accounts. Similarly, if The Boston Company receives a performance-based advisory fee, the portfolio manager may favor

that account, regardless of whether the performance of that account directly determines the portfolio manager's compensation. The investment performance on specific accounts is not a factor in determining the portfolio manager's compensation.

*Investment Objectives.* Where different accounts managed by the same portfolio manager have materially and potentially conflicting investment objectives or strategies, a conflict of interest may arise. For example, if a portfolio manager purchases a security for one account and sells the same security short for another account, such a trading pattern could potentially disadvantage either account. To mitigate the conflict in this scenario The Boston Company has in places a restriction in the order management system and requires a written explanation from the portfolio manager before determining whether to lift the restriction. However, where a portfolio manager is responsible for accounts with differing investment objectives and policies, it is possible that the portfolio manager will conclude that it is in the best interest of one account to sell a portfolio security while another account continues to hold or increase the holding in such security.

*Trading.* A portfolio manager could favor one account over another in the order in which trades for the accounts are placed. If a portfolio manager determines to purchase a security for more than one account in an aggregate amount that may influence the market price of the security, accounts that purchased or sold the security first may receive a more favorable price than accounts that make subsequent transactions. The less liquid the market for the security or the greater the percentage that the proposed aggregate purchases or sales represent of average daily trading volume, the greater the potential for accounts that make subsequent purchases or sales to receive a less favorable price. When a portfolio manager intends to trade the same security for more than one account, the policies of The Boston Company generally require that such trades be "bunched," which means that the trades for the individual accounts are aggregated and each account receives the same price. Some accounts may not be eligible for bunching for contractual reasons (such as directed brokerage arrangements). Circumstances may also arise where the trader believes that bunching the orders may not result in the best possible price. Where those accounts or circumstances are involved, The Boston Company will place the order in a manner intended to result in as favorable a price as possible for such client.

*Personal Interest.* A portfolio manager may favor an account if the portfolio manager has a beneficial interest in the account, in order to benefit a large client or to compensate a client that had poor returns. For example, if the portfolio manager held an interest in a mutual fund that was one of the accounts managed by the portfolio manager, the portfolio manager would have an economic incentive to favor the account in which the portfolio manager held an interest. All accounts with the same or similar investment objectives are part of a trading group. All accounts in a particular trading group are managed and traded identically taking into account client imposed restrictions or cash flows. As a result of this management and trading style an account in a trading group cannot be treated any differently than any other account in that trading group.

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*Outside Directorship.* Employees may serve as directors, officers or general partners of certain outside entities after obtaining the appropriate approvals in compliance with the Code of Conduct and Mellon Corporate Policy on Outside Directorships and Offices (CPP-805-I). However, in view of the potential conflicts of interest and the possible liability for The Boston Company, its affiliates and its employees, employees are urged to be cautious when considering serving as directors, officers, or general partners of outside entities. In addition to completing the reporting requirements set forth in the Mellon corporate policies, employees should ensure that their service as an outside director, officer or general partner does not interfere with the discharge of their job responsibilities and must recognize that their primary obligation is to complete their assigned responsibilities at The Boston Company in a timely manner.

*Proxy Voting.* Whenever The Boston Company owns the securities of a client or prospective client in fiduciary accounts there is a potential conflict between the interests of the firm and the interests of the beneficiaries of our client accounts. Material conflicts of interest are addressed through the establishment of our parent company's Proxy Committee structure. It applies detailed, pre-determined proxy voting guidelines in an objective and consistent manner across client accounts, based on internal and external research and recommendations provided by a third party vendor, and without consideration of any client relationship factors. Further, we engage a third party as an independent fiduciary to vote all proxies for Mellon securities and Fund securities.

*Personal Trading.* There is an inherent conflict where a portfolio manager manages personal accounts alongside client accounts. Further, there is a conflict where other employees in the firm know of portfolio decisions in advance of trade execution and could potentially use this information to their advantage and to the disadvantage of The Boston Company's clients. Subject to the personal Securities Trading Policy, employees of The Boston Company may buy and sell securities which are recommended to its clients; however, no employee is permitted to do so (a) where such purchase or sale would affect the market price of such securities, or (b) in anticipation of the effect of such recommendation on the market price. Consistent with the Securities Trading Policy relating to Investment Employees (which includes all Access Persons), approval will be denied for sales/purchases of securities for which investment transactions are pending and, at minimum, for two business days after transactions for the security were completed for client accounts. Portfolio managers are prohibited from trading in a security for seven days before and after transactions in that security are completed for client accounts managed by that portfolio manager.

*Soft Dollars.* Use of client commissions to pay for services that benefit The Boston Company and not client accounts. It is the policy of The Boston Company to enter into soft-dollar arrangements in a manner which will ensure the availability of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934 and which will ensure that the firm meets its fiduciary obligations for seeking to obtain best execution for its clients. All soft dollar services are justified in writing by the user specifically noting how the service will assist in the investment decision making process and approved in advance by the Soft Dollar Committee.

*Consultant Business.* Many of our clients retain consulting firms to assist them in selecting investment managers. Some of these consulting firms provide services to both those who hire investment managers (i.e. clients) and to investment management firms. The Boston Company may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where it believes those services will be useful to it in operating its investment management business. The Boston Company does not pay referral fees to consultants.

*Gifts.* Where investment personnel are offered gifts or entertainment by business associates that assist them in making or executing portfolio decisions or recommendations for client accounts a potential conflict exists. The Code of Conduct sets forth broad requirements for accepting gifts and entertainment. The Boston Company's Gift Policy supplements the Code of Conduct and provides further clarification for The Boston Company employees. The Boston Company has established a Gift Policy that supplements the Mellon Code of Conduct. Gifts received with a face value under \$100 may be accepted so long as they are not intended to influence. It is imperative that common sense and good judgment be used when accepting gifts in the course of business. For gifts accepted in accordance with the Gift Policy and the Mellon Code of Conduct with a face value over \$100, The Boston Company has determined that it is in the best interest of the firm and its employees that any amount over \$100 shall be donated to a 501 (c)(3) charitable organization of the employee's choice.

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## **Bridgewater**

*Compensation.* SIMC pays Bridgewater a fee based on the assets under management of the International Fixed Income Fund as set forth in an investment sub-advisory agreement between Bridgewater and SIMC. Bridgewater pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the International Fixed Income Fund. The following information relates to the period ended September 30, 2005.

Bridgewater's compensation structure includes a performance-based bonus plan and a phantom equity plan. Senior investment professionals participate in these plans and derive a large percentage of their income from them. Bonuses are based on the performance of the company and the individual compared to certain benchmarks. For the performance based bonus Bridgewater has a grading system of 1-5 for both the individual's and the company's performance. The grades are applied to each person's target bonus. Senior investment professionals have 50% of their bonus based on company performance. Ownership in the firm has also been made available to key professionals.

Rather than having traditional portfolio managers, Bridgewater uses a group-based approach in decision-making. To this end, Bridgewater has team of senior investment professionals that oversees the entire investment management process, and monitors the performance of all portfolios and investment systems. A staff of research professionals supports the team in establishing and testing the criteria by which investment decisions will be made. These criteria are the product of Bridgewater's cumulative research into the fundamental cause-effect



drivers of global market pricing. They are specifically defined in terms of fundamental economic, capital flow, and inter-market relationships that allow them to be organized and programmed into systems. Bridgewater's day-to-day active views simply reflect these criteria applied to current economic and market data. In short, Bridgewater's research effort is devoted to determining the criteria for making decisions rather than on specific investment decisions themselves.

*Ownership of Fund Shares.* As of the end of the International Fixed Income Fund's most recently completed fiscal year, Bridgewater's portfolio managers did not beneficially own any shares of the International Fixed Income Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Fixed Income Fund, Bridgewater's portfolio managers were responsible for the day-to-day management of certain Other Accounts as follows:

Portfolio Manager	Registered Investment Companies		Number of Accounts	Other Pooled Investment Vehicles		Number of Accounts	Other Accounts	
	Number of Accounts	Total Assets		Total Assets	Total Assets			
	Portfolio Management Team	N/A		N/A	N/A		N/A	318

*Conflicts of Interests.* A potential conflict of interest may arise as a result of Bridgewater's side-by-side management of both fixed fee and performance based fee accounts and allocating investment opportunities between the two types of accounts. Bridgewater has developed policies and procedures designed to detect, manage and mitigate the effects of potential conflicts of interest in the area of allocating investment opportunities to all clients. Opportunities are allocated based on a systematic methodology that is both fair and equitable to all clients.

A potential conflict of interest may arise as a result of employees trading in securities for their personal accounts that are also bought and / or sold for client accounts. Bridgewater has adopted a Code of Ethics that is designed to detect and prevent such conflicts of interest. Bridgewater's Code of Ethics confirms the firm's commitment to the highest ideals of honesty, integrity and openness. This commitment is demonstrated by the extraordinary measures taken to ensure the confidentiality of client information, both internally and externally, and also in the rigorous scrutiny applied to the personal investment activities of its employees.

A potential conflict of interest may arise as a result of Bridgewater employees accepting gifts. Bridgewater employees are strictly prohibited from accepting gifts, including meals and entertainment, or other thing of more than a de minimus value from any person or entity that does business with or on behalf of Bridgewater. All gifts received by any employee must be promptly reported to the Chief Compliance Officer. Any exceptions to this policy must be approved in advance by the Chief Compliance Officer. Employees are prohibited from soliciting gifts of any size under any circumstances.

No employee shall give any gift to a client or to persons who do business with, regulate, advise or render professional services to Bridgewater without the approval of a member of the Management Committee or a department head.

**CGTC**

*Compensation.* SIMC pays CGTC a fee based on the assets under management of the International Equity Fund as set forth in an investment sub-advisory agreement between CGTC and SIMC. CGTC pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the International Equity Fund. The following information relates to the period ended September 30, 2005.

At CGTC, portfolio managers and investment analysts are paid competitive salaries. In addition, they receive bonuses based on their individual portfolio results and also may participate in profit-sharing plans. The relative mix of compensation represented by bonuses, salary and profit sharing will vary depending on the individual's portfolio results, contributions to the organization and other factors. In order to encourage a long-term focus, bonuses based on investment results are calculated by comparing pretax total returns over a four-year period to relevant benchmarks. For portfolio managers, benchmarks include both measures of the marketplaces in which the relevant fund invests and measures of the results of comparable mutual funds or consultant universe measures of comparable institutional accounts. For investment analysts, benchmarks include both relevant market measures and appropriate industry indexes reflecting their areas of expertise. The benchmarks used to measure performance of the portfolio managers for the International Equity Fund include, as applicable, an adjusted MSCI EAFE Index, an adjusted Lipper International Index, an adjusted MSCI Europe Index, a customized index based on the median results with respect to Europe from Callan Associates, Evaluation Associates and Frank Russell, an adjusted MSCI Japan Index and a customized index based on the median results with respect to Japan from InterSEC.

*Ownership of Fund Shares.* As of the end of the International Equity Fund's most recently completed fiscal year, CGTC's portfolio managers did not beneficially own any shares of the International Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Equity Fund, CGTC's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies				Other Pooled Investment Vehicles		Other Accounts					
	Number of Accounts		Total Assets		Number of Accounts		Total Assets		Number of Accounts		Total Assets	
David Fisher	21		\$ 23,030,000,000		30		\$ 45,220,000,000		332		\$ 100,000,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		13	*	\$ 8,790,000,000	*
Arthur Gromadzki	10		\$ 4,010,000,000		9		\$ 26,060,000,000		153		\$ 45,010,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		14	*	\$ 6,100,000,000	*
Richard Havas	12		\$ 4,940,000,000		22		\$ 33,960,000,000		234		\$ 73,670,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		11	*	\$ 6,250,000,000	*
Seung Kwak	10		\$ 4,010,000,000		10		\$ 26,190,000,000		145		\$ 41,120,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		7	*	\$ 6,160,000,000	*
Nancy Kyle	13		\$ 17,680,000,000		28		\$ 42,280,000,000		189		\$ 58,010,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		10	*	\$ 6,090,000,000	*
John Mant	10		\$ 4,010,000,000		13		\$ 30,390,000,000		216		\$ 58,460,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		15	*	\$ 5,640,000,000	*
Chris Reed	12		\$ 4,810,000,000		14		\$ 30,050,000,000		239		\$ 63,150,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		30	*	\$ 12,320,000,000	*
Lionel Sauvage	12		\$ 4,940,000,000		20		\$ 35,430,000,000		269		\$ 85,630,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		19	*	\$ 8,860,000,000	*
Nilly Sikorsky	12		\$ 4,940,000,000		23		\$ 39,570,000,000		493		\$ 132,820,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		74	*	\$ 29,030,000,000	*
Rudolf Stachelin	12		\$ 4,940,000,000		21		\$ 39,400,000,000		353		\$ 93,670,000,000	
	1	*	\$ 79,000,000	*	N/A		N/A		33	*	\$ 13,600,000,000	*

\* Accounts listed above are subject to a performance-based advisory fee

*Conflicts of Interest.* CGTC has adopted policies and procedures that address potential conflicts of interest that may arise between a portfolio manager's management of the International Equity Fund and his or her management of other funds and accounts, such as conflicts relating to the allocation of investment opportunities, personal investing activities, portfolio manager compensation and proxy voting of portfolio securities. While there is no guarantee that such policies and procedures will be effective in all cases, CGTC believes that all issues relating to potential material conflicts of interest involving the International Equity Fund and Other Accounts managed by CGTC have been addressed.

## **EMM**

*Compensation.* SIMC pays EMM a fee based on the assets under management of the Emerging Markets Equity Fund as set forth in an investment sub-advisory agreement between EMM and SIMC. EMM pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the Emerging Markets Equity Fund. The following information relates to the period ended September 30, 2005.

EMM compensates all full-time employees, including portfolio managers, in the form of a base salary plus bonus, as well as via a profit sharing plan out of which EMM makes matching contributions to a 401(K) plan. The bonus pool is based on EMM's annual profits and is allocated by the Managing Directors of EMM with the input of various managers on the basis of each person's individual contribution to EMM. There is no fixed formula that compensates staff members directly for asset growth, investment performance, or other factors, and compensation is not directly tied to a published or private benchmark. Portfolio managers for regional products or specialty funds (not including the Emerging Markets Equity Fund) may share in the profits of those vehicles. In addition, all of EMM's portfolio managers either have acquired or are in the process of acquiring ownership of a profits interest in EMM.

*Ownership of Fund Shares.* As of the end of the Emerging Markets Equity Fund's most recently completed fiscal year, EMM's portfolio managers did not beneficially own any shares of the Emerging Markets Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the Emerging Markets Equity Fund, EMM's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number	Total Assets	Number	Total Assets	Number	Total Assets
	of Accounts		of Accounts		of Accounts	
Antoine van Agtmael	N/A	N/A	10	\$ 2,524,705,415	13	\$ 3,722,656,630
	N/A	N/A	2	* \$ 1,328,202,085*	12	* \$ 6,621,951,470 *
Felicia Morrow	N/A	N/A	6	\$ 2,154,543,232	13	\$ 3,722,656,630
	N/A	N/A	2	* \$ 1,328,202,085*	12	* \$ 6,621,951,470 *
John Niepold	N/A	N/A	8	\$ 2,513,263,290	13	\$ 3,722,656,630
	N/A	N/A	2	* \$ 1,328,202,085*	12	* \$ 6,621,951,470 *
Arindam Bhattacharjee	N/A	N/A	8	\$ 2,165,985,357	13	\$ 3,722,656,630
	N/A	N/A	2	* \$ 1,328,202,085*	12	* \$ 6,621,951,470 *
Dobrinka Cidroff	N/A	N/A	7	\$ 2,235,767,698	13	\$ 3,722,656,630
	N/A	N/A	2	* \$ 1,328,202,085*	12	* \$ 6,621,951,470 *
Peter Trofimenko	N/A	N/A	6	\$ 2,154,543,232	13	\$ 3,722,656,630
	N/A	N/A	2	* \$ 1,328,202,085*	12	* \$ 6,621,951,470 *
Rita Lun	N/A	N/A	7	\$ 2,164,812,869	13	\$ 3,722,656,630
	N/A	N/A	2	* \$ 1,328,202,085*	12	* \$ 6,621,951,470 *

\* Accounts listed above are subject to a performance-based advisory fee.

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*Conflicts of Interests.* Conflicts of interest may arise in the allocation of investment opportunities and the allocation of aggregated orders among the Emerging Markets Equity Fund and Other Accounts managed by EMM's portfolio managers. A portfolio manager potentially could give favorable treatment to some accounts for a variety of reasons, including favoring larger accounts, accounts that pay higher fees, accounts that pay performance-based fees, and accounts in which the portfolio manager has an interest. Such favorable treatment could lead to more favorable investment opportunities or allocations for some accounts. Notwithstanding these potential conflicts of interest, it is EMM's policy to manage each account based on its investment objectives and related restrictions. EMM has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time and in a manner consistent with each account's investment objectives and related restrictions.

### **FFTW**

*Compensation.* SIMC pays FFTW a fee based on the assets under management of the International Fixed Income Fund as set forth in an investment sub-advisory agreement between FFTW and SIMC. FFTW pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the International Fixed Income Fund. The following information relates to the period ended September 30, 2005.

FFTW aims to provide all staff with total compensation packages competitive with the applicable local market (New York, London, Tokyo and Singapore). Compensation for specific individuals is based on a combination of individual, team and firm performance. Where possible, quantifiable goals are established; actual performance is then assessed against these goals, and total compensation is determined.

There are three standard components to the remuneration structure for the professional staff: salary, discretionary bonus and profit sharing. For outstanding members of the staff, there is also the opportunity to become a Shareholder/Managing Director of FFTW.

A significant portion of remuneration is variable compensation, which is dependent on investment results and value-added results for clients, and on other important responsibilities such as contributions to developing the investment process and interaction with clients. Discretionary bonuses are available to be paid to all qualified employees; for the more senior professionals, the overall profitability of FFTW becomes increasingly important to overall compensation levels.

Investment professionals are compensated based upon the totality of all client portfolios for which they exercise investment authority. Factors such as varying fee structures, complexity of investment advice and allocation of resources are considered in determining an individual's compensation. Shareholder/Managing Directors receive discretionary bonuses, which are funded in part from revenue generated from certain accounts for which performance fees are paid. Retention of senior professionals in the investment area is promoted through participation in FFTW's deferred compensation program, a program that defers a portion of incentive compensation for four years and is invested in equity-related units tied to the value of FFTW's stock price.

Individual and team performance are evaluated in absolute terms for total return strategies and in terms of excess return compared to the benchmark for those strategies managed against a market benchmark, which comprises the bulk of FFTW's portfolios.

Measurement periods are annual, although salary increases and bonuses are paid at different times of the year. All investment professional's compensation is determined by senior management, upon assessing personal achievement, collective goals and objectives, and overall profitability of FFTW.

*Ownership of Fund Shares.* As of the end of the International Fixed Income Fund's most recently completed fiscal year, FFTW's portfolio managers did not beneficially own any shares of the International Fixed Income Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Fixed Income Fund, FFTW's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles*		Other Accounts*		
	Number	Total Assets	Number	Total Assets	Number	Total Assets	
	of Accounts		of Accounts		of Accounts		
Kevin Corrigan	2	\$ 514,000,000	N/A	N/A	8	\$	842,000,000
	N/A	N/A	N/A	N/A	3	*	\$ 449,000,000 *

\* Accounts listed above are subject to a performance-based advisory fee.

*Conflicts of Interest.* Conflicts of interest of the type that may arise when FFTW serves as an adviser to both the International Fixed income Fund and Other Accounts are minimized at FFTW by FFTW's investment management decision-making process and FFTW's trade allocation policy.

Investment decisions are executed by FFTW Market Specialists, the Investment Strategy Group ("ISG") and the specific portfolio team assigned to a client portfolio. Market Specialists are the first and last steps in the investment decision-making process. In the first step, senior Market Specialists provide input to the ISG regarding specific investment themes relating to each sector of specialization, which include interest rate management, corporate credit, structured credit and foreign exchange. The ISG meets weekly to identify fixed income sectors that offer the highest relative value over a three- to six-month horizon and concludes with definitive positive/negative recommendations for sectors. Each portfolio is assigned a portfolio manager who is responsible for assuring the implementation of the sector biases of the ISG. These sector biases are expressed in terms of risk exposures relative to a benchmark. A Client Portfolio Manager is responsible for setting a portfolio's risk parameters at the portfolio's inception, based upon the portfolio's specific investment guidelines and overall risk preferences, and is responsible for monitoring the portfolio's compliance with such parameters. In the last step, Market Specialists decide when to add or subtract investment exposure within a sub-sector and when to execute buy/sell recommendations for individual securities, all consistent with the recommendations of the ISG. This process ensures that investment decisions for specific portfolios are consistent with FFTW's overall strategy, taking into account the individual portfolio's benchmark, risk parameters and investment guidelines.

In addition, FFTW executes trades on behalf of all similarly managed accounts within a product group on a block basis. Block transactions are allocated fairly and equitably across all participating accounts utilizing an automated, non-preferential proprietary trade execution system that allocates the trades according to each participating portfolio's size and risk profile. The automated allocation system ensures that no managed account is favored with respect to the selection of securities or timing of purchase or sale of securities over another account.

Trade allocation and best execution is monitored and reviewed on a monthly basis as part of the Compliance Monitoring Program, which is carried out independently by FFTW's Risk Oversight Group. This review takes into consideration FFTW's trading procedures and the nature of the fixed income markets. Trade execution prices for a sample of tickets are compared with an independent source. An explanation is sought from the Market Specialist in case of significant variance between the trade execution price and the independent source. A report is issued to senior management on a quarterly basis. Diversions from FFTW's policy to allocate investment opportunities fairly and equitably across all participating accounts would be identified during this review.

## **Fisher**

*Compensation.* SIMC pays Fisher a fee based on the assets under management of the International Equity Fund as set forth in an investment sub-advisory agreement between Fisher and SIMC. Fisher pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned

with respect to the International Equity Fund. The following information relates to the period ended September 30, 2005.

Compensation for Fisher's senior investment professionals may approximately be divided into the following categories:

% of Total Compensation

Base salary <25%

Performance bonus <50%

Equity incentives >50%

The performance based bonus is not calculated in direct relationship to the International Equity Fund's performance returns. The performance based bonus is a discretionary bonus that takes into account assets under management growth, client service, management responsibilities, and product performance.

*Ownership of Fund Shares.* As of the end of the International Equity Fund's most recently completed fiscal year, Fisher's portfolio managers did not beneficially own any shares of the International Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Equity Fund, Fisher's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment				Other Pooled				Other Accounts			
	Companies				Investment Vehicles							
	Number		Total Assets		Number		Total Assets		Number		Total Assets	
	of Accounts			of Accounts				of Accounts				
Kenneth L. Fisher	5	\$ 670,846,784.88		3	\$ 264,229,044.14			20,865	\$ 25,775,483,327.11			
	0	* \$ 0	* \$ 0	0	* \$ 0	* \$ 0		1	* \$ 201,820,322.19	* \$ 201,820,322.19		
Jeffery L. Silk	5	\$ 670,846,784.88		3	\$ 264,229,044.14			20,865	\$ 25,775,483,327.11			
	0	* \$ 0	* \$ 0	0	* \$ 0	* \$ 0		1	* \$ 201,820,322.19	* \$ 201,820,322.19		
Andrew S. Teufel	5	\$ 670,846,784.88		3	\$ 264,229,044.14			20,865	\$ 25,775,483,327.11			
	0	* \$ 0	* \$ 0	0	* \$ 0	* \$ 0		1	* \$ 201,820,322.19	* \$ 201,820,322.19		

\* Accounts listed above are subject to a performance-based advisory fee.

*Conflicts of Interests.* The portfolio managers' management of Other Accounts may give rise to potential conflicts of interest in connection with their management of the International Equity Fund's investments, on the one hand, and the investments of the Other Accounts, on the other. The Other Accounts might have similar investment objectives as the International Equity Fund or hold, purchase, or sell securities that are eligible to be held, purchased, or sold by the International Equity Fund. While the portfolio managers' management of Other Accounts may give rise to the following potential conflicts of interest, Fisher does not believe that the conflicts, if any, are material or, to the extent any such conflicts are material, Fisher believes that it has adopted policies and procedures that are designed to manage those conflicts in an appropriate way.

A potential conflict of interest may arise as a result of the portfolio managers' day-to-day management of the International Equity Fund. Because of their positions with the International Equity Fund, the portfolio managers know the size, timing, and possible market impact of International Equity Fund trades. It is theoretically possible that the portfolio managers could use this information to the advantage of Other Accounts they manage and to the possible detriment of the International Equity Fund. However, Fisher has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time.

A potential conflict of interest may arise as a result of the portfolio managers' management of the International Equity Fund and Other Accounts which, in theory, may allow them to allocate investment opportunities in a way that favors Other Accounts over the International Equity Fund. This conflict of interest may be exacerbated to the extent that Fisher may receive, or expect to receive, greater compensation from their

management of the Other Accounts than the International Equity Fund. Notwithstanding this theoretical conflict of interest, it is Fisher's policy to manage each account based on its investment objectives and related restrictions and, as discussed above, Fisher has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time and in a manner consistent with each account's investment objectives and related restrictions. For example, while the portfolio managers may buy for Other Accounts securities that differ in identity or quantity from securities bought for the International Equity Fund, such an approach might not be suitable for the International Equity Fund given its investment objectives and related restrictions.

**Fuller & Thaler**

*Compensation.* SIMC pays Fuller & Thaler a fee based on the assets under management of the International Equity Fund as set forth in an investment sub-advisory agreement between Fuller & Thaler and SIMC. Fuller & Thaler pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the International Equity Fund. The following information relates to the period ended September 30, 2005.

Investment professionals involved in the management of Fuller & Thaler's international strategies are paid a base salary plus an annual bonus. The annual bonus is allocated based on overall firm performance (asset growth, revenues and relative investment performance) as well as the performance of the portfolio overseen by the professional. Performance is evaluated annually. Fuller & Thaler uses no formula to determine bonus amounts.

*Ownership of Fund Shares.* As of the end of the International Equity Fund's most recently completed fiscal year, Fuller & Thaler's portfolio managers did not beneficially own any shares of the International Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Equity Fund, Fuller & Thaler's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Number of Accounts	Other Pooled Investment Vehicles		Number of Accounts	Other Accounts	
	Number of Accounts	Total Assets		Total Assets	Total Assets			
Joseph Leung	N/A	N/A	2	\$ 56,000,000	6	\$ 376,800,000		

*Conflicts of Interests.* The portfolio managers' management of Other Accounts may give rise to potential conflicts of interest in connection with their management of the International Equity Fund's investments, on the one hand, and the investments of the Other Accounts, on the other. The Other Accounts include several international equity separate accounts and two pooled investment vehicles. The Other Accounts might have similar investment objectives as the International Equity Fund or hold, purchase, or sell securities that are eligible to be held, purchased, or sold by the International Equity Fund. While the portfolio managers' management of Other Accounts may give rise to the following potential conflicts of interest, Fuller & Thaler does not believe that the conflicts, if any, are material or, to the extent any such conflicts are material, Fuller & Thaler believes that it has designed policies and procedures that are designed to manage those conflicts in an appropriate way.

A potential conflict of interest may arise as a result of the portfolio managers' day-to-day management of the International Equity Fund. Because of their positions with the International Equity Fund, the portfolio managers know the size, timing, and possible market impact of International Equity Fund trades. It is theoretically possible that the portfolio managers could use this information to the advantage of Other Accounts they manage and to the possible detriment of the International Equity Fund. However, Fuller & Thaler has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time.

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A potential conflict of interest may arise as a result of the portfolio managers' management of the International Equity Fund and Other Accounts which, in theory, may allow them to allocate investment opportunities in a way that favors Other Accounts over the International Equity Fund. This conflict of interest may be exacerbated to the extent that Fuller and Thaler or the portfolio managers receive, or expect to receive, greater compensation from their management of the Other Accounts than the International Equity Fund. Notwithstanding this theoretical conflict of interest, it is Fuller and Thaler's policy to manage each account based on its investment objectives and related restrictions and, as discussed above, Fuller and Thaler has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time and in a manner consistent with each account's investment objectives and related restrictions. For example, while the portfolio managers may buy for Other Accounts securities that differ in identity or quantity from securities bought for the International Equity Fund, such an approach might not be suitable for the International Equity Fund given its investment objectives and related restrictions.

### **McKinley Capital**

*Compensation.* SIMC pays McKinley Capital a fee based on the assets under management of the International Equity Fund as set forth in an investment sub-advisory agreement between McKinley Capital and SIMC. McKinley Capital pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the International Equity Fund. The following information relates to the period ended September 30, 2005.

Compensation to its investment professionals comes in the form of base salary; cash bonus and incentive stock options. The base salary is determined by years of experience and market rates. The cash bonus and incentive stock option awards are based solely on the discretion of the President & Chief Investment Officer.

*Ownership of Fund Shares.* As of the end of the International Equity Fund's most recently completed fiscal year, McKinley Capital's portfolio managers did not beneficially own any shares of the International Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Equity Fund, McKinley Capital's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets
Portfolio Management Team	7	\$ 1,000,000,000	N/A	N/A	958	\$ 8,600,000,000

*Conflicts of Interests.* The portfolio managers' management of Other Accounts may give rise to potential conflicts of interest in connection with their management of the International Equity Fund's investments, on the one hand, and the investments of the Other Accounts, on the other. The Other Accounts might have similar investment objectives as the International Equity Fund or hold, purchase, or sell securities that are eligible to be held, purchased, or sold by the International Equity Fund. While the portfolio managers' management of Other Accounts may give rise to the following potential conflicts of interest, McKinley Capital does not believe that the conflicts, if any, are material or, to the



extent any such conflicts are material, McKinley Capital believes that it has designed policies and procedures that are designed to manage those conflicts in an appropriate way.

A potential conflict of interest may arise as a result of the portfolio managers' day-to-day management of the International Equity Fund. Because of their positions with the International Equity Fund, the portfolio managers know the size, timing, and possible market impact of the International Equity Fund trades. It is theoretically possible that the portfolio managers could use this information to the advantage of Other Accounts they manage and to the possible detriment of the International Equity Fund. However, McKinley Capital has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time.

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A potential conflict of interest may arise as a result of the portfolio managers' management of the International Equity Fund and Other Accounts which, in theory, may allow them to allocate investment opportunities in a way that favors Other Accounts over the International Equity Fund, which conflict of interest may be exacerbated to the extent that McKinley Capital or the portfolio managers receive, or expect to receive, greater compensation from their management of the Other Accounts than the International Equity Fund.

Notwithstanding this theoretical conflict of interest, it is McKinley Capital's policy to manage each account based on its investment objectives and related restrictions and, as discussed above, McKinley Capital has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time and in a manner consistent with each account's investment objectives and related restrictions. For example, while the portfolio managers may buy for Other Accounts securities that differ in identity or quantity from securities bought for the International Equity Fund, such an approach might not be suitable for the International Equity Fund given its investment objectives and related restrictions.

#### **MSIM Inc. and MSIM Limited**

*Compensation.* SIMC pays MSIM Inc. and MSIM Limited a fee based on the assets under management of the International Equity Fund as set forth in an investment sub-advisory agreement between MSIM Inc., MSIM Limited and SIMC. MSIM Inc. and MSIM Limited pay their investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the International Equity Fund. The following information relates to the period ended September 30, 2005.

Portfolio managers receive a combination of base compensation and discretionary compensation, comprising a cash bonus and several deferred compensation programs described below. The methodology used to determine portfolio manager compensation is applied across all accounts managed by the portfolio manager.

Generally, portfolio managers receive base salary compensation based on the level of their position with MSIM Inc. and MSIM Limited. In addition to base compensation, portfolio managers may receive discretionary compensation. Discretionary compensation can include: (i) a cash bonus; (ii) Morgan Stanley's Equity Incentive Compensation Program (EICP) awards. EICP is a mandatory program that defers a portion of discretionary year-end compensation into restricted stock units or other awards based on Morgan Stanley common stock that are subject to vesting and other conditions; (iii) Investment Management Deferred Compensation Plan (IMDCP) awards. IMDCP is a mandatory program that defers a portion of discretionary year-end compensation and notionally invests it in designated funds advised by the Investment Adviser or its affiliates. The award is subject to vesting and other conditions. Portfolio managers must notionally invest a minimum of 25% to a maximum of 50% of the IMDCP deferral into a combination of the designated funds they manage that are included in the IMDCP fund menu, which may or may not include the International Equity Fund Fund; (iv) Select Employees' Capital Accumulation Program (SECAP) awards. SECAP is a voluntary program that permits employees to elect to defer a portion of their discretionary compensation and notionally invest the deferred amount across a range of designated investment funds, including funds advised by the MSIM Inc. or MSIM Limited or its affiliates; and (v) Voluntary Equity Incentive Compensation Program (VEICP) awards. VEICP is a voluntary program that permits employees to elect to defer a portion of their discretionary compensation to invest in Morgan Stanley stock units.

Several factors determine discretionary compensation, which can vary by portfolio management team and circumstances. In order of relative importance, these factors include:

(i) Investment performance. A portfolio manager's compensation is linked to the pre-tax investment performance of the accounts managed by the portfolio manager. Investment performance is calculated for one-, three- and five-year periods measured against a fund's primary benchmark (as set forth in the fund's prospectus), indices and/or peer groups. Generally, the greatest weight is placed on the three- and five-year periods. (ii) Revenues generated by the investment companies, pooled investment vehicles and other accounts managed by the portfolio manager. (iii) Contribution to the business objectives of MSIM Inc. and MSIM Limited. (iv) The dollar amount of assets managed by the portfolio manager. (v) Market compensation survey

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research by independent third parties. (vi) Other qualitative factors, such as contributions to client objectives. (vii) Performance of Morgan Stanley and Morgan Stanley Investment Management, and the overall performance of the Global Investor Group, a department within Morgan Stanley Investment Management that includes all investment professionals.

Occasionally, to attract new hires or to retain key employees, the total amount of compensation will be guaranteed in advance of the fiscal year end based on current market levels. In limited circumstances, the guarantee may continue for more than one year. The guaranteed compensation is based on the same factors as those comprising overall compensation described above.

*Ownership of Fund Shares.* As of the end of the International Equity Fund's most recently completed fiscal year, MSIM Inc. and MSIM Limited's portfolio managers did not own any shares in the International Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Equity Fund, MSIM Inc. and MSIM Limited's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles*		Other Accounts*	
	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets
P. Dominic Caldecott	6	\$ 10,479,823,370	5	\$ 14,304,359,901	22	\$ 11,453,782,581
Walter Riddell	6	\$ 10,479,823,370	5	\$ 14,304,359,901	22	\$ 11,453,782,581
Peter Wright	6	\$ 10,479,823,370	5	\$ 14,304,359,901	22	\$ 11,453,782,581
William Lcok	6	\$ 10,479,823,370	5	\$ 14,304,359,901	22	\$ 11,453,782,581

*Conflicts of Interests.* Because the portfolio managers manage assets for other investment companies, pooled investment vehicles, and/or Other Accounts (including institutional clients, pension plans and certain high net worth individuals), there may be an incentive to favor one client over another resulting in conflicts of interest. For instance, MSIM Inc. and MSIM Limited may receive fees from certain accounts that are higher than the fee it receives from the International Equity Fund, or it may receive a performance-based fee on certain accounts. In those instances, the portfolio managers may have an incentive to favor the higher and/or performance-based fee accounts over the International Equity Fund. MSIM Inc. and MSIM Limited have adopted trade allocation and other policies and procedures that it believes are reasonably designed to address these and other conflicts of interest.

## QMA

*Compensation.* SIMC pays QMA a fee based on the assets under management of the International Equity Fund as set forth in an investment sub-advisory agreement between QMA and SIMC. QMA pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the International Equity Fund. The following information relates to the period ended September 30, 2005.

Investment professionals are compensated through a combination of base salary, a performance-based annual cash incentive bonus and a long-term incentive grant. The salary component is based on market data relative to similar positions within the industry as well as the past performance, experience and responsibility of the individual.

The size of the annual cash bonus pool is determined quantitatively based on two primary factors: 1) investment performance (pre-tax) of portfolios on a 1-year and 3-year basis relative to appropriate market peer groups or benchmarks, and 2) business results as measured by QMA's pre-tax net income, based on planned and reasonably anticipated expenses. QMA regularly benchmarks its compensation program against leading asset management firms in the industry to monitor competitiveness.

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The long-term incentive grant is generally divided between stock options and restricted stock of Prudential Financial, Inc. (QMA's ultimate parent company). The size of the long-term incentive pool is determined by Prudential Financial based on a percentage of the aggregate compensation of QMA's eligible employees.

Each investment professional's incentive compensation payment including the annual cash bonus and long-term incentive grant is primarily determined by how significantly he/she contributes to delivering investment performance to clients consistent with portfolio objectives, guidelines, and risk parameters, as well as the individual's qualitative contributions to the organization.

Investment professional compensation is not directly linked to the performance of the International Equity Fund or any Other Account.

*Ownership of Fund Shares.* As of the end of the International Equity Fund's most recently completed fiscal year, QMA's portfolio managers did not beneficially own any shares of the International Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the International Equity Fund, QMA's portfolio managers were responsible for the management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles*		Other Accounts*		
	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets	
Margaret S. Stumpp**	8	\$ 2,556,442,988	6	\$ 2,227,214,475	35	\$ 8,544,262,061	
	N/A	N/A	N/A	N/A	5	\$ 783,769,630	*
John Van Belle**	13	\$ 5,754,882,141	8	\$ 2,334,789,320	35	\$ 15,366,725,399	
	N/A	N/A	N/A	N/A	5	\$ 783,769,630	*
Peter Xu**	8	\$ 2,556,442,988	6	\$ 2,227,214,475	34	\$ 8,494,237,687	
	N/A	N/A	N/A	N/A	5	\$ 783,769,630	*
Betty Tong**	8	\$ 2,556,442,988	6	\$ 2,227,214,475	34	\$ 8,494,237,687	
	N/A	N/A	N/A	N/A	5	\$ 783,769,630	*

\* "Other Pooled Investment Vehicles" includes commingled insurance company separate accounts and commingled trust funds. "Other Accounts" includes single client accounts, managed accounts (which are counted as one account per managed account platform) and offshore mutual funds.

\*\* Accounts are managed on a team basis. If a portfolio manager is a member of a team, any account managed by that team is included in the number of accounts and total assets for such portfolio manager (even if such portfolio manager is not primarily involved in the day-to-day management of such account).

*Conflicts of Interests.* QMA is an indirect, wholly-owned subsidiary of Prudential Financial, Inc. and as such is part of a full-scale global financial services organization, affiliated with insurance companies, investment advisers and registered broker/dealers. QMA portfolio managers are often responsible for managing multiple accounts, including accounts of affiliates, insurance company separate accounts, institutional accounts and other pooled investment vehicles. These affiliations and portfolio management responsibilities may cause potential and actual conflicts of interest. QMA aims to conduct itself in a manner it considers to be the most fair and consistent with its fiduciary obligations to all of its clients including the International Equity Fund. Management of multiple accounts and funds side-by-side may raise potential conflicts of interest relating to the allocation of investment opportunities, the aggregation and allocation of trades and cross trading. QMA has developed policies and procedures designed to address these potential conflicts of interest.

There may be restrictions imposed by law, regulation or contract regarding how much, if any, of a particular security QMA may purchase or sell on behalf of the International Equity Fund, and as to the timing of such purchase or sale. QMA may come into possession of material, non-public information with respect to a particular issuer and as a result be unable to execute purchase or sale transactions in securities of such issuer for the International Equity Fund. QMA is able to avoid a variety of potential conflicts due to the possession of material, non-public information by maintaining an "Information Barrier" to prevent the transfer of information between affiliates.

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Certain affiliates of QMA develop and publish credit research that is independent from the research developed within QMA. QMA may hold different opinions on the investment merits of a given security or industry such that QMA may be purchasing or holding a security for the International Equity Fund and an affiliated entity may be selling or recommending a sale of the same security. Conversely, QMA may be selling a security for the International Equity Fund and an affiliated entity may be purchasing or recommending a buy of the same security. In addition, QMA's affiliated brokers or investment advisers may be executing transactions in the market in the same securities as the International Equity Fund at the same time.

With respect to the management of the International Equity Fund, QMA may cause securities transactions to be executed concurrently with authorizations to purchase or sell the same securities for Other Accounts managed by QMA, including proprietary accounts or accounts of affiliates. In these instances, the executions of purchases or sales, where possible, are allocated equitably among the various accounts (including the International Equity Fund).

QMA may buy or sell, or may direct or recommend that another person buy or sell, securities of the same kind or class that are purchased or sold for the International Equity Fund, at a price which may or may not differ from the price of the securities purchased or sold for the International Equity Fund. In addition, QMA may, at any time, execute trades of securities of the same kind or class in one direction for an account and trade in the opposite direction or not trade for any Other Account, including the International Equity Fund, due to differences in investment strategy or client direction.

The fees charged to advisory clients by QMA may differ depending upon a number of factors including, but not limited to, the particular strategy, the size of a portfolio being managed, the relationship with the client, the origination and service requirements and the asset class involved. Fees may also differ based on account type (e.g., commingled accounts, trust accounts, insurance company separate accounts, and corporate, bank or trust-owned life insurance products). Fees are negotiable so one client with similar investment objectives or goals may be paying a higher fee than another client. Fees paid by certain clients may also be higher due to performance-based fees which increase based on the performance of a portfolio above an established benchmark. Also, large clients generate more revenue for QMA than do smaller accounts. A portfolio manager may be faced with a conflict of interest when allocating scarce investment opportunities given the benefit to QMA of favoring accounts that pay a higher fee or generate more income for QMA. To address this conflict of interest, QMA has adopted an allocation policy as well as supervisory procedures that attempt to fairly allocate investment opportunities among competing client accounts.

Conflicts of interest may also arise regarding proxy voting. A committee of senior business representatives together with relevant regulatory personnel oversees the proxy voting process and monitors potential conflicts of interest relating to proxy voting.

In addition, portfolio managers may advise proprietary accounts, affiliates' accounts, and the general account of The Prudential Insurance Company of America ("Prudential's General Account," and together with QMA's proprietary accounts and affiliates' accounts, the "Affiliated Accounts"). QMA portfolio managers may have a financial interest in the accounts they advise, either directly or indirectly. To address potential conflicts of interest, QMA has procedures, including supervisory review procedures, designed to ensure that, including to the extent that client accounts are managed differently from the Affiliated Accounts, each of the client accounts, including the International Equity Fund, and each Affiliated Account, is managed in a manner that is consistent with its investment objectives, investment strategies and restrictions, as well as with QMA's fiduciary obligations.

QMA follows Prudential Financial's policies on business ethics, personal securities trading by investment personnel, and information barriers and has adopted a code of ethics, allocation policies, supervisory procedures and conflicts of interest policies, among other policies and procedures, which are designed to ensure that clients are not harmed by these potential or actual conflicts of interests; however, there is no guarantee that such procedures will detect and ensure avoidance or disclosure of each and every situation in which a conflict may arise.

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## **Rexiter**

*Compensation.* SIMC pays Rexiter a fee based on the assets under management of the Emerging Markets Equity Fund as set forth in an investment sub-advisory agreement between Rexiter and SIMC. Rexiter pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the Emerging Markets Equity Fund. The following information relates to the period ended September 30, 2005.

Rexiter aims to pay top-quartile salaries for Emerging Markets Equity Fund managers. Performance bonuses are related to the profitability of the company and to the overall contribution to investment performance and client service of each individual. Portfolio managers are not compensated directly for the performance of a particular fund (eg. The Emerging Markets Equity Fund). All emerging market accounts are effectively identical and portfolio managers will collectively participate in country asset allocation decisions and will each contribute stock ideas to the portfolio from the countries that they specifically monitor.

*Ownership of Fund Shares.* As of the end of the Emerging Markets Equity Fund's most recently completed fiscal year, Rexiter's portfolio managers did not beneficially own any shares of the Emerging Markets Equity Fund.

*Other Accounts.* As of September 30, 2005, in addition to the Emerging Markets Equity Fund, Rexiter's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment		Other Pooled		Other Accounts		
	Companies		Investment Vehicles				
	Number of Accounts	Total Assets	Number of Accounts	Total Assets	Number of Accounts	Total Assets	
Murray Davey	1	\$ 95,300,000	1	\$ 997,400,000	N/A	N/A	
	N/A	N/A	N/A	N/A	1	*	\$ 609,700,000
Nick Payne	2	\$ 129,000,000	N/A	N/A	2	\$ 155,500,000	
	N/A	N/A	N/A	N/A	1	*	\$ 18,000,000 *

\* Accounts listed above are subject to a performance-based advisory fee.

*Conflicts of Interests.* The portfolio managers' management of Other Accounts may give rise to potential conflicts of interest in connection with their management of the Emerging Markets Equity Fund's investments, on the one hand, and the investments of the Other Accounts, on the other. The Other Accounts might have similar investment objectives as the Emerging Markets Equity Fund or hold, purchase, or sell

securities that are eligible to be held, purchased, or sold by the Emerging Markets Equity Fund. While the portfolio managers' management of Other Accounts may give rise to the following potential conflicts of interest, Rexiter does not believe that the conflicts, if any, are material or, to the extent any such conflicts are material, Rexiter believes that it has designed policies and procedures that are designed to manage those conflicts in an appropriate way.

A potential conflict of interest may arise as a result of the portfolio managers' day-to-day management of the Emerging Markets Equity Fund. Because of their positions with the Emerging Markets Equity Fund, the portfolio managers know the size, timing, and possible market impact of Emerging Markets Equity Fund trades. It is theoretically possible that the portfolio managers could use this information to the advantage of Other Accounts they manage and to the possible detriment of the Emerging Markets Equity Fund. However, Rexiter has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time.

A potential conflict of interest may arise as a result of the portfolio managers' management of the Emerging Markets Equity Fund and Other Accounts which, in theory, may allow them to allocate investment opportunities in a way that favors Other Accounts over the Emerging Markets Equity Fund, which conflict of interest may be exacerbated to the extent that Rexiter or the portfolio managers receive, or expect to receive, greater compensation from their management of the Other Accounts than the Emerging Markets Equity Fund.

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Notwithstanding this theoretical conflict of interest, it is Rexiter's policy to manage each account based on its investment objectives and related restrictions and, as discussed above, Rexiter has adopted policies and procedures reasonably designed to allocate investment opportunities on a fair and equitable basis over time and in a manner consistent with each account's investment objectives and related restrictions. For example, while the portfolio managers may buy for Other Accounts securities that differ in identity or quantity from securities bought for the Emerging Markets Equity Fund, such an approach might not be suitable for the Emerging Markets Equity Fund given its investment objectives and related restrictions.

### **SaBAM**

*Compensation.* SIMC pays SaBAM a fee based on the assets under management of the Emerging Markets Debt Fund as set forth in an investment sub-advisory agreement between SaBAM and SIMC. SaBAM pays its investment professionals out of its total revenues and other resources, including the sub-advisory fees earned with respect to the Emerging Markets Debt Fund. The following information relates to the period ended September 30, 2005.

SaBAM investment professionals receive base salary and other employee benefits and are eligible to receive incentive compensation. Base salary is typically determined based on market factors and the skill and experience of individual investment personnel.

SaBAM has recently implemented an investment management incentive and deferred compensation plan (the "Plan") for its investment professionals, including the Emerging Markets Debt Fund's portfolio managers. Each investment professional works as a part of an investment team. The Plan is designed to align the objectives of SaBAM investment professionals with those of Emerging Markets Debt Fund shareholders and other SaBAM clients. Under the Plan a "base incentive pool" is established for each team each year as a percentage of SaBAM's revenue attributable to the team (largely management and related fees generated by the Emerging Markets Debt Fund and Other Accounts). A team's revenues are typically expected to increase or decrease depending on the effect that the team's investment performance as well as inflows and outflows has on the level of assets in the investment products managed by the team. The "base incentive pool" of a team is reduced by base salaries paid to members of the team and employee benefits expenses attributable to the team.

The investment team's incentive pool is then adjusted to reflect the team's investment performance against the applicable product benchmark (e.g., a securities index) and its ranking among a "peer group" of non-SaBAM investment managers. Longer-term performance will be more heavily weighted than shorter-term performance in the calculation of the performance adjustment factor. The incentive pool for a team may also be adjusted to reflect other factors (e.g., severance pay to departing members of the team, and discretionary allocations by the applicable SaBAM chief investment officer from one investment team to another). The incentive pool will be allocated by the applicable SaBAM chief investment officer to the team leader and, based on the recommendations of the team leader, to the other members of the team.

Up to 40% of an investment professional's annual incentive compensation is subject to deferral. Amounts deferred will accrue a return based on the hypothetical returns of a composite of SaBAM's investment products (where deemed appropriate, approximately half of the deferred amount will accrue a return based on the return of products managed by the applicable investment team). An additional portion of awarded incentive compensation may be received in the form of Citigroup stock or options to purchase common stock. Citigroup may from time to time offer other stock purchase or option programs to investment personnel.

*Ownership of Fund Shares.* As of the end of the Emerging Markets Debt Fund's most recently completed fiscal year, SaBAM's portfolio managers did not beneficially own any shares of the Emerging Markets Debt Fund.

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*Other Accounts.* As of September 30, 2005, in addition to the Emerging Markets Debt Fund, SaBAM's portfolio managers were responsible for the day-to-day management of certain Other Accounts, as follows:

Portfolio Manager	Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
	Number	Total Assets	Number	Total Assets	Number	Total Assets
	of Accounts		of Accounts		of Accounts	
Peter J. Wilby	38	\$ 19,840,000	15	\$ 2,110,000	43	\$ 7,170,000
James E. Craige	28	\$ 13,990,000	11	\$ 1,450,000	40	\$ 6,570,000
Thomas K. Flanagan	28	\$ 13,990,000	11	\$ 1,450,000	40	\$ 6,570,000

*Conflicts of Interests.* Potential conflicts of interest may arise when an Emerging Markets Debt Fund's portfolio manager has day-to-day management responsibilities with respect to one or more Other Accounts, as is the case for the portfolio managers listed in the table above.

SaBAM and the Emerging Markets Debt Fund have adopted compliance policies and procedures that are designed to address various conflicts of interest that may arise for SaBAM and the individuals that it employs. For example, SaBAM seeks to minimize the effects of competing interests for the time and attention of portfolio managers by assigning portfolio managers to manage accounts that share a similar investment style. SaBAM has also adopted trade allocation procedures that are designed to facilitate the fair allocation of limited investment opportunities among multiple accounts. There is no guarantee, however, that the policies and procedures adopted by SaBAM and the Emerging Markets Debt Fund will be able to detect and/or prevent every situation in which an actual or potential conflict may appear. These potential conflicts of interest include

*Allocation of Limited Time and Attention.* A portfolio manager who is responsible for managing multiple accounts may devote unequal time and attention to the management of those accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of those accounts as might be the case if he or she were to devote substantially more attention to the management of a single account. The effects of this potential conflict may be more pronounced where accounts overseen by a particular portfolio manager have different investment strategies.

*Allocation of Limited Investment Opportunities.* If a portfolio manager identifies a limited investment opportunity that may be suitable for multiple accounts, the opportunity may be allocated among these several accounts, which may limit an account's ability to take full advantage of the investment opportunity.

*Pursuit of Differing Strategies.* At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the accounts for which he or she exercises investment responsibility, or may decide that certain of the accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more accounts

which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more Other Accounts.

*Selection of Brokers/Dealers.* Portfolio managers may be able to select or influence the selection of the brokers and dealers that are used to execute securities transactions for the accounts that they supervise. In addition to executing trades, some brokers and dealers provide portfolio managers with brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934), which may result in the payment of higher brokerage fees than might have otherwise be available. These services may be more beneficial to certain accounts than to others. Although the payment of brokerage commissions is subject to the requirement that the portfolio manager determine in good faith that the commissions are reasonable in relation to the value of the brokerage and research services provided to the Emerging Markets Debt Fund, a portfolio manager's decision as to the selection of brokers and dealers could yield disproportionate costs and benefits among the accounts that he or she manages.

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*Variation in Compensation.* A conflict of interest may arise where the financial or other benefits available to the portfolio manager differ among the accounts that he or she manages. If the structure of SaBAM's management fee and/or the portfolio manager's compensation differs among accounts (such as where certain accounts pay higher management fees or performance-based management fees), the portfolio manager might be motivated to help certain accounts over others. The portfolio manager might be motivated to favor accounts in which he or she has an interest or in which SaBAM and/or its affiliates have an interest. Similarly, the desire to maintain or raise assets under management or to enhance the portfolio manager's performance record or to derive other rewards, financial or otherwise, could influence the portfolio manager to lend preferential treatment to those accounts that could most significantly benefit the portfolio manager.

*Related Business Opportunities.* SaBAM or its affiliates may provide more services (such as distribution or recordkeeping) for some types of accounts than for others. In such cases, a portfolio manager may benefit, either directly or indirectly, by devoting disproportionate attention to the management of accounts that provide greater overall returns to SaBAM and its affiliates.

## **DISTRIBUTION, SHAREHOLDER SERVICING AND ADMINISTRATIVE SERVICING**

**Distribution Agreement.** SEI Investments Distribution Co. (the "Distributor") serves as each Fund's distributor. The Distributor is a wholly-owned subsidiary of SEI Investments. The Distributor has its principal business address at One Freedom Valley Drive, Oaks, Pennsylvania 19456.

The Distributor serves as each Fund's distributor pursuant to a distribution agreement (the "Distribution Agreement") with the Trust. The Distribution Agreement shall be reviewed and ratified at least annually: (i) by the Trust's Trustees or by the vote of a majority of the outstanding shares of the Trust; and (ii) by the vote of a majority of the Trustees of the Trust who are not parties to the Distribution Agreement or interested persons (as defined in the 1940 Act) of any party to the Distribution Agreement, cast in person at a meeting called for the purpose of voting on such approval. The Distribution Agreement will terminate in the event of any assignment, as defined in the 1940 Act, and is terminable with respect to a particular Fund on not less than 60 days' notice by the Trust's Trustees, by vote of a majority of the outstanding shares of such Fund or by the Distributor. The Distributor will receive no compensation for the distribution of Fund shares.

**Shareholder and Administrative Servicing Plans.** The Trust has also adopted shareholder servicing plans for its Class A and Class I shares (each a "Shareholder Servicing Plan" and collectively the "Shareholder Servicing Plans"). Under the Shareholder Servicing Plan for Class A shares, the Distributor may perform, or may compensate other service providers for performing, the following shareholder services: maintaining client accounts; arranging for bank wires; responding to client inquiries concerning services provided on investments; assisting clients in changing dividend options, account designations and addresses; sub-accounting; providing information on share positions to clients; forwarding shareholder communications to clients; processing purchase, exchange and redemption orders; and processing dividend payments. Under the Shareholder Servicing Plan for Class I shares, the Distributor may perform, or may compensate other service providers for performing, the following shareholder services: maintaining client accounts; arranging for bank wires; responding to client inquiries concerning services provided on investments; and assisting clients in changing dividend options, account designations and addresses.



The Trust has adopted an administrative servicing plan (the "Administrative Servicing Plan") for its Class I shares. Under the Administrative Servicing Plan, the Distributor may perform, or may compensate other service providers for performing, the following administrative services: providing subaccounting with respect to shares beneficially owned by clients; providing information periodically to clients showing their positions in shares; forwarding shareholder communications from a Fund (such as proxies, shareholder reports, annual and semi-annual financial statements and dividend, distribution and tax notices) to clients; processing purchase, exchange and redemption requests from clients and placing such orders with a Fund or its service providers; processing dividend payments from a Fund on behalf of its clients; and providing such other similar services as a Fund may, through the Distributor, reasonably request to the extent that the service provider is permitted to do so under applicable laws or regulations.

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**Distribution Expenses Incurred by Adviser.** The Funds are sold primarily through independent registered investment advisors, financial planners, bank trust departments and other financial advisors ("Financial Advisors") who provide their clients with advice and services in connection with their investments in the SEI Funds. Funds are typically combined into complete investment portfolios and strategies using asset allocation techniques to serve investor needs. In connection with its distribution activities, SIMC and its affiliates may provide Financial Advisors, without charge, asset allocation models and strategies, custody services, risk assessment tools, and other investment information and services to assist the Financial Advisor in providing advice to investors.

SIMC may hold conferences, seminars and other educational and informational activities for Financial Advisors for the purpose of educating Financial Advisors about the Funds and other investment products offered by SIMC or its affiliates. SIMC may pay for lodging, meals and other similar expenses in connection with such activities. SIMC also may pay expenses associated with joint marketing activities with Financial Advisors, including, without limitation, seminars, conferences, client appreciation dinners, direct market mailings and other marketing activities designed to further the promotion of the Funds. In limited cases, SIMC may make payments to Financial Advisors in connection with their solicitation or referral of investment business, subject to any regulatory requirements for disclosure to and consent from the investor. All such marketing expenses and solicitation payments are paid by SIMC or its affiliates out of its own resources, and are not charged to the Funds.

Although many Financial Advisors may be affiliated with a broker-dealer, SIMC and its affiliates do not make marketing, "shelf space" or other similar payments to such broker-dealers with respect to the Funds. In addition, the Funds do not direct brokerage transactions to such broker-dealers as compensation for the sales of Fund shares.

## TRUSTEES AND OFFICERS OF THE TRUST

**Board Responsibilities.** The management and affairs of the Trust and each of the Funds are supervised by the Trustees under the laws of the Commonwealth of Massachusetts. Each Trustee is responsible for overseeing each of the Funds and each fund of SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Asset Allocation Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust (the "Fund Complex"), which currently consists of XX funds and includes funds not described in this Statement of Additional Information. The Trustees have approved contracts, as described above, under which certain companies provide essential management services to the Trust.

**Members of the Board.** Set forth below are the names, dates of birth, position with the Trust, length of term of office, and the principal occupations for the last five years of each of the persons currently serving as Trustees of the Trust. The business address of each Trustee is SEI Investments Company, One Freedom Valley Drive, Oaks, Pennsylvania 19456.

### Interested Trustees.

**ROBERT A. NESHER** (DOB 08/17/46)-Chairman of the Board of Trustees\* (since 1988)-Currently performs various services on behalf of SEI Investments for which Mr. Neshier is compensated. Director of SEI Global Master Fund plc, SEI Global Assets Fund plc, SEI Global Investments Fund, plc, SEI Investments Global, Limited, SEI Investments-Global Fund Services, Limited, SEI Investments (Europe), Limited, SEI Investments-Unit Trust Management (UK) Limited, SEI Global Nominee Ltd., SEI Multi-Strategy Funds PLC., SEI Absolute Return

Master Fund, L.P., SEI Opportunity Master Fund, L.P., SEI Absolute Return Fund, L.P. and SEI Opportunity Fund, L.P. Trustee of The Advisors' Inner Circle Fund, The Advisors' Inner Circle Fund II, Bishop Street Funds, SEI Asset Allocation Trust, SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

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**WILLIAM M. DORAN** (DOB 05/26/40)-Trustee\* (since 1988)-1701 Market Street, Philadelphia, PA 19103. Self-employed Consultant since 2003. Partner, Morgan, Lewis & Bockius LLP (law firm) from 1976 to 2003, counsel to the Trust, SEI Investments, SIMC, the Administrator and the Distributor. Director of SEI Investments since 1974; Secretary of SEI Investments since 1978. Director of the Distributor since 2003. Director of SEI Investments-Global Fund Services, Limited, SEI Investments Global, Limited, SEI Investments (Europe), Limited, SEI Investments (Asia), Limited and SEI Asset Korea Co. Trustee of The Advisors' Inner Circle Fund, The Advisors' Inner Circle Fund II, SEI Asset Allocation Trust, SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

\* Messrs. Neshier and Doran are Trustees who may be deemed to be "interested" persons of the Funds (as that term is defined in the 1940 Act) by virtue of their relationship with the Trust's Distributor and SIMC.

#### **Independent Trustees.**

**F. WENDELL GOOCH** (DOB 12/03/32)-Trustee (since 1988)-Retired. Trustee of SEI Asset Allocation Trust, SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust, SEI Tax Exempt Trust, STI Classic Funds and STI Classic Variable Trust.

**JAMES M. STOREY** (DOB 04/12/31)-Trustee (since 1995)-Attorney, Solo Practitioner since 1994. Partner, Dechert Price & Rhoads (law firm), September 1987-December 1993. Director of U.S. Charitable Gift Trust. Trustee of The Advisors' Inner Circle Fund, The Advisors' Inner Circle Fund II, Massachusetts Health and Education Tax-Exempt Trust, SEI Asset Allocation Trust, SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

**GEORGE J. SULLIVAN, JR.** (DOB 11/13/42)-Trustee (since 1996)-Self-employed Consultant, Newfound Consultants Inc. since April 1997. Trustee/Director of State Street Navigator Securities Lending Trust, The Advisors' Inner Circle Fund, The Advisors' Inner Circle Fund II, SEI Absolute Return Master Fund, L.P., SEI Opportunity Master Fund, L.P., SEI Absolute Return Fund, L.P., SEI Opportunity Fund, L.P., SEI Asset Allocation Trust, SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

**ROSEMARIE B. GRECO** (DOB 03/31/46)-Trustee (since 1999)-Director, Governor's Office of Health Care Reform, Commonwealth of Pennsylvania, since 2003. Founder and Principal, Grecoventures Ltd., from 1999 to 2002. Director, Sunoco, Inc.; Director, Exelon Corporation. Trustee of Pennsylvania Real Estate Investment Trust, SEI Asset Allocation Trust, SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

**NINA LESAVOY** (DOB 07/24/57)-Trustee (since 2003)-Managing Partner, Cue Capital since March 2002. Managing Partner and Head of Sales, InvestorForce, March 2000-December 2001. Global Partner working for the CEO, Invesco Capital, January 1998-January 2000. Head of Sales and Client Services, Chancellor Capital and later LGT Asset Management, 1986-2000. Trustee of SEI Absolute Return Master Fund, L.P., SEI Opportunity Master Fund, L.P., SEI Absolute Return Fund, L.P., SEI Opportunity Fund, L.P., SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Index Funds, SEI Tax Exempt Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Institutional Investments Trust.

**JAMES M. WILLIAMS** (DOB 10/10/47)-Trustee (since 2004)-Vice President and Chief Investment Officer, J. Paul Getty Trust, Non Profit Foundation for Visual Arts, since December 2002. President, Harbor Capital Advisors and Harbor Mutual Funds, 2000-2002. Manager, Pension Asset Management, Ford Motor Company, 1997-1999. Trustee of SEI Asset Allocation Trust, SEI Index Funds, SEI Daily Income Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

**Board Standing Committees.** The Board has established the following standing committees:

**Audit Committee.** The Board has a standing Audit Committee that is composed of each of the independent Trustees of the Trust. The Audit Committee operates under a written charter approved by the Board. The principal responsibilities of the Audit Committee include: recommending which firm to engage as the Trust's independent auditor and whether to terminate this relationship; reviewing the independent auditor's compensation, the proposed scope and terms of its engagement, and the firm's independence; pre-approving audit and non-audit services provided by the Trust's independent auditor to the Trust and certain other affiliated entities; serving as a channel of communication between the independent auditor and the Trustees; reviewing the results of each external audit, including any qualifications in the independent auditor's opinion, any related management letter, management's responses to recommendations made by the independent auditor in connection with the audit, reports submitted to the Committee by the internal auditing department of the Trust's Administrator that are material to the Trust as a whole, if any, and management's responses to any such reports; reviewing the Trust's audited financial statements and considering any significant disputes between the Trust's management and the independent auditor that arose in connection with the preparation of those financial statements; considering, in consultation with the independent auditor and the Trust's senior internal accounting executive, if any, the independent auditor's report on the adequacy of the Trust's internal financial controls; reviewing, in consultation with the Trust's independent auditor, major changes regarding auditing and accounting principles and practices to be followed when preparing the Trust's financial statements; and other audit related matters. Messrs. Gooch, Storey, Sullivan and Williams, Ms. Greco and Ms. Lesavoy currently serve as members of the Audit Committee. The Audit Committee meets periodically, as necessary, and met X times during the Trust's most recently completed fiscal year.

**Fair Value Pricing Committee.** The Board has a standing Fair Value Pricing Committee that is composed of at least one Trustee and various representatives of the Trust's service providers, as appointed by the Board. The Fair Value Pricing Committee operates under procedures approved by the Board. The principal responsibility of the Fair Value Pricing Committee is to determine the fair value of securities for which current market quotations are not readily available or deemed not eligible. The Fair Value Pricing Committee's determinations are reviewed by the Board. Messrs. Neshier and Sullivan currently serve as the Board's delegates on the Fair Value Pricing Committee. The Fair Value Pricing Committee meets as necessary, and met X times during the Trust's most recently completed fiscal year.

**Nominating Committee.** The Board has a standing Nominating Committee that is composed of each of the independent Trustees of the Trust. The principal responsibilities of the Nominating Committee are to consider, recommend and nominate candidates to fill vacancies on the Trust's Board, if any. The Nominating Committee operates under procedures approved by the Board which provide that the Nominating Committee will consider nominees recommended by shareholders when such recommendations are submitted in writing and addressed to the Nominating Committee at the Trust's address. Messrs. Gooch, Storey, Sullivan and Williams, Ms. Greco and Ms. Lesavoy currently serve as members of the Nominating Committee. The Nominating Committee meets periodically, as necessary, and met X times during the Trust's most recently completed fiscal year.

**Board of Trustees Considerations in Approving the Continuation of Advisory and Sub-Advisory Agreements.** Pursuant to the Advisory Agreement, SIMC oversees the investment advisory services provided to each series of the Trust and may manage the cash portion of the Funds' assets. Pursuant to the Investment Advisory Agreements with SIMC, and under the supervision of SIMC and the Board, the Sub-Advisers are responsible for the day-to-day investment management of all or a discrete portion of the assets of the Funds. The Sub-Advisers also are responsible for managing their employees who provide services to these Funds. The Sub-Advisers are selected based primarily upon the research and recommendations of SIMC, which evaluates quantitatively and qualitatively each Sub-Adviser's skills and investment results in managing assets for specific asset classes, investment styles and strategies.

The 1940 Act requires that the initial approval of, as well as the continuation of, each Fund's Investment Advisory Agreements must be specifically approved: (i) by the vote of the Board of Trustees or by a vote of the shareholders of the Fund; and (ii) by the vote of a majority of the Trustees who are not parties to the Investment Advisory Agreements or "interested persons" of any party (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval. In connection with their consideration of such approvals, the Fund's Trustees must request and evaluate, and SIMC and the Sub-Advisers are required to furnish, such information as may be reasonably necessary to evaluate the terms of the Investment Advisory Agreements. In addition, the SEC takes the position that, as part of their fiduciary duties with respect to a mutual fund's fees, mutual fund boards are required to evaluate the material factors applicable to a decision to approve an Investment Advisory Agreement.

Consistent with these responsibilities, the Trust's Board of Trustees calls and holds meetings each year that are dedicated to considering whether to renew the Investment Advisory Agreements between the Trust and SIMC and SIMC and each of the Sub-Advisers with respect to the Funds of the Trust. In preparation for these meetings, the Board requests and reviews a wide variety of materials provided by SIMC and the Sub-Advisers, including information about SIMC's and the Sub-Advisers' affiliates, personnel and operations. The Board also receives extensive data provided by third parties. This information is in addition to the detailed information about the Funds that the Board reviews during the course of each year, including information that relates to Fund operations and Fund performance. The Trustees also receive a memorandum from Fund counsel and independent counsel to the Independent Trustees regarding the responsibilities of Trustees in connection with their consideration of whether to approve the Trust's Investment Advisory Agreements. Finally, the Independent Trustees receive advice from independent counsel to the Independent Trustees, meet in executive session outside the presence of Fund management and participate in question and answer sessions with representatives of SIMC and the Sub-Advisers.

Specifically, the Board requested and received written materials from SIMC and each Sub-Adviser regarding: (a) the quality of SIMC's and the Sub-Advisers' investment management and other services; (b) SIMC's and the Sub-Advisers' investment management personnel; (c) SIMC's and the Sub-Advisers' operations and financial condition; (d) SIMC's and the Sub-Advisers' brokerage practices (including any soft dollar arrangements) and investment strategies; (e) the level of the advisory fees that SIMC and each Sub-Adviser charges a Fund compared with the fees each charges to comparable mutual funds; (f) a Fund's overall fees and operating expenses compared with similar mutual funds; (g) the level of SIMC's and each Sub-Adviser's profitability from its Fund-related operations; (h) SIMC's and the Sub-Advisers' compliance systems; (i) SIMC's and the Sub-Advisers' policies on and compliance procedures for personal securities transactions; (j) SIMC's and the Sub-Advisers' reputation, expertise and resources in domestic and/or international financial markets; and (k) each Fund's performance compared with similar mutual funds.

At the March 9, 2005, June 23, 2005, and September 21, 2005 meetings of the Board of Trustees, the Trustees, including a majority of the Independent Trustees, approved the Investment Advisory Agreements and approved the selection of SIMC and the Sub-Advisers to act in their respective capacities for the Funds. The Board's approval was based on its consideration and evaluation of a variety of specific factors discussed at the meetings and at prior meetings, including:

the nature, extent and quality of the services provided to the Funds under the Investment Advisory Agreements, including the resources of SIMC and the Sub-Advisers and their affiliates dedicated to the Funds;

each Fund's investment performance and how it compared to that of other comparable mutual funds;

each Fund's expenses under each Investment Advisory Agreement and how those expenses compared to those of other comparable mutual funds;

the profitability of SIMC and the Sub-Advisers and their affiliates with respect to each Fund, including both direct and indirect benefits accruing to SIMC and the Sub-Advisers and their affiliates; and

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the extent to which economies of scale would be realized as the Funds grow and whether fee levels in the Investment Advisory Agreements reflect those economies of scale for the benefit of Fund investors.

*Nature, Extent and Quality of Services.* The Board of Trustees considered the nature, extent and quality of the services provided by SIMC and the Sub-Advisers to the Funds and the resources of SIMC and the Sub-Advisers and their affiliates dedicated to the Funds. In this regard, the Trustees evaluated, among other things, SIMC's and the Sub-Advisers' personnel, experience, track record and compliance program. Following evaluation, the Board concluded that, within the context of its full deliberations, the nature, extent and quality of services provided by SIMC and the Sub-Advisers to the Funds and the resources of SIMC and the Sub-Advisers and their affiliates dedicated to the Funds supported renewal of the Investment Advisory Agreements.

*Fund Performance.* The Board of Trustees considered Fund performance in determining whether to renew the Investment Advisory Agreements. Specifically, the Trustees considered each Fund's performance relative to its peer group and appropriate indices/benchmarks, in light of total return, yield and market trends. As part of this review, the Trustees considered the composition of the peer group and selection criteria. In evaluating performance, the Trustees considered both market risk and shareholder risk expectations for a given Fund. Following evaluation, the Board concluded that, within the context of its full deliberations, the performance of the Funds supported renewal of the Investment Advisory Agreements.

*Fund Expenses.* With respect to the Funds' expenses under the Investment Advisory Agreements, the Trustees considered the rate of compensation called for by the Investment Advisory Agreements and each Fund's net operating expense ratio in comparison to those of other comparable mutual funds. The Trustees also considered information about average expense ratios of comparable mutual funds in each Fund's respective peer group. Finally, the Trustees considered the effects of SIMC's voluntary waiver of management and other fees and the Sub-Advisers' fees to prevent total Fund expenses from exceeding a specified cap and that SIMC and the Sub-Advisers, through waivers, have maintained the Funds' net operating expenses at competitive levels for their respective distribution channels. Following evaluation, the Board concluded that, within the context of its full deliberations, the expenses of the Funds are reasonable and supported renewal of the Investment Advisory Agreements.

*Profitability.* With regard to profitability, the Trustees considered all compensation flowing to SIMC and the Sub-Advisers and their affiliates, directly or indirectly. The Trustees considered whether the varied levels of compensation and profitability under the Investment Advisory Agreements and other service agreements were reasonable and justified in light of the quality of all services rendered to the Funds by SIMC and the Sub-Advisers and their affiliates. Based on this evaluation, the Board concluded that, within the context of its full deliberations, the profitability of SIMC and the Sub-Advisers is reasonable and supported renewal of the Investment Advisory Agreements.

*Economies of Scale.* The Trustees considered the existence of any economies of scale and whether those were passed along to a Fund's shareholders through a graduated investment advisory fee schedule or other means, including any fee waivers by SIMC and its affiliates. Based on this evaluation, the Board concluded that, within the context of its full deliberations, the Funds obtain reasonable benefit from economies of scale.

Based on the Trustees' deliberation and their evaluation of the information described above, the Board, including all of the Independent Trustees, unanimously approved the continuation of the Investment Advisory Agreements and concluded that the compensation under the Investment Advisory Agreements is fair and reasonable in light of such services and expenses and such other matters as the Trustees considered to be relevant in the exercise of their reasonable judgment. In the course of their deliberations, the Trustees did not identify any particular information that was all important or controlling.

**Fund Shares Owned by Board Members.** The following table shows the dollar amount range of each Trustee's "beneficial ownership" of shares of each of the Funds as of the end of the most recently completed calendar year. Dollar amount ranges disclosed are established by the SEC. "Beneficial ownership" is

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determined in accordance with Rule 16a-1(a)(2) under the 1934 Act. The Trustees and officers of the Trust own less than 1% of the outstanding shares of the Trust.

Name	Dollar Range of Fund Shares (Fund)*	Aggregate Dollar
		Range of Shares (Fund Complex)*
<b>Interested</b>		
Mr. Neshor		
Mr. Doran		
<b>Independent</b>		
Mr. Gooch		
Mr. Storey		
Mr. Sullivan		
Ms. Greco		
Ms. Lesavoy		
Mr. Williams		

\* Valuation date is December 31, 2005.

**Board Compensation.** The Trust paid the following fees to the Trustees during its most recently completed fiscal year.

Name	Aggregate Compensation	Pension or Retirement	Estimated Annual Benefits Upon Retirement	Total Compensation From the Trust and Fund Complex
		Benefits Accrued as Part of Fund Expenses	Benefits Upon Retirement	From the Trust and Fund Complex
<b>Interested</b>				
Mr. Neshor	\$	N/A	N/A	\$
Mr. Doran	\$	N/A	N/A	\$
<b>Independent</b>				
Mr. Gooch	\$	N/A	N/A	\$
Mr. Storey	\$	N/A	N/A	\$
Mr. Sullivan	\$	N/A	N/A	\$
Ms. Greco	\$	N/A	N/A	\$
Ms. Lesavoy	\$	N/A	N/A	\$
Mr. Williams	*	*	*	*

\* Mr. Williams was appointed a Trustee as of October 27, 2004.

**Trust Officers.** Set forth below are the names, dates of birth, position with the Trust, length of term of office, and the principal occupations for the last five years of each of the persons currently serving as Executive Officers of the Trust. Unless otherwise noted, the business address of each officer is SEI Investments Company, One Freedom Valley Drive, Oaks, Pennsylvania 19456. None of the officers receive compensation from the Trust for their services.

Certain officers of the Trust also serve as officers to one or more mutual funds to which SEI Investments or its affiliates act as investment adviser, administrator or distributor.

**EDWARD D. LOUGHLIN** (DOB 03/07/51)-President and Chief Executive Officer (since 1988)-Executive Vice President, Enterprise Division of SEI Investments since 1993. Director and President of SIMC since 2004. Chief Executive Officer of the Administrator and

Director of the Distributor since 2003. Executive Vice President of the Administrator, 1994-2003. Executive Vice President of SIMC, 1994-2004.

**TIMOTHY D. BARTO** (DOB 03/28/68)-Vice President and Secretary (since 2002)-Vice President and Assistant Secretary of the Trust, 1999-2002. General Counsel and Secretary of SIMC and the Administrator since 2004. Vice President of SIMC and the Administrator since 1999. Vice President and

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Assistant Secretary of SEI Investments since 2001. Assistant Secretary of SIMC, the Administrator and the Distributor and Vice President of the Distributor, 1999-2003.

**STEPHEN F. PANNER** (DOB 06/08/70)-Controller and Chief Financial Officer (since 2005)-Fund Accounting Director of the Administrator, 2005 to present. Fund Administration Manager, Old Mutual Fund Services, 2000-2005. Chief Financial Officer, Controller and Treasurer, PBHG Funds and PBHG Insurance Series Fund, 2004-2005. Assistant Treasurer, PBHG Funds and PBHG Insurance Series Fund, 2000-2004. Assistant Treasurer, Old Mutual Fund Advisors Fund, 2004-2005.

**JOHN J. MCCUE** (DOB 04/20/63)-Vice President (since 2004)-Director of Portfolio Implementations for SIMC, August 1995 to present. Managing Director of Money Market Investments for SIMC, January 2003 to present.

**THOMAS D. JONES, III** (DOB 03/23/65)-Chief Compliance Officer (since 2004)-Chief Compliance Officer and Assistant Secretary of SIMC since March 2004. First Vice President, Merrill Lynch Investment Managers (Americas), 2003-2004. Director, Merrill Lynch Investment Managers (Americas), 2001-2002. Vice President, Merrill Lynch Investment Management (Americas), 1998-2000.

**SOFIA A. ROSALA** (DOB 02/01/74)-Vice President and Assistant Secretary (since 2004)-Vice President and Assistant Secretary of SIMC and the Administrator since 2005. Compliance Officer of SEI Investments, September 2002-2004. Account and Product Consultant, SEI Private Trust Company, 1998-2001.

**PHILIP T. MASTERSON** (DOB 03/12/64)-Vice President and Assistant Secretary (since 2004)- Vice President and Assistant Secretary of SIMC since 2005. General Counsel, Citco Mutual Fund Services, 2003-2004. Vice President and Associate Counsel, OppenheimerFunds, 2001-2003. Vice President and Assistant Counsel, OppenheimerFunds, 1997-2001.

**JAMES NDIAYE** (DOB 09/11/68)-Vice President and Assistant Secretary (since 2005)-Vice President and Assistant Secretary of SIMC since 2005. Vice President, Deutsche Asset Management, 2003-2004. Associate, Morgan, Lewis & Bockius LLP, 2000-2003. Assistant Vice President, ING Variable Annuity Group, 1999-2000.

**MICHAEL T. PANG** (DOB 07/08/72)-Vice President and Assistant Secretary (since 2005)-Vice President and Assistant Secretary of SIMC since 2005. Counsel, Caledonian Bank & Trust's Mutual Funds Group, 2004. Counsel, Permal Asset Management, 2001-2004. Associate, Schulte, Roth & Zabel's Investment Management Group, 2000-2001. Staff Attorney, U.S. Securities and Exchange Commission's Division of Enforcement, Northeast Regional Office, 1997-2000.

**NICOLE WELCH** (DOB 09/13/77)-Anti-Money Laundering Compliance Officer (since 2005)-Assistant Vice President and Anti-Money Laundering Compliance Coordinator of SEI Investments since 2005. Compliance Analyst, TD Waterhouse, 2004. Senior Compliance Analyst, UBS Financial Services, 2002-2004. Knowledge Management Analyst, PricewaterhouseCoopers Consulting, 2000-2002.

## PROXY VOTING POLICIES AND PROCEDURES

The Funds have delegated proxy voting responsibilities to SIMC, subject to the Board's general oversight. In delegating proxy voting responsibilities, each Fund has directed that proxies be voted consistent with a Fund's best economic interests. SIMC has adopted its own proxy voting policies and guidelines for this purpose (the "Procedures"). As required by applicable regulations, SIMC has provided this

summary of its Procedures concerning proxies voted by SIMC on behalf of each investment advisory client who delegates voting responsibility to SIMC, which includes the Funds (each a "Client"). The Procedures may be changed as necessary to remain current with regulatory requirements and internal policies and procedures.

SIMC votes proxies in the best economic interests of Clients. SIMC has elected to retain an independent proxy voting service (the "Service") to vote proxies for Client accounts, which votes proxies in accordance with Proxy Voting Guidelines (the "Guidelines") approved by SIMC's Proxy Voting Committee (the

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"Committee"). The Guidelines set forth the manner in which SIMC will vote on matters that may come up for shareholder vote. The Service will review each matter on a case-by-case basis, and vote the proxies in accordance with the Guidelines. For example, the Guidelines provide that SIMC will vote in favor of proposals to require shareholder ratification of any poison pill, shareholder proposals that request companies to adopt confidential voting, and for management proposals to do so, and shareholder social, workforce, and environmental proposals that create good corporate citizens while enhancing long-term shareholder value, and will vote against director nominees (or a Board) if it believes that a nominee (or the Board) has not served the economic long-term interests of shareholders.

Prior to voting a proxy, the Service makes available to SIMC its recommendation on how to vote in light of the Guidelines. SIMC retains the authority to overrule the Service's recommendation on any specific proxy proposal and to instruct the Service to vote in a manner determined by the Committee. Before doing so, the Committee will determine whether SIMC may have a material conflict of interest regarding the proposal. If the Committee determines that SIMC has such a material conflict, SIMC shall instruct the Service to vote in accordance with the Service's recommendation unless SIMC, after full disclosure to the Client of the nature of the conflict, obtains the Client's consent to voting in the manner determined by the Committee (or otherwise obtains instructions from the Client as to how to vote on the proposal).

For each proxy, SIMC maintains all related records as required by applicable law. A Client may obtain, without charge, a copy of SIMC's Procedures and Guidelines, or information regarding how the Funds voted proxies relating to portfolio securities during the 12-month period ended June 30, 2005, by calling SIMC at 1-800-DIAL-SEI, by writing to SIMC at One Freedom Valley Drive, Oaks, Pennsylvania 19456, or on the SEC's website at <http://www.sec.gov>.

## **PURCHASE AND REDEMPTION OF SHARES**

Shares of a Fund may be purchased in exchange for securities included in the Fund subject to the Administrator's determination that the securities are acceptable. Securities accepted in an exchange will be valued at the market value. All accrued interest and subscription of other rights which are reflected in the market price of accepted securities at the time of valuation become the property of the Trust and must be delivered by the shareholder to the Trust upon receipt from the issuer. A shareholder may recognize a gain or a loss for federal income tax purposes in making the exchange.

The Administrator will not accept securities for a Fund unless: (1) such securities are appropriate in the Fund at the time of the exchange; (2) such securities are acquired for investment and not for resale; (3) the shareholder represents and agrees that all securities offered to the Trust for the Fund are not subject to any restrictions upon their sale by the Fund under the 1933 Act, or otherwise; (4) such securities are traded on the American Stock Exchange, the NYSE or on NASDAQ in an unrelated transaction with a quoted sales price on the same day the exchange valuation is made or, if not listed on such exchanges or on NASDAQ, have prices available from an independent pricing service approved by the Trust's Board of Trustees; and (5) the securities may be acquired under the investment restrictions applicable to the Fund.

The Trust reserves the right to suspend the right of redemption and/or to postpone the date of payment upon redemption for any period during which trading on the NYSE is restricted, or during the existence of an emergency (as determined by the SEC by rule or regulation) as a result of which disposal or evaluation of the portfolio securities is not reasonably practicable, or for such other periods as the SEC may by order permit. The Trust also reserves the right to suspend sales of shares of the Funds for any period during which the NYSE, the Administrator, the advisers, the Distributor and/or the custodians are not open for business. Currently, the following holidays are observed by the Trust: New



Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

It is currently the Trust's policy to pay for all redemptions in cash. The Trust retains the right, however, to alter this policy to provide for redemptions in whole or in part by a distribution in kind of securities held

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by a Fund in lieu of cash. Shareholders may incur brokerage charges in connection with the sale of such securities. However, a shareholder will at all times be entitled to aggregate cash redemptions from a Fund of the Trust during any 90-day period of up to the lesser of \$250,000 or 1% of the Trust's net assets in cash. A gain or loss for federal income tax purposes would be realized by a shareholder subject to taxation upon an in-kind redemption depending upon the shareholder's basis in the shares of the Fund redeemed.

Fund securities may be traded on foreign markets on days other than a Business Day or the net asset value of a Fund may be computed on days when such foreign markets are closed. In addition, foreign markets may close at times other than 4:00 p.m. Eastern time. As a consequence, the net asset value of a share of a Fund may not reflect all events that may affect the value of the Fund's foreign securities unless the adviser determines that such events materially affect net asset value in which case net asset value will be determined by consideration of other factors.

Certain shareholders in one or more of the Funds may obtain asset allocation services from SIMC and other financial intermediaries with respect to their investments in such Funds. If a sufficient amount of a Fund's assets are subject to such asset allocation services, the Fund may incur higher transaction costs and a higher portfolio turnover rate than would otherwise be anticipated as a result of redemptions and purchases of Fund shares pursuant to such services. Further, to the extent that SIMC is providing asset allocation services and providing investment advice to the Funds, it may face conflicts of interest in fulfilling its responsibilities because of the possible differences between the interests of its asset allocation clients and the interest of the Funds.

*Use of Third-Party Independent Pricing Agents.* The Funds' Pricing and Valuation Procedures provide that any change in a primary pricing agent or a pricing methodology requires prior approval by the Board of Trustees. However, when the change would not materially affect valuation of a Fund's net assets or involve a material departure in pricing methodology from that of the Fund's existing pricing agent or pricing methodology, Board approval may be obtained at the next regularly scheduled Board meeting.

## TAXES

### Qualification as a RIC

The following discussion of federal income tax consequences is based on the Code and the regulations issued thereunder as in effect on the date of this Statement. New legislation, as well as administrative or court decisions, may significantly change the conclusions expressed herein and may have a retroactive effect with respect to the transactions contemplated herein.

In order to qualify for treatment as a regulated investment company ("RIC") under the Code, a Fund must distribute annually to its shareholders at least the sum of 90% of its net interest income excludable from gross income plus 90% of its investment company taxable income (generally, net investment income, including net short-term capital gain) ("Distribution Requirement") and must meet several additional requirements. Among these requirements are the following: (i) at least 90% of a Fund's gross income each taxable year must be derived from dividends, interest, payments with respect to securities loans and gains from the sale or other disposition of stocks or securities or foreign currencies or other income (including gains from forward contracts) derived with respect to its business of investing in stocks, securities and currencies, and net income derived from an interest in a qualified publicly traded partnership ("Income Requirement"); (ii) at the close of each quarter of a Fund's taxable year, at least 50% of the value of its total assets must be represented by cash and cash items, United States Government securities, securities of other RICs and other securities, with such other securities limited, in respect of any one issuer, to an amount that does not exceed 5% of the value of a Fund's total assets and that does not represent more than 10% of the outstanding voting securities of the issuer; and (iii) at the close of each quarter of a Fund's taxable year, not more than 25% of the value of its total assets may be

invested in securities (other than U.S. Government securities or the securities of other RICs) of any one issuer, the securities (other than the securities of other RICs) of two or more issuers engaged in the same, similar, or related trades or businesses if a Fund owns at least 20% of the voting power of such issuers, or the securities of one or more qualified publicly traded partnerships.

Notwithstanding the Distribution Requirement described above, which only requires a Fund to distribute at least 90% of its annual investment company taxable income and does not require any minimum distribution of net capital gain, a Fund will be subject to a nondeductible 4% federal excise tax to the extent it fails to distribute by the end of any calendar year at least 98% of its ordinary income for that year and 98% of its capital gain net income for the one-year period ending on October 31, of that year, plus certain other amounts. Each Fund intends to make sufficient distributions to avoid liability for the federal excise tax applicable to RICs.

If you buy shares when a Fund has realized but not yet distributed income or capital gains, you will be "buying a dividend" by paying the full price for the shares and gains and receiving back a portion of the price in the form of a taxable distribution.

If a Fund's distributions exceed its taxable income and capital gains realized during a taxable year, all or a portion of the distributions made in the same taxable year may be recharacterized as a return of capital to shareholders. A return of capital distribution will generally not be taxable, but will reduce each shareholder's cost basis in a Fund and result in a higher reported capital gain or lower reported capital loss when those shares on which the distribution was received are sold.

The use of hedging strategies, such as entering into forward foreign currency contracts, involves complex rules that will determine for income tax purposes the character and timing of recognition of the income received in connection therewith by a Fund. These complex tax rules also could affect whether gains and losses recognized by a Fund are treated as ordinary income or capital gains, accelerate the recognition of income to a Fund and/or defer to a Fund's ability to recognize losses. Income from foreign currencies, and income from transactions in forward contracts that are directly related to a Fund's business of investing in securities or foreign currencies, will qualify as permissible income under the Income Requirement.

Any gain or loss recognized on a sale, exchange or redemption of shares of a Fund by a shareholder who is not a dealer in securities will generally, for individual shareholders, be treated as a long-term capital gain or loss if the shares have been held for more than twelve months and otherwise will be treated as short-term capital gain or loss. However, if shares on which a shareholder has received a net capital gain distribution are subsequently sold, exchanged or redeemed and such shares have been held for six months or less, any loss recognized will be treated as a long-term capital loss to the extent of the net capital gain distribution. All or a portion of any loss that you realize upon the redemption of a Fund's shares will be disallowed to the extent that you buy other shares in a Fund (through reinvestment of dividends or otherwise) within 30 days before or after your share redemption. Any loss disallowed under these rules will be added to your tax basis in the new shares you buy.

If a Fund fails to qualify as a RIC for any year, all of its taxable income will be subject to tax at regular corporate rates without any deduction for distributions to shareholders, and its distributions (including capital gains distributions) generally will be taxable as ordinary income dividends to its shareholders, subject to the dividends received deduction for corporate shareholders and lower tax rates on qualified dividend income for individual shareholders. The board reserves the right not to maintain the qualification of a Fund as a regulated investment company if it determines such course of action to be beneficial to shareholders.

A Fund will be required in certain cases to withhold at applicable withholding rates and remit to the United States Treasury the amount withheld on amounts payable to any shareholder who (1) has provided a Fund either an incorrect tax identification number or no number at all, (2) who is subject to backup withholding by the Internal Revenue Service for failure to properly report payments of interest or dividends, (3) who has failed to certify to a Fund that such shareholder is not subject to backup withholding, or (4) has not certified that such shareholder is a U.S. person (including a U.S. resident alien).

With respect to investments in STRIPS, TRs, TIGRs, LYONs, CATS and other zero coupon securities which are sold at original issue discount and thus do not make periodic cash interest payments, a Fund will be required to include as part of its current income the imputed interest on such obligations even though a

Fund has not received any interest payments on such obligations during that period. Because each Fund distributes all of its net investment income to its shareholders, a Fund may have to sell Fund securities to distribute such imputed income which may occur at a time when the advisers would not have chosen to sell such securities and which may result in taxable gain or loss.

Because each Fund's income is derived primarily from investments in foreign rather than domestic U.S. securities, no portion of its distributions will generally be eligible for the dividends-received deduction.

Non-U.S. investors in a Fund may be subject to U.S. withholding and estate tax and are encouraged to consult their tax advisor prior to investing in a Fund.

### **State Taxes**

A Fund is not liable for any income or franchise tax in Massachusetts if it qualifies as a RIC for federal income tax purposes. Rules of state and local taxation of dividend and capital gains distributions from RICs often differ from the rules for federal income taxation described above. Many states grant tax-free status to ordinary income distributions that a Fund pays to you which are derived from interest on direct obligations of the U.S. Government. Some states have minimum investment requirements for this tax-free status that must be met by a Fund. Investments in Ginnie Mae or Fannie Mae securities, bankers' acceptances, commercial paper, and repurchase requirements collateralized by U.S. Government securities do not generally qualify for state tax-free treatment. The rules or exclusion of this income are different for corporate shareholders. Depending upon state and local law, distributions by a Fund to shareholders and the ownership of shares may be subject to state and local taxes. Shareholders are urged to consult their tax advisors regarding the state and local tax consequences of investments in a Fund.

### **Foreign Taxes**

Dividends and interest received by a Fund may be subject to income, withholding or other taxes imposed by foreign countries and United States possessions that would reduce the yield on a Fund's securities. Tax conventions between certain countries and the United States may reduce or eliminate these taxes. Foreign countries generally do not impose taxes on capital gains with respect to investments by foreign investors. If more than 50% of the value of a Fund's total assets at the close of its taxable year consists of stock or securities of foreign corporations, a Fund will be eligible to, and will, file an election with the Internal Revenue Service that will enable shareholders, in effect, to receive the benefit of the foreign tax credit with respect to any foreign and United States possessions income taxes paid by a Fund. Pursuant to the election, a Fund will treat those taxes as dividends paid to its shareholders. Each shareholder will be required to include a proportionate share of those taxes in gross income as income received from a foreign source and must treat the amount so included as if the shareholder had paid the foreign tax directly. The shareholder may then either deduct the taxes deemed paid by him or her in computing his or her taxable income or, alternatively, use the foregoing information in calculating the foreign tax credit (subject to significant limitations) against the shareholder's federal income tax. If a Fund makes the election, it will report annually to its shareholders the respective amounts per share of a Fund's income from sources within, and taxes paid to, foreign countries and United States possessions.

Most foreign exchange gains realized on the sale of debt securities are treated as ordinary income by a Fund. Similarly, foreign exchange losses realized by a Fund on the sale of debt securities are generally treated as ordinary losses by a Fund. These gains when distributed will be taxed to you as ordinary dividends, and any losses will reduce a Fund's ordinary income otherwise available for distribution to you. This treatment could increase or reduce a Fund's ordinary income distributions to you, and may cause some or all of a Fund's previously distributed income to be classified as a return of capital.

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## PORTFOLIO TRANSACTIONS

The Trust has no obligation to deal with any dealer or group of brokers or dealers in the execution of transactions in portfolio securities. Subject to policies established by the Trustees, the advisers are responsible for placing orders to execute Fund transactions. In placing brokerage orders, it is the Trust's policy to seek to obtain the best net results taking into account such factors as price (including the applicable dealer spread), size, type and difficulty of the transaction involved, the firm's general execution and operational facilities, and the firm's risk in positioning the securities involved. While the advisers generally seek reasonably competitive spreads or commissions, the Trust will not necessarily be paying the lowest spread or commission available. The Trust will not purchase portfolio securities from any affiliated person acting as principal except in conformity with the regulations of the SEC.

The Trust does not expect to use one particular broker or dealer, and when one or more brokers is believed capable of providing the best combination of price and execution, the Fund's advisers may cause the Trust to select a broker based upon brokerage or research services provided to the advisers. The advisers may pay a higher commission than otherwise obtainable from other brokers in return for such services only if a good faith determination is made that the commission is reasonable in relation to the services provided.

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") permits the advisers, under certain circumstances, to cause a Fund to pay a broker or dealer a commission for effecting a transaction in excess of the amount of commission another broker or dealer would have charged for effecting the transaction in recognition of the value of brokerage and research services provided by the broker or dealer. Brokerage and research services include: (1) furnishing advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (3) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). In the case of research services, the advisers believe that access to independent investment research is beneficial to their investment decision-making processes and, therefore, to the Fund. In addition to agency transactions, the advisers may receive brokerage and research services in connection with certain riskless transactions, in accordance with applicable SEC guidelines.

To the extent research services may be a factor in selecting brokers, such services may be in written form or through direct contact with individuals and may include information as to particular companies and securities as well as market, economic, or institutional areas and information which assists in the valuation and pricing of investments. Examples of research-oriented services for which the advisers might utilize Fund commissions include research reports and other information on the economy, industries, sectors, groups of securities, individual companies, statistical information, political developments, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance and other analysis. The advisers may use research services furnished by brokers in servicing all client accounts and not all services may necessarily be used in connection with the account that paid commissions to the broker providing such services. Information so received by the advisers will be in addition to and not in lieu of the services required to be performed by the Funds' advisers under the Investment Advisory Agreements. Any advisory or other fees paid to the advisers are not reduced as a result of the receipt of research services.

In some cases an adviser may receive a service from a broker that has both a "research" and a "non-research" use. When this occurs, the adviser makes a good faith allocation, under all the circumstances, between the research and non-research uses of the service. The percentage of the service that is used for research purposes may be paid for with client commissions, while the adviser will use its own funds to pay for the percentage of the service that is used for non-research purposes. In making this good faith allocation, the adviser faces a potential conflict of interest, but the adviser believes that its allocation procedures are reasonably designed to ensure that it appropriately allocates the anticipated use of such services to their research and non-research uses.

From time to time, a Fund may purchase new issues of securities for clients in a fixed price offering. In these situations, the seller may be a member of the selling group that will, in addition to selling securities, provide the advisers with research services. The NASD has adopted rules expressly permitting these types of arrangements under certain circumstances. Generally, the seller will provide research "credits" in these situations at a rate that is higher than that which is available for typical secondary market transactions. These arrangements may not fall within the safe harbor of Section 28(e).

SIMC and the various firms that serve as Sub-Advisers to certain Funds of the Trust, in the exercise of joint investment discretion over the assets of a Fund, may execute a substantial portion of a Fund's portfolio transactions through a commission recapture program that SIMC has arranged with the Distributor (the "Program"). SIMC then requests, but does not require, that certain Sub-Advisers execute a portion of a Fund's portfolio transactions through the Program. Under the Program, the Distributor receives a commission, in its capacity as an introducing broker, on Fund portfolio transactions. The Distributor then returns to a Fund a portion of the commissions earned on the portfolio transactions, and such payments are used by the Fund to pay fund operating expenses. Sub-advisers are authorized to execute trades pursuant to the Program; provided that, the Sub-Adviser determines that such trading is consistent with its duty to seek best execution on Fund portfolio transactions. As disclosed in the Trust's prospectuses, SIMC in many cases voluntarily waives fees that it is entitled to receive for providing services to a Fund and/or reimburses expenses of a Fund in order to maintain the Fund's total operating expenses at or below a specified level. In such cases, the portion of commissions returned to a Fund under the Program will generally be used to pay Fund expenses that may otherwise have been voluntarily waived or reimbursed by SIMC or its affiliates, thereby increasing the portion of the Fund fees that SIMC and its affiliates are able to receive and retain. In cases where SIMC and its affiliates are not voluntarily waiving Fund fees or reimbursing expenses, then the portion of commissions returned to a Fund under the Program will directly decrease the overall amount of operating expenses of the Fund borne by shareholders.

SIMC also from time to time executes trades with the Distributor, again acting as introducing broker, in connection with the transition of the securities and other assets included in a Fund's portfolio when there is a change in Sub-Advisers in the Fund or a reallocation of assets among the Fund's Sub-Advisers. An unaffiliated third-party broker selected by SIMC or the relevant Sub-Adviser provides execution and clearing services with respect to such trades, and is compensated for such services out of the commission paid to the Distributor on the trades. All such transactions effected using the Distributor as introducing broker must be accomplished in a manner that is consistent with the Trust's policy to achieve best net results, and must comply with the Trust's procedures regarding the execution of Fund transactions through affiliated brokers. The Funds do not direct brokerage to brokers in recognition of, or as compensation for, the promotion or sale of Fund shares.

For the fiscal years ended September 30, 2003, 2004, and 2005, the Funds paid the following brokerage fees:

Fund	Total \$ Amount of Brokerage Commission Paid (000)			Total \$ Amount of Brokerage Commissions Paid to Affiliates (000)			% of Total Brokerage Commissions Paid to Affiliates			% Total Brokered Transactions Effected Through Affiliates		
	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
International Equity Fund	\$ 4,896	\$ 3,989	\$ X X	\$ 372	\$ 0	\$ X X	8 %	0 %	X%	7 %	3 %	X%
Emerging Markets Equity Fund	\$ 2,928	\$ 4,558	\$ X X	\$ 301	\$ 0	\$ X X	10 %	0 %	X%	10 %	3 %	X%
International Fixed Income Fund	\$ 0	\$ 0	\$ X X	\$ 0	\$ 0	\$ X X	0 %	0 %	X%	9 %	0 %	X%
Emerging Markets Debt Fund	\$ 0	\$ 0	\$ X X	\$ 0	\$ 0	\$ X X	0 %	0 %	X%	9 %	0 %	X%

Tax-Managed  
International  
Equity  
Fund

\* \* \* \* \*

\* Not in operation during such period.

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The portfolio turnover rates for the International Equity, Emerging Markets Equity and Emerging Markets Debt Funds for the fiscal years ended September 30, 2004 and 2005, were as follows:

Fund	Turnover Rate	
	2004	2005
International Equity Fund	44 %	XX%
Emerging Markets Equity Fund	88 %	XX%
Emerging Markets Debt Fund	77 %	XX%

[For the International Equity Fund, the change in portfolio turnover rate was attributable to the fact that the Fund did not experience any sub-adviser turnover in the most recent fiscal year, whereas during the previous fiscal year, the Fund had experienced sub-adviser turnover. For the Emerging Markets Equity Fund, the change in portfolio turnover rate was attributable to sub-adviser turnover, the addition of a new sub-adviser and new subscription and redemption activity in the Fund. For the Emerging Markets Debt Fund, the change in portfolio turnover rate was attributable to a significant level of shareholder activity (mostly subscription) in the Fund and increased transactions by the Fund's sub-advisers due to the presentation of greater trading opportunities.]

The Trust is required to identify any securities of its "regular broker dealers" (as such term is defined in the 1940 Act) which the Trust has acquired during its most recent fiscal year. As of September 30, 2005, the Trust held securities from the following issuers:

Fund	Type of Security	Name of Issuer	Amount (000)
International Equity Fund			
Emerging Markets Equity Fund			
International Fixed Income Fund			
Emerging Markets Debt Fund			

### DISCLOSURE OF PORTFOLIO HOLDINGS INFORMATION

The Funds' portfolio holdings can be obtained on the Internet at the following address: [http://www.seic.com/holdings\\_home.asp](http://www.seic.com/holdings_home.asp) (the "Portfolio Holdings Website"). The Funds' Board has approved a policy that provides that portfolio holdings may not be made available to any

third party until after such information has been posted on the Portfolio Holdings Website, with limited exceptions noted below. This policy effectively addresses conflicts of interest and controls the use of portfolio holdings information by making such information available to all investors on an equal basis.

Ten calendar days after each month end, a list of the top ten portfolio holdings in each Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Thirty calendar days after the

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end of each month, a list of all portfolio holdings in each Fund as of the end of such month shall be made available on the Portfolio Holdings Website. Beginning on the day after any portfolio holdings information is posted on the Portfolio Holdings Website, such information will be delivered directly to any person that requests it, through electronic or other means. The portfolio holdings information placed on the Portfolio Holdings Website shall remain there until the first business day of the fifth month after the date to which the data relates, at which time it will be permanently removed from the site.

Portfolio holdings information may be provided to independent third-party reporting services (e.g., Lipper or Morningstar), but will be delivered no earlier than the date such information is posted on the Portfolio Holdings Website, unless the reporting service executes a confidentiality agreement with the Trust that is satisfactory to the Trust's officers and that provides that the reporting service will not trade on the information. The Funds currently have no arrangements to provide portfolio holdings information to any third-party reporting services prior to the availability of such holdings on the Portfolio Holdings Website.

Portfolio holdings information may also be provided at any time (and as frequently as daily) to the Funds' Trustees, SIMC, the Sub-Advisers, the Distributor, the Administrator, the custodian, the independent proxy voting service retained by SIMC, the Funds' third-party independent pricing agents and the Fund's independent registered public accounting firm, as well as to state and federal regulators and government agencies, and as otherwise requested by law or judicial process. Service providers will be subject to a duty of confidentiality with respect to any portfolio holdings information, whether imposed by the provisions of the service provider's contract with the Trust or by the nature of its relationship with the Trust. Portfolio holdings of a Fund may also be provided to a prospective service provider for that Fund, so long as the prospective service provider executes a confidentiality agreement with the Fund in such form as deemed acceptable by an officer of the Fund. The Board exercises on-going oversight of the disclosure of Fund portfolio holdings by overseeing the implementation and enforcement of the Funds' policies and procedures by the Chief Compliance Officer and by considering reports and recommendations by the Chief Compliance Officer concerning any material compliance matters.

Neither the Funds, SIMC, nor any other service provider to the Funds may receive compensation or other consideration for providing portfolio holdings information.

The Funds file a complete schedule of their portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' N-Q is available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operations of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

## DESCRIPTION OF SHARES

The Declaration of Trust authorizes the issuance of an unlimited number of shares of each Fund, each of which represents an equal proportionate interest in that Fund. Each share upon liquidation entitles a shareholder to a *pro rata* share in the net assets of that Fund. Shareholders have no preemptive rights. The Declaration of Trust provides that the Trustees of the Trust may create additional portfolios of shares or classes of portfolios. Share certificates representing the shares will not be issued.

## LIMITATION OF TRUSTEES' LIABILITY

The Declaration of Trust provides that a Trustee shall be liable only for his own willful defaults and, if reasonable care has been exercised in the selection of officers, agents, employees or administrators, shall not be liable for any neglect or wrongdoing of any such person. The

Declaration of Trust also provides that the Trust will indemnify its Trustees and officers against liabilities and expenses incurred in connection with actual or threatened litigation in which they may be involved because of their offices with the Trust unless it is determined in the manner provided in the Declaration of Trust that they have not acted in good faith in the reasonable belief that their actions were in the best interests of the Trust. However, nothing in the Declaration of Trust shall protect or indemnify a Trustee against any liability for his willful misfeasance, bad faith, gross negligence or reckless disregard of his duties.

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### **CODES OF ETHICS**

The Board of Trustees of the Trust has adopted a Code of Ethics pursuant to Rule 17j-1 under the 1940 Act. In addition, and the Distributor have adopted Codes of Ethics pursuant to Rule 17j-1. These Codes of Ethics apply to the personal investing activities of trustees, officers and certain employees ("access persons"). Rule 17j-1 and the Codes are reasonably designed to prevent unlawful practices in connection with the purchase or sale of securities by access persons. Under each Code of Ethics, access persons are permitted to engage in personal securities transactions, but are required to report their personal securities transactions for monitoring purposes. In addition, certain access persons are required to obtain approval before investing in initial public offerings or private placements or are prohibited from making such investments. Copies of these Codes of Ethics are on file with SEC, and are available to the public.

### **VOTING**

Each share held entitles the shareholder of record to one vote. Shareholders of each Fund or class will vote separately on matters pertaining solely to that Fund or class, such as any distribution plan. As a Massachusetts business trust, the Trust is not required to hold annual meetings of shareholders, but approval will be sought for certain changes in the operation of the Trust and for the election of Trustees under certain circumstances. In addition, a Trustee may be removed by the remaining Trustees or by shareholders at a special meeting called upon written request of shareholders owning at least 10% of the outstanding shares of the Trust. In the event that such a meeting is requested, the Trust will provide appropriate assistance and information to the shareholders requesting the meeting.

Where the Prospectuses for the Funds or Statement of Additional Information state that an investment limitation or a fundamental policy may not be changed without shareholder approval, such approval means the vote of: (i) 67% or more of a Fund's shares present at a meeting if the holders of more than 50% of the outstanding shares of the Fund are present or represented by proxy; or (ii) more than 50% of a Fund's outstanding shares, whichever is less.

### **SHAREHOLDER LIABILITY**

The Trust is an entity of the type commonly known as a "Massachusetts business trust." Under Massachusetts law, shareholders of such a Trust could, under certain circumstances, be held personally liable as partners for the obligations of the Trust. Even if, however, the Trust were held to be a partnership, the possibility of the shareholders incurring financial loss for that reason appears remote because the Trust's Declaration of Trust contains an express disclaimer of shareholder liability for obligations of the Trust and requires that notice of such disclaimer be given in each agreement, obligation or instrument entered into or executed by or on behalf of the Trust or the Trustees, and because the Declaration of Trust provides for indemnification out of the Trust property for any shareholders held personally liable for the obligations of the Trust.

### **CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES**

As of January X, 2006, the following persons were the only persons who were record owners (or to the knowledge of the Trust, beneficial owners) of 5% or more of the shares of the Funds. Persons who owned of record or beneficially more than 25% of a Fund's outstanding shares may be deemed to control the Fund within the meaning of the 1940 Act. The Trust believes that most of the shares referred to below were held

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by the below persons in accounts for their fiduciary, agency or custodial customers. As of January 31, 2006, the Tax-Managed International Equity Fund had not commenced operations.

<b>Name and Address</b>	<b>Number of Shares</b>	<b>Percent of Funds</b>
<b>International Equity Fund, Class A</b>		
<b>International Equity Fund, Class I</b>		
<b>International Fixed Income Fund, Class A</b>		
<b>Emerging Markets Equity Fund, Class A</b>		
<b>Emerging Markets Debt Fund, Class A</b>		

### **EXPERTS**

The financial statements incorporated by reference into this Statement of Additional Information have been audited by [ ], an independent registered public accounting firm, as indicated in their report dated [ ] and are included herein in reliance upon the authority of said firm as experts in auditing and accounting and in giving said report. [ ] is located at [ ].

### **CUSTODIAN**

Brown Brothers Harriman & Co., 40 Water Street, Boston, Massachusetts 02109-3661, serves as custodian for the assets of the Funds (the "Custodian"). The Custodian holds cash, securities and other assets of the Trust as required by the 1940 Act. Wachovia Bank, N.A., (formerly, First Union National Bank), Institutional Custody Group-PA 4942, 123 S. Broad Street, Philadelphia, Pennsylvania 19109, acts as wire agent of the Trust's assets.

### **LEGAL COUNSEL**

Morgan, Lewis & Bockius LLP serves as counsel to the Trust.

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## **APPENDIX A-DESCRIPTION OF RATINGS**

### **DESCRIPTION OF CORPORATE BOND RATINGS**

#### **MOODY'S RATING DEFINITIONS**

#### **LONG-TERM RATINGS**

**Aaa** Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

**Aa** Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or

fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.

**A** Bonds which are rated A possess many favorable investment attributes and are to be considered as upper-medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

**Baa** Bonds which are rated Baa are considered as medium-grade obligations (*i.e.*, they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

**Ba** Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

**B** Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

**Caa** Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

**Ca** Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

**C** Bonds which are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Moody's bond ratings, where specified, are applied to senior bank obligations and insurance company senior policyholder and claims obligations with an original maturity in excess of one year. Obligations relying upon support mechanisms such as letters-of-credit and bonds of indemnity are excluded unless explicitly rated.

Obligations of a branch of a bank are considered to be domiciled in the country in which the branch is located. Unless noted as an exception, Moody's rating on a bank's ability to repay senior obligations extends only to branches located in countries which carry a Moody's sovereign rating. Such branch obligations are rated at the lower of the bank's rating or Moody's sovereign rating for the bank deposits for the country in which the branch is located.

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When the currency in which an obligation is denominated is not the same as the currency of the country in which the obligation is domiciled, Moody's ratings do not incorporate an opinion as to whether payment of the obligation will be affected by the actions of the government controlling the currency of denomination. In addition, risk associated with bilateral conflicts between an investor's home country and either the issuer's home country or the country where an issuer branch is located are not incorporated into Moody's ratings.

Moody's makes no representation that rated bank obligations or insurance company obligations are exempt from registration under the 1933 Act or issued in conformity with any other applicable law or regulation. Nor does Moody's represent that any specific bank or insurance company obligation is legally enforceable or is a valid senior obligation of a rated issuer.

Moody's ratings are opinions, not recommendations to buy or sell, and their accuracy is not guaranteed. A rating should be weighed solely as one factor in an investment decision and you should make your own study and evaluation of any issuer whose securities or debt obligations you consider buying or selling.

Note: Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

## STANDARD & POOR'S RATING DEFINITIONS

A Standard & Poor's corporate or municipal debt rating is a current assessment of the creditworthiness of an obligor with respect to a specific obligation. This assessment may take into consideration obligors such as guarantors, insurers, or lessees.

The debt rating is not a recommendation to purchase, sell, or hold a security, as it does not comment on market price or suitability for a particular investor.

The ratings are based, in varying degrees, on the following considerations:

(1) Likelihood of default. The rating assesses the obligor's capacity and willingness as to timely payment of interest and repayment of principal in accordance with the terms of the obligation.

(2) The obligation's nature and provisions.

(3) Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

Likelihood of default is indicated by an issuer's senior debt rating. If senior debt is not rated, as implied senior debt rating is determined. Subordinated debt usually is rated lower than senior debt to better reflect relative position of the obligation in bankruptcy. Unsecured debt, where significant secured debt exists, is treated similarly to subordinated debt.

## LONG-TERM RATINGS

### Investment Grade

**AAA** Debt rated "AAA" has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

**AA** Debt rated "AA" has a very strong capacity to pay interest and repay principal and differs from the highest rated debt only in small degree.

**A** Debt rated "A" has a strong capacity to pay interest and repay principal, although it is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories.

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**BBB** Debt rated "BBB" is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

### Speculative Grade

Debt rated "BB", "B", "CCC", "CC", and "C" is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. "BB" indicates the least degree of speculation and "C" the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

**BB** Debt rated "BB" has less near-term vulnerability to default than other speculative grade debt. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to inadequate capacity to meet timely interest and principal payments. The "BB" rating category is also used for debt subordinated to senior debt that is assigned an actual or implied "BBB-" rating.

**B** Debt rate "B" has greater vulnerability to default but presently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions would likely impair capacity or willingness to pay interest and repay principal. The "B" rating category also is used for debt subordinated to senior debt that is assigned an actual or implied "BB" or "BB-" rating.

**CCC** Debt rated "CCC" has a current identifiable vulnerability to default, and is dependent on favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal. The "CCC" rating category also is used for debt subordinated to senior debt that is assigned an actual or implied "B" or "B-" rating.

**CC** The rating "CC" is typically applied to debt subordinated to senior debt which is assigned an actual or implied "CCC" rating.

**C** The rating "C" is typically applied to debt subordinated to senior debt which is assigned an actual or implied "CCC-" debt rating. The "C" rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

**D** Debt is rated "D" when the issue is in payment default, or the obligor has filed for bankruptcy. The "D" rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period.

Plus (+) or minus (-): The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

**pr** The letters "pr" indicate that the rating is provisional. A provisional rating assumes the successful completion of the project financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of such completion. The investor should exercise his own judgement with respect to such likelihood and risk.

**L** The letter "L" indicates that the rating pertains to the principal amount of those bonds to the extent that the underlying deposit collateral is federally insured, and interest is adequately collateralized. In the case of certificates of deposit, the letter "L" indicates that the deposit, combined with other deposits being held in the same right and capacity, will be honored for principal and pre-default

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interest up to federal insurance limits within 30 days after closing of the insured institution or, in the event that the deposit is assumed by a successor insured institution, upon maturity.

\*Continuance of the rating is contingent upon S&P's receipt of an executed copy of the escrow agreement or closing documentation confirming investments and cash flows.

**N.R.** Not rated.

**Debt obligations of issuers outside the United States and its territories** are rated on the same basis as domestic corporate and municipal issues. The ratings measure the creditworthiness of the obligor but do not take into account currency exchange and related uncertainties.

If an issuer's actual or implied senior debt rating is "AAA", its subordinated or junior debt is rated "AAA" or "AA+", If an issuer's actual or implied senior debt rating is lower than "AAA" but higher than "BB+", its junior debt is typically rated one designation lower than the senior debt rating. For example, if the senior debt rating is "A", subordinated debt normally would be rated "A-". If an issuer's actual or implied senior debt rating is "BB+" or lower, its subordinated debt is typically rated two designations lower than the senior debt rating.

### **Investment and Speculative Grades**

The term "investment grade" was originally used by various regulatory bodies to connote obligations eligible for investment by institutions such as banks, insurance companies, and savings and loan associations. Over time, this term gained widespread usage throughout the investment community. Issues rated in the four highest categories, "AAA", "AA", "A", "BBB", generally are recognized as being investment grade. Debt rated "BB" or below generally is referred to as speculative grade. The term "junk bond" is merely a more irreverent expression for this category of more risky debt. Neither term indicates which securities S&P deems worthy of investment, as an investor with a particular risk preference may appropriately invest in securities that are not investment grade.

Ratings continue as a factor in many regulations, both in the U.S. and abroad, notably in Japan. For example, the SEC requires investment-grade status in order to register debt on Form-3, which, in turn, is how one offers debt via a Rule 415 shelf registration. The Federal Reserve Board allows members of the Federal Reserve System to invest in securities rated in the four highest categories, just as the Federal Home Loan Bank System permits federally chartered savings and loan associations to invest in corporate debt with those ratings, and the Department of Labor allows pension funds to invest in commercial paper rated in one of the three highest categories. In similar fashion, California regulates investments of municipalities and county treasurers, Illinois limits collateral acceptable for public deposits, and Vermont restricts investments of insurers and banks. The New York and Philadelphia Stock Exchanges fix margin requirements for mortgage securities depending on their rating, and the securities haircut for commercial paper, debt securities, and preferred stock that determines net capital requirements is also a function of the ratings assigned.

## **FITCH'S RATINGS DEFINITIONS**

### **LONG-TERM RATINGS**

#### **Investment Grade**

**AAA** Highest credit quality. "AAA" ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

**AA** Very high credit quality. "AA" ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

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**A** High credit quality. "A" ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

**BBB** Good credit quality. "BBB" ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment-grade category.

#### **Speculative Grade**

**BB** Speculative. "BB" ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

**B** Highly speculative. "B" ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.

**CCC, CC, C** High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. A "CC" rating indicates that default of some kind appears probable. "C" ratings signal imminent default.

**DDD, DD, D** Default. The ratings of obligations in this category are based on their prospects for achieving partial or full recovery in a reorganization or liquidation of the obligor. While expected recovery values are highly speculative and cannot be estimated with any precision, the following serve as general guidelines. "DDD" obligations have the highest potential for recovery, around 90%- 100% of outstanding amounts and accrued interest. "DD" indicates potential recoveries in the range of 50%-90%, and "D" the lowest recovery potential, *i.e.*, below 50%.

Entities rated in this category have defaulted on some or all of their obligations. Entities rated "DDD" have the highest prospect for resumption of performance or continued operation with or without a formal reorganization process. Entities rated "DD" and "D" are generally undergoing a formal reorganization or liquidation process; those rated "DD" are likely to satisfy a higher portion of their outstanding obligations, while entities rated "D" have a poor prospect for repaying all obligations.

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**SHORT-TERM DEBT RATINGS** (may be assigned, for example, to commercial paper, master demand notes, bank instruments, and letters of credit).

#### **MOODY'S DESCRIPTION OF ITS THREE HIGHEST SHORT-TERM DEBT RATINGS**

**PRIME-1** Issuers rated Prime-1 (or supporting institutions) have a superior capacity for repayment of senior short-term promissory obligations. Prime-1 repayment capacity will normally be evidenced by many of the following characteristics:

Leading market positions in well-established industries.

High rates of return on funds employed.

Conservative capitalization structures with moderate reliance on debt and ample asset protection.

Broad margins in earnings coverage of fixed financial charges and high internal cash generation.

Well-established access to a range of financial markets and assured sources of alternate liquidity.

**PRIME-2** Issuers rated Prime-2 (or supporting institutions) have a strong capacity for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree. Earnings trends and coverage ratios, while sound, may be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

**PRIME-3** Issuers rated Prime-3 (or supporting institutions) have an acceptable ability for repayment of senior short-term obligations. The effect of industry characteristics and market compositions may be more pronounced. Variability in earnings and profitability may result in

changes in the level of debt protection measurements and may require relatively high financial leverage. Adequate alternate liquidity is maintained.

### **S&P'S DESCRIPTION OF ITS THREE HIGHEST SHORT-TERM DEBT RATINGS**

A-1 This designation indicates that the degree of safety regarding timely payment is strong. Those issues determined to have extremely strong safety characteristics are denoted with a plus sign (+).

A-2 Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated "A-1."

A-3 Issues carrying this designation have adequate capacity for timely payment. They are, however, more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

### **FITCH'S DESCRIPTION OF ITS THREE HIGHEST SHORT-TERM DEBT RATINGS**

F1 Highest credit quality. Indicates the best capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.

F3 Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near term adverse changes could result in a reduction to non-investment grade.

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## **PART C. OTHER INFORMATION**

### **Item 23. Exhibits:**

- (a) Agreement and Declaration of Trust dated June 28, 1988 as originally filed with Registrant's Registration Statement on Form N-1A (File No. 33-22821) filed with the Securities and Exchange Commission ("SEC") on June 30, 1988, is herein incorporated by reference to Exhibit 1 of Post-Effective Amendment No. 23, filed with the SEC on June 23, 1997.
- (a)(2) Amendment to Agreement and Declaration of Trust, dated August 9, 1989, is herein incorporated by reference to Exhibit (a)(2) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (a)(3) Amendment to Agreement and Declaration of Trust, dated April 29, 1998, is herein incorporated by reference to Exhibit (a)(3) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (b)(1) Amended By-Laws dated June 17, 2004 are herein incorporated by reference to Exhibit (b)(1) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
- (c) Not Applicable
- (d)(1) Investment Advisory Agreement between Registrant and SEI Investments Management Corporation ("SIMC") dated December 16, 1994 (restated as of December 17, 2002) is herein incorporated by reference to Exhibit (d)(1) of Post-Effective Amendment No. 36 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2003.

- (d)(2) Schedule to Investment Advisory Agreement between Registrant and SIMC dated December 16, 2002 with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(2) of Post-Effective Amendment No. 36 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2003.
- (d)(3) Investment Sub-Advisory Agreement between SIMC and Capital Guardian Trust Company dated June 29, 1998 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(24) of Post-Effective Amendment No. 26 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on November 25, 1998.
- (d)(4) Investment Sub-Advisory Agreement between SIMC and Morgan Stanley Investment Management Inc. dated October 1, 2001 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(39) of Post-Effective Amendment No. 34 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2002.
- (d)(5) Delegation Agreement between Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited dated December 10, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(5) of Post-Effective Amendment No. 39 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.
- (d)(6) Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated June 26, 2002 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(9) of Post-Effective Amendment No. 35 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on November 27, 2002.

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- (d)(7) Investment Sub-Advisory Agreement between SIMC and The Boston Company Asset Management dated September 18, 2000 is herein incorporated by reference to Exhibit (d)(6) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
  - (d)(8) Investment Sub-Advisory Agreement between SIMC, Fischer Francis Trees & Watts, Inc., Fischer Francis Trees & Watts, Fischer Francis Trees & Watts (Singapore) Pte Ltd and Fischer Francis Trees & Watts Kabushiki Kaisha dated December 17, 2002 with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(13) of Post-Effective Amendment No. 36 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2003.
  - (d)(9) Investment Sub-Advisory Agreement between SIMC and Salomon Brothers Asset Management Inc. dated March 31, 1997 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(31) of Post-Effective Amendment No. 29 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed on January 27, 2000.
  - (d)(10) Investment Sub-Advisory Agreement between SIMC and Ashmore Investment Management Limited dated March 17, 2003 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(9) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
  - (d)(11) Amended Schedules A and B to the Investment Sub-Advisory Agreement between SIMC and Ashmore Investment Management Limited with respect to the Emerging Markets Equity Fund are filed herewith.
  - (d)(12) Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(10) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
  - (d)(13) Investment Sub-Advisory Agreement between SIMC and Citigroup Asset Management Limited dated September 30, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(11) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.



- (d)(14) Investment Sub-Advisory Agreement between SIMC and Emerging Markets Management, L.L.C. dated March 11, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(12) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(15) Investment Sub-Advisory Agreement between SIMC and Fisher Investments, Inc. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(13) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(16) Investment Sub-Advisory Agreement between SIMC and McKinley Capital Management, Inc. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(13) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.

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- (d)(17) Investment Sub-Advisory Agreement between SIMC and Rexiter Capital Management Limited dated July 15, 2004 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(15) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
- (d)(18) Investment Sub-Advisory Agreement between SIMC and Bridgewater Associates, Inc. with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(17) of Post-Effective Amendment No. 39 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.
- (d)(19) Revised Schedule A to the Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated March 10, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(18) to Post-Effective Amendment No. 39 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.
- (d)(20) Amendment to Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated July 1, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(15) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(21) Amendment to Investment Sub-Advisory Agreement between SIMC and Ashmore Investment Management Limited dated July 1, 2003 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(16) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(22) Amendment to Investment Sub-Advisory Agreement between SIMC and The Boston Company Asset Management, LLC dated July 1, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(17) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(23) Amendment to Investment Sub-Advisory Agreement between SIMC and Capital Guardian Trust Company dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(18) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(24) Amendment to Investment Sub-Advisory Agreement between SIMC and Emerging Markets Management, L.L.C. dated July 1, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(19) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(25) Amendment to Investment Sub-Advisory Agreement between SIMC and Fischer Francis Trees & Watts, Inc., Fischer Francis Trees & Watts, Fischer Francis Trees & Watts (Singapore) Pte Ltd and Fischer Francis Trees & Watts Kabushiki Kaisha dated July 1, 2003 with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(20) of Post-Effective

Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.

- (d)(26) Amendment to Investment Sub-Advisory Agreement between SIMC and Morgan Stanley Investment Management Inc. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(21) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.

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- (d)(27) Amendment to Investment Sub-Advisory Agreement between SIMC and Salomon Brothers Asset Management Inc dated July 28, 2003 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(22) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- (d)(28) Investment Sub-Advisory Agreement between SIMC and Quantitative Management Associates LLC dated June 30, 2005 with respect to the International Equity Fund is filed herewith.
- (d)(29) Investment Sub-Advisory Agreement between SIMC and Fuller & Thaler Asset Management, Inc. dated July 15, 2005 with respect to the International Equity Fund is filed herewith.
- (e) Amended and Restated Distribution Agreement between Registrant and SEI Investments Distribution Co. dated September 16, 2002 is herein incorporated by reference to Exhibit (e) of Post-Effective Amendment No. 35 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on November 27, 2002.
- (f) Not Applicable
- (g)(1) Custodian Agreement between Registrant and Brown Brothers Harriman & Co. dated March 1, 2004 is herein incorporated by reference to Exhibit (g)(1) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
- (h)(1) Amended and Restated Administration and Transfer Agency Agreement between Registrant and SEI Investments Fund Management dated December 10, 2003 is herein incorporated by reference to Exhibit (h)(1) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
- (h)(2) Shareholder Service Plan and Agreement with respect to the Class A shares is herein incorporated by reference to Exhibit 15(e) of Post-Effective Amendment No. 22 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on April 8, 1997.
- (h)(3) Shareholder Service Plan and Agreement with respect to Class I shares is herein incorporated by reference to Exhibit (h)(5) of Post-Effective Amendment No. 30 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed on June 30, 2000.
- (h)(4) Administrative Services Plan and Agreement with respect to Class I shares is herein incorporated by reference to Exhibit (h)(6) of Post-Effective Amendment No. 34 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2002.
- (i) Opinion and Consent of Counsel to be filed by later amendment.
- (j) Opinion and Consent of Independent Registered Public Accounting Firm to be filed by later amendment.
- (k) Not Applicable
- (l) Not Applicable
- (m) Not Applicable

- (n) Amended and Restated Rule 18f-3 Multiple Class Plan relating to Class A, I and Y shares dated June 26, 2002 is herein incorporated by reference to Exhibit (n) of Post-Effective Amendment No. 35 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on November 27, 2002.
- (o) Not Applicable
- (p)(1) The Code of Ethics for SEI Investments Management Corporation is filed herewith.
- (p)(2) The Code of Ethics for SEI Investments Distribution Co. is filed herewith.
- (p)(3) The Code of Ethics for SEI Institutional International Trust is herein incorporated by reference to Exhibit (p)(2) of Post-Effective Amendment No. 30 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed on June 30, 2000.

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- (p)(4) The Code of Ethics for Capital Guardian Trust Company is filed herewith.
- (p)(5) The Code of Ethics for Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited is filed herewith.
- (p)(6) The Code of Ethics for Salomon Brothers Asset Management Inc is filed herewith.
- (p)(7) The Code of Ethics for The Boston Company Asset Management is filed herewith.
- (p)(8) The Code of Ethics for Alliance Capital Management L.P. is filed herewith.
- (p)(9) The Code of Ethics for Fischer Francis Trees & Watts, Inc. is filed herewith.
- (p)(10) The Code of Ethics for Ashmore Investment Management Limited is filed herewith.
- (p)(11) The Code of Ethics for Citigroup Asset Management Limited is herein incorporated by reference to Exhibit (p)(9) of Post-Effective Amendment No. 13 to SEI Institutional Investments Trust's Registration Statement on Form N-1A (File Nos. 33-58041 and 811-7257), filed with the SEC on September 30, 2003.
- (p)(12) The Code of Ethics for Emerging Markets Management, L.L.C. is filed herewith.
- (p)(13) The Code of Ethics for Fisher Investments, Inc. is herein incorporated by reference to Exhibit (p)(13) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
- (p)(14) The Code of Ethics for McKinley Capital Management, Inc. is filed herewith.
- (p)(15) The Code of Ethics for Rexiter Capital Management Limited is filed herewith.
- (p)(16) The Code of Ethics for Bridgewater Associates, Inc. is herein incorporated by reference to Exhibit (p)(16) of Post-Effective Amendment No. 39 to Registrant's Registration Statement (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.
- (p)(17) The Code of Ethics for Fuller & Thaler Asset Management, Inc. is filed herewith.
- (p)(18) The Code of Ethics for Quantitative Management Associates LLC is filed herewith.
- (q) Powers of Attorney for Robert A. Neshor, William M. Doran, F. Wendell Gooch, Rosemarie B. Greco, George J. Sullivan, Jr., James M. Storey, Edward D. Loughlin, Nina Lesavoy, Stephen F. Panner and James M. Williams are filed herewith.

**Item 24. *Persons Controlled by or Under Common Control with Registrant:***

See the Prospectus and Statement of Additional Information regarding the Trust's control relationships. SIMC is a subsidiary of SEI Investments Company which also controls the distributor of the Registrant (SEI Investments Distribution Co.) and other corporations engaged in providing various financial and record keeping services, primarily to bank trust departments, pension plan sponsors and investment managers.

**Item 25. Indemnification:**

Article VIII of the Agreement and Declaration of Trust filed as Exhibit 1 to the Registration Statement is incorporated by reference. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Act"), may be permitted to trustees, directors, officers and controlling persons of the Registrant by the Registrant pursuant to the Registrant's Agreement and Declaration of Trust or otherwise, the Registrant is aware that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and, therefore, is unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by trustees, directors, officers or controlling persons of the Registrant in connection with the successful defense of any act, suit or proceeding) is asserted by such trustees, directors, officers or controlling persons in connection with the shares being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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**Item 26. Business and Other Connections of Investment Adviser:**

The following tables describe other business, profession, vocation, or employment of a substantial nature in which each director, officer, or partner of each adviser or sub-adviser is or has been, at any time during the last two fiscal years, engaged for his or her own account or in the capacity of director, officer, employee, partner or trustee. Each adviser's or sub-adviser's table was provided to the Registrant by the respective adviser or sub-adviser for inclusion in this Registration Statement.

**Alliance Capital Management L.P.**

Alliance Capital Management, L.P. ("Alliance Capital") is a sub-adviser to the Registrant's Emerging Markets Equity and International Equity Funds. The principal business address of Alliance Capital is 1345 Avenue of the Americas, New York, New York 10105. Alliance Capital is an investment adviser registered under the Investment Advisers Act of 1940 (the "Advisers Act").

**Name and Position**

<u>With Investment Adviser</u>	<u>Name of Other Company</u>	<u>Position With Other Company</u>
Lewis A. Sanders Chairman of the Board, Chief Investment Officer/ Director	ACMC	Chairman of the Board and Chief Executive Officer/Director
Henri de Castries Director	AXA	Chairman, Management Board
	AELIC	Director
	AXA Financial	Chairman of the Board
Christopher M. Condron Director	AXA	Member of the Management Board
	AELIC	Chairman, Chief Executive Officer

	AXA Financial	Director, President & Chief Executive Officer
Denis Duverne Director	AXA	Chief Financial Officer
	AELIC	Director
Mark R. Manley Senior Vice President and Chief Compliance Officer	ACMC	Senior Vice President and Chief Compliance Officer
Seth J. Masters Executive Vice President	ACMC	Executive Vice President
Roger Hertog Vice Chairman and Director	ACMC	Vice Chairman
Benjamin D. Holloway Director	Continental Companies	Consultant
Dominique Carrel-Billard Director	Centennial Companies	Consultant

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<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Douglas J. Peebles Executive Vice President	ACMC	Executive Vice President
W. Edwin Jarmain Director	Jarmain Group Inc.	President
Gerald M. Lieberman President, Director and Chief Operating Officer	ACMC	President and Chief Operating Officer
Peter J. Tobin Director	St. John's University	Special Assistant to the President
Stanley B. Tulin Director	AXA Financial	Vice Chairman, Chief Financial Officer
Sharon E. Fay Executive Vice President	ACMC	Executive Vice President
Lorie Slutsky Director	-	-
Robert Henry Joseph Jr. Senior Vice President & Chief Financial Officer	ACMC	Senior Vice President and Chief Financial Officer
John Blundin Executive Vice President	-	-

Marilyn Fedak Executive Vice President	ACMC	Executive Vice President
Thomas S. Hexner Executive Vice President	ACMC	Executive Vice President
Mare O. Mayer Executive Vice President	ACMC	Executive Vice President
James G. Reilly Executive Vice President	ACMC	Executive Vice President
Lawrence H. Cohen Executive Vice President	ACMC	Executive Vice President
Laurence E. Cranch Executive Vice President and General Counsel	ACMC	Executive Vice President and General Counsel
Paul Rissman Executive Vice President	ACMC	Executive Vice President
Christopher Toub Executive Vice President	ACMC	Executive Vice President

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**Name and Position**

<u>With Investment Adviser</u>	<u>Name of Other Company</u>	<u>Position With Other Company</u>
Lisa Shalett Executive Vice President	ACMC	Executive Vice President
David Steyn Executive Vice President	ACMC	Executive Vice President
Nicolas Moreau Director	AXA Investment Managers	Chief Executive Officer
Mark R. Gordon Executive Vice President	ACMC	Executive Vice President

**Ashmore Investment Management Limited**

Ashmore Investment Management Limited ("Ashmore") is a sub-adviser for the Registrant's Emerging Markets Debt and Emerging Markets Equity Funds. The principal business address of Ashmore is 20 Bedfordbury, London, United Kingdom WC2N 4BL. Ashmore is a registered investment adviser under the Advisers Act.

**Name and Position**

<u>With Investment Adviser</u>	<u>Name of Other Company</u> (all UK unless shown otherwise)	<u>Position With Other Company</u>
Jon Moulton Director	Alchemy Partners (Guernsey) Ltd (Guernsey registered)	Director

Alchemy Partners LLP	Managing Partner
30 St James's Square Investments Ltd	Director
Aardvark TMC Ltd	Director (resigned October 26, 2004)
Air Sea Survival Equipment Limited	Director
Airborne Systems Holdings Ltd	Director
Ashmore Group Ltd	Director
Ashmore Investments (UK) Ltd	Director
Ashmore Investment Management Ltd	Director
Ashmore Corporate Finance Ltd	Director (resigned April 13, 2004)
Aries (Mauritius registered)	Director
Cedar Ltd	Director
Civica plc	Director
Edlaw plc	Director
Everett Services	Director
Phoenix IT Group Ltd	Director (resigned October 21, 2004)
Point-on Holdings Ltd	Director
Redac Ltd	Director
Redac Gratis Limited	Director
Redac Group Ltd	Director
Redac Group No 2 Ltd	Director

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<b>Name and Position</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
<b>With Investment Adviser</b>	<b>(all UK unless shown otherwise)</b>	
	Sandsenor Ltd	Director
	Storey Group Limited	Director
	Sylvan International Limited	Director
	Sylvan Trustees Limited	Director
	Tattershall Castle Group Limited (Guernsey registered)	Director
	UK Stem Cell Foundation	Director

Mark Coombs  
Director

Wardle Storeys (Group) Limited	Director
Ashmore Group Ltd	Director
Ashmore Investments (UK) Ltd	Director
Ashmore Investment Management Ltd	Director
Ashmore Corporate Finance Ltd	Director (resigned April 13, 2004)
Ashmore Asset Management Limited	Director
Ashmore Russian Equity Fund (Cayman Islands registered)	Director
Ashmore AOF (GP) Limited (Cayman Islands registered)	Director
Ashmore Global Special Situations Fund Limited (Cayman Islands registered)	Director
Ashmore Global Special Situations Fund 2 Limited (Guernsey registered)	Director
Ashmore Emerging Markets Debt Fund (Cayman Islands registered)	Director
Ashmore Management Company Limited (Guernsey registered)	Director
International Administration (Guernsey) Limited (Guernsey registered)	Director
Balkan Regeneration Fund (Cayman Islands registered)	Director (Ceased June 29, 2005)
Ashmore Emerging Markets Debt and Currency Fund (Guernsey registered)	Director
EMTA (US registered)	Director (Co-chair)
Ashmore SICAV (Luxembourg registered)	Director
The Ashmore Group Limited Pension Scheme	Trustee (Ceased)



<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company (all UK unless shown otherwise)</b>	<b>Position With Other Company</b>
	The Ashmore Group Ltd Retirement and Death Benefit Scheme	Trustee
	The Ashmore Group Ltd Retirement and Death Benefit Scheme Re: Mark Coombs	Trustee
	The Ashmore Group Ltd Retirement and Death Benefit Scheme Re: Julian Green	Trustee
	The Ashmore Group Ltd Retirement and Death Benefit Scheme Re: Christopher Raeder	Trustee
	The Ashmore Group Ltd Retirement and Death Benefit Scheme Re: Jerome Booth	Trustee

### **The Boston Company Asset Management LLC**

The Boston Company Asset Management LLC ("The Boston Company") is a sub-adviser for the Registrant's Emerging Markets Equity Fund. The principal business address of The Boston Company is One Boston Place, Boston, MA 02108-4402. The Boston Company is a registered investment adviser under the Advisers Act.

<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Francis D. Antin Director	Standish Mellon Asset Management Company LLC	Manager
	Mellon Capital Management	Director
	Mellon Equity Associates, LLP	Executive Committee Member
	Mellon HBV Alternative Strategies LLC	Manager
	Mellon Trust of New England, N.A.	Senior Vice President
	TBCAM Holdings, LLC	Director
	Mellon HBV Advisors LLC	Manager
	Mellon HBV Alternative Strategies UK Limited	Manager
	Mellon HBV Company Ltd	Director
	HBV II LLC	Manager
	TBC General Partner, LLC	Manager
	Franklin Portfolio Holdings, LLC	Manager

Newton Capital Management Limited	Director
Fixed Income (MA) Trust	Trustee
Fixed Income (DE) Trust	Trustee
Mellon Holdings LLC	Manager

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**Name and Position**

**With Investment Adviser**

Corey Griffin

**Name of Other Company**

Mellon Trust of

**Position With Other Company**

Senior Vice President  
New England, N.A.

The Boston Company Asset

Chairman and CEO  
Management, LLC

TBC General Partner, LLC

Director, President

TBCAM Holdings, LCC

Director

Patrick Sheppard  
Chief Operating Officer  
Director

Mellon Global Alternatives

Director  
Investments Funds PLC

Mellon HBV Alternative  
Strategies, LLC

Chairman

Mellon Global Alternative

Director  
Investments Limited

Mellon HBV Alternative

Chairman  
Strategies UK Limited

Mellon HBV Company Ltd

Director

Mellon HBV Advisors LLC

Director

Mellon HBV II LLC

Director

Mellon Institutional Funds

CEO, Trustee (Chairman)  
Investment Trust

Mellon Institutional Funds

CEO, Trustee (Chairman)  
Master Portfolio

Mellon Optima L/S Strategy

Director (Chairman), CEO  
Fund, LLC

TBC General Partner, LLC

Director, COO

The Boston Company Asset  
Management, LLC

President and Chief Operating  
Officer

TBCAM Holdings, LLC

Director

EACM Advisors, LLC

Director

Stephen Canter  
Director

Dreyfus Corporation

Chairman of the Board and  
CEO, COO

Mellon Financial Corporation

Vice Chairman

Dreyfus Trust Company

Director, Chairman,  
President, CEO

Newton Management Limited

Director

Franklin Portfolio Holdings,

Director  
LLC

Franklin Portfolio Associates,

Director  
LLC

TBCAM Holdings, LLC

Director

Mellon Capital Management

Director  
Corp.

Mellon Equity Associates, LLP

Executive Committee Member

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**Name and Position**

**With Investment Adviser**

**Name of Other Company**

**Position With Other Company**

John Nagorniak  
Director

Founders Asset Management

Member, Board of Managers  
LLC

Mellon Bank, N.A.

Vice Chairman

Standish Mellon Asset

Board Manager  
Management Company LLC

AIMR Research Foundation

Trustee

Boston Security Analyst

Director  
Society, Inc

Boston Security Analyst

President  
Society, Inc

Foxstone Financial, Inc

President-Director

Franklin Portfolio Associates

Chairman-Trustee  
Trust

Franklin Portfolio Holdings, Inc.

President-Director

Franklin Portfolio Holdings, LLC

Chairman, Director

Life Harbor Investments, Inc

Director

Life Harbor, Inc

Director

Ronald O'Hanley Chairman of the Board	Mellon Capital Management	Director Corporation
	Mellon Equity Associates, LLP	Executive Committee Member
	Mellon HBV Advisors LLC	Manager
	Mellon HBV Alternative	Manager Strategies Holdings LLC
	Mellon HBV Alternative	Manager Strategies LLC
	Mellon HBV Company Limited	Director
	Mellon HBVII LLC	Manager
	MIT Investment Corporation	Director
	Newton Management Limited	Director
	Pareto U.S. High Yield Fixed	Management Board Member Income Fund, LLC
	Pareto Investment	Director Management Limited
	Princeton Association of	Director New England
	Standish Mellon Asset	Board Manager Management Company, LLC
	TBCAM Holdings, LLC	Director
Mellon Financial Corporation	Vice Chairman	
Mellon Institutional Asset Management	President	
Mellon Trust of	Director New England, N.A.	

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<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
	Newton Asset Management	Director
	Standish Mellon Asset	Director Management Company LLC
	Franklin Portfolio Holdings, LLC	Director
	Mellon Equity Associates, LLP	Director
	TBCAM Holdings, LLC	Director

	Pareto Investment Management	Director Limited
	Mellon Capital Management	Director Corporation
	Mellon Bank N.A.	Director
	Fixed Income (MA) Trust	Trustee
	Fixed Income (DE) Trust	Trustee
	The Dreyfus Corporation	Vice Chairman, Director
	EACM Advisors, LLC	Board of Managers
Edward Ladd Director	TBCAM Holdings, LLC	Manager
	Standish Mellon Asset	Manager Management Company LLC
Scott E. Wennerholm	Mellon Capital Management	Director Corporation
	Mellon Equity Associates, LLP	Director
	Newton Management Limited	Director
	Standish Mellon Asset	Director Management Company LLC
	TBCAM Holdings, LLC	Director
	EACM Advisors, LLC	Director
	Franklin Portfolio Holdings, LLC	Director
Richard Watson Senior Vice President	Mellon Trust of	Senior Vice President New England, N.A.
David H. Cameron Senior Vice President Director of United States Equities	Mellon Trust of New England, N.A.	Senior Vice President
D. Kirk Henry Executive Vice President Director of International Value Equities	Mellon Trust of New England, N.A.	Senior Vice President
	The Dreyfus Corporation	Portfolio Manager
Clifford Smith Senior Vice President Assistant Director of International Value Equities	The Dreyfus Corporation	Portfolio Manager

**Bridgewater Associates, Inc.**

Bridgewater Associates, Inc. ("Bridgewater") is a sub-adviser for the Registrant's International Fixed Income Fund. The principal business address of Bridgewater is 1 Glendinning Place, Westport, Connecticut 06880. Bridgewater is a registered investment adviser under the Advisers Act.

**Name and Position**

<b>With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position with Other Company</b>
Raymond T. Dalio President and Co-Chief Investment Officer	-	-
Giselle F. Wagner Managing Director	-	-
Peter R. La Tronica Chief Compliance Officer	-	-
Robert P. Prince Co-Chief Investment Officer	Arctic Edge, LLC Heavy Putter Company, LLC	Part Owner Treasurer, Part Owner
Gregory S. Jensen Co-Chief Investment Officer	-	-
Hope Woodhouse, Chief Operating Officer	Auspex Group LP  Smith Point Group, LLC  Phillips Academy Andover  Tiger Foundation  Network for Family Life Education	President and Chief Operating Officer  CEO and Chief Operating Officer  Investment Committee, Development Board, and other lesser committees  Trustee  Advisory Board
Tom M. Sinchak Chief Legal Counsel	Connecticut Attorney's Title Insurance Company  Sinchak & Bennett	Served on the Board of Directors (prior to July 2004)  Partner (1992-July 1, 2004)
Ellen Gerstein Chief Financial Officer	Gintel & Co, LLC  Gintel Asset Management, Inc.  Gintel Equity Management, LLC (this LLC is the general partner of Gintel Partners Fund, LP, a hedge fund investment partnership)  Soho Computer Solutions, LLC	Chief Financial Officer/Secretary (prior to April 2004)  Chief Financial Officer/Secretary (prior to April 2004)  Chief Financial Officer/Secretary (prior to April 2004)  President/Treasurer

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**Capital Guardian Trust Company**

Capital Guardian Trust Company ("Capital Guardian") is a sub-adviser for the Registrant's International Equity Fund. The principal business address of Capital Guardian is 333 Hope Street, 55<sup>th</sup> Floor, Los Angeles, California 90071. Capital Guardian is a registered investment adviser under the Advisers Act.

**Name and Position****With Investment Adviser**

Andrew F. Barth  
Director and President

**Name of Other Company**

The Capital Group Companies

**Position With Other Company**

Director

Capital International  
Research, Inc.

Director, President and  
Research Director

Michael D. Beckman  
Senior Vice President

Capital Guardian Trust  
Company of Nevada

Director

The Capital Group Companies

Director

Capital International Asset  
Management, Inc.

Director and President

Capital International Financial  
Services, Inc.

Director, President, Formerly,  
Treasurer

Capital International Asset  
Management (Canada), Inc.

Senior Vice President, Formerly,  
Chief Financial Officer,  
Secretary

Capital Group  
International, Inc.

Senior Vice President

Julius T. (Terry) Berkemeier  
Senior Vice President,  
Formerly Vice President

Capital International, Inc.

Vice President

Capital International Limited

Senior Vice President

Capital International  
Research, Inc.

Senior Vice President

Michael A. Burik  
Senior Vice President,  
Senior Counsel

Capital International, Inc.

Senior Vice President and  
Senior Counsel

Capital International  
Financial Services, Inc.

Vice President, Secretary

Scott M. Duncan  
Senior Vice President

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John B. Emerson  
Senior Vice President

Capital Guardian Trust  
Company, a Nevada  
Corporation

Director, President, Formerly,  
Executive Vice President

Michael R. Ericksen  
Director, Senior Vice  
President

Capital International Limited

Director, Chairman

Michael A. Felix  
Director, Senior Vice  
President, Treasurer

Capital Guardian (Canada), Inc.  
Capital International, Inc.

Senior Vice President,  
Treasurer  
Director, Senior Vice President

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**Name and Position**

**With Investment Adviser**

David I. Fisher  
Director, Vice Chairman

**Name of Other Company**

Capital International, Inc.

**Position With Other Company**

Director, Vice Chairman

Capital International Limited

Director, Chairman

Capital Group International, Inc.

Director, Chairman of the  
Executive Committee

Capital International Limited  
(Bermuda)

Director, President

The Capital Group  
Companies, Inc.

Director and Chairman of the  
Executive Committee

Capital International  
Research, Inc.

Director

Capital Group Research, Inc.

Director

Clive N. Gershon  
Senior Vice President

-

-

Cheryl L. Hesse  
Senior Vice President  
and Senior Counsel

Capital International, Inc.

Senior Vice President  
and Senior Counsel

Frederick M. Huges, Jr.  
Senior Vice President

-

-

Mary M. Humphrey  
Senior Vice President

-

-

William H. Hurt  
Senior Vice President

Capital Guardian Trust  
Company, a Nevada  
Corporation

Director, Chairman

Capital Strategy Research, Inc.

Director, Chairman



Peter C. Kelly Director, Senior Vice President, Senior Counsel	Capital International, Inc.  Capital International Emerging Markets Fund Capital Group International, Inc.	Director, Senior Vice President, Senior Counsel, Secretary Director Secretary
Charles A. King Senior Vice President	-	-
Naouri H. Kobayashi Senior Vice President and Senior Counsel	Capital International, Inc.	Senior Vice President and Senior Counsel
Lianne K. Koeberle Senior Vice President	-	-
Nancy J. Kyle Director, Vice Chair Formerly, Senior Vice President	Capital Guardian (Canada), Inc.	Director and Vice Chairperson
Karin L. Larson Director	Capital Group Research, Inc.  Capital International Research, Inc.	Director, Chairperson, President Director, Chairperson

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<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Karen A. Miller Senior Vice President, Formerly, Vice President	Capital International Research, Inc.	Senior Vice President
James R. Mulally Director, Senior Vice President	Capital International Limited	Senior Vice President
Shelby Notkin Director, Senior Vice President	Capital Guardian Trust Company, a Nevada Corporation	Director
Michael E. Nyeholt Senior Vice President	-	-
Mary M. O'Hern Senior Vice President	Capital International Limited  Capital International, Inc.	Senior Vice President Senior Vice President
Jeffrey C. Paster Senior Vice President	-	-

Jason M. Pilalas Director	Capital International Research, Inc.	Senior Vice President
Paula B. Pretlow Senior Vice President	-	-
George L. Romine, Jr. Senior Vice President	-	-
Robert Ronus Director, Vice Chairman	Capital Guardian (Canada), Inc.	Director, Chairman
	The Capital Group Companies, Inc.	Director, Formerly, Non-Executive Chairman
	Capital Group International, Inc.	Director
	Capital International, Inc.	Senior Vice President
	Capital International Limited	Senior Vice President
	Capital International S.A.	Senior Vice President
Theodore R. Samuels Director, Senior Vice President	Capital Guardian Trust Company, a Nevada Corporation	Director
Lionel A. Sauvage Director, Senior Vice President	The Capital Group Companies	Director
	Capital International, Inc.	Senior Vice President
	Capital International Research, Inc.	Formerly Director
John H. Seiter Director, Executive Vice President	The Capital Group Companies	Director

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<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Karen L. Sexton Senior Vice President, Formerly, Vice President	-	-
Lawrence R. Solomon Director, Senior Vice President, Formerly, Vice President	Capital International Research, Inc.	Senior Vice President
	Capital Management Services Inc.	Director

Eugene P. Stein Director, Vice Chairman	The Capital Group Companies Inc.	Director
Andrew P. Stenovec Executive Vice President, Formerly, Senior Vice President	-	-
Jill A. Sumiyasu Senior Vice President, Formerly, Vice President	-	-
Philip A. Swan Senior Vice President	-	-
Shaw B. Wagener Director	The Capital Group Companies, Inc.	Director
	Capital International Management Company, S.A.	Director
	Capital International, Inc.	Director, Chairman
	Capital Group International, Inc.	Director, Senior Vice President
Eugene M. Waldron Senior Vice President	-	-
Alan J. Wilson Director, Senior Vice President, Formerly, Vice President	Capital International Research, Inc.	Director, Executive Vice President, Research Director, U.S., Formerly, Senior Vice President
	Capital Research Company American Funds Distributors, Inc.	Director Director

### Emerging Markets Management, L.L.C.

Emerging Markets Management, L.L.C. ("EMM") is a sub-adviser for the Registrant's Emerging Markets Equity Fund. The principal business address of EMM is 1001 Nineteenth Street North, 17th Floor, Arlington, Virginia 22209-1722. EMM is a registered investment adviser under the Advisers Act.

#### Name and Position

<u>With Investment Adviser</u>	<u>Name of Other Company</u>	<u>Position With Other Company</u>
Antoine W. van Agtmael Managing Director, President, Chief Investment Officer and Chairman of the Investment Committee	Emerging Markets Investors Corporation	Managing Director, President, Chief Investment Officer and Chairman of the Investment Committee

Name and Position	Name of Other Company	Position With Other Company
With Investment Adviser		
	The Emerging Markets Strategic Fund	Director
	The Africa Emerging Markets Fund	Director
	The Emerging Markets New Economy Fund PLC	Director
	The Emerging Markets	Director Management Company (Ireland) Limited
	Strategic Investment Management L.P.	Director
	Strategic Investment Management International L.P.	Director
	Strategic Investment Partners, Inc.	Director
Michael A. Duffy Managing Director, Secretary/Treasurer and member of the Investment Committee	Emerging Markets Investors Corporation	Managing Director, Secretary/Treasurer and member of the Investment Committee
	The Latin America Small Capitalization Fund	Director
	Strategic Investment Management, L.P.	Managing Director, Secretary/Treasurer and member of the Investment Committee
	Strategic Investment Management International, L.P.	Managing Director, Secretary/Treasurer and member of the Investment Committee
	Strategic Investment Partners, Inc.	Managing Director, Secretary/Treasurer and member of the Investment Committee
Felicia J. Morrow Managing Director, Lead Portfolio Manager, Chief Operating Officer and member of the Investment Committee	Emerging Markets Investors Corporation	Managing Director and member of the Investment Committee

	The Emerging Markets	Director Management Company (Ireland) Limited
Hilda M. Ochoa-Brillembourg Director	Emerging Markets Investors Corporation	Director
	Strategic Investment Management, L.P.	President, Director and a member of the Investment Committee

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**Name and Position**

**With Investment Adviser**

<u>Name and Position</u> <u>With Investment Adviser</u>	<u>Name of Other Company</u>	<u>Position With Other Company</u>
	Strategic Investment Management International, L.P.	President, Director and a member of the Investment Committee
	Strategic Investment Partners, Inc.	President, Director and a member of the Investment Committee
	Rockefeller Family Fund	Member of the Investment and Finance Committees
	General Mills	Member of the Board of Directors
	The World Bank/IMF Credit Union	Member of the Board of Directors
	Harvard Management Company	Member of the Board of Directors
	McGraw-Hill Companies	Member of the Board of Directors
Mary C. Choksi Managing Director and Director	Emerging Markets Investors Corporation	Managing Director, Director
	The Emerging Markets Country Series Fund: The Value Fifty Portfolio	Director
	EMSAF-Mauritius	Director
	Strategic Investment Management, L.P.	Managing Director, Director and member of the Investment Committee
	Strategic Investment Management International, L.P.	Managing Director, Director and member of the Investment Committee

	Strategic Investment Partners, Inc.	Managing Director, Director and member of the Investment Committee
	H.J. Heinz Company	Member of the Board of Directors and Chair of the Public Issues Committee
Carol A. Grefenstette Managing Director	Emerging Markets Investors Corporation	Managing Director and Director
	Strategic Investment Management, L.P.	Managing Director
	Strategic Investment Management International, L.P.	Managing Director
	Strategic Investment Partners, Inc.	Managing Director and Director

### **Fischer Francis Trees & Watts, Inc. and its affiliates**

Fischer Francis Trees & Watts, Inc. and three of its affiliates, Fischer Francis Trees & Watts, a corporate partnership organized under the laws of the United Kingdom, Fischer Francis Trees & Watts (Singapore)

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Pte Ltd, a Singapore corporation, and Fischer Francis Trees & Watts Kabushiki Kaisha, a Japanese corporation (collectively referred to as "FFTW") is the sub-adviser for the Registrant's International Fixed Income Fund. The principal business address of FFTW is 200 Park Avenue, 46th Floor, New York, New York 10166. FFTW is a registered investment adviser under the Advisers Act.

### **Sub-Adviser-Fischer Francis Trees & Watts, Inc.**

<b>Name and Position</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
<b>With Investment Adviser</b>		
Adnan Akant Director	Charter Atlantic Corporation	Director
	American Hospital of Istanbul	Member of the Board and Treasurer
Stephen Casper Chief Executive Officer, Director	Charter Atlantic Corporation	Chief Executive Officer, Director
	FFTW Diversified Alpha Fund Ltd	Director
	FFTW Funds Inc.	President, Chief Executive Officer and Director
	FFTW Global Credit Fund SPC	Director
	FFTW Global Debt Fund plc	Director

	FFTW Mortgage Total Return Fund plc	Director
	Fischer Francis Trees & Watts	Chief Executive Officer
	Fischer Francis Trees & Watts Ltd.	Director
	Fischer Francis Trees & Watts (Singapore) Pte Ltd	Director
	MarketAxess Holdings Inc.	Director
	The Depository Trust & Clearing Corporation	Director
	The Depository Trust Company	Director
	The Emerging Markets Clearing Corporation	Director
	The Fixed Income Clearing Corporation	Director
	The National Securities Clearing Corporation	Director
O. John Olcay Director	Charter Atlantic Corporation	Director
	FFTW Funds Selection	Chairman of the Board of Directors
	FFTW Funds Selection II	Chairman of the Board of Directors
	Aegon NV	Via Chairman of Supervisory Board
	FFTW Global Debt Fund plc	Chairman of the Board of Directors
	FFTW Mortgage Total Return Fund plc	Chairman of the Board of Directors

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<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
	Fischer Francis Trees & Watts (Singapore) Pte Ltd	Chairman of the Board of Directors
	Fischer Francis Trees & Watts KK	Chairman of the Board of Directors
Vivien Levy-Garboua Director	BNP Paribas (Luxembourg) S.A.	President
	BNP Paribas (Suisse) S.A.	Administrateur

Gilles de Vaugrigneuse  
Director

BNP Paribas (UK)	President
BNP Paribas Asset Management Group	Member of the Executive Committee and Head of Asset Management Services
BNP Paribas Immobilier	Representant Cimoxi, Administrateur
BNP Paribas Private Bank, Paris	President
BNP Paribas Securities Services	Vice President du Conseil de Surveillance
CARDIF	Representant permanent BNP Paribas
Charter Atlantic Corporation	Director
COFICEM	Membre du Conseil d'Administration
KLEPIERRE	President du Conseil de Surveillance
Meunier Promotion	President du Conseil de Surveillance
NATIO VIE	Vice President du Conseil de Surveillance
OGDI	President du Conseil d'Administration
Presses Universitaires de France	Membre du Conseil de Surveillance
SEGECE	Representant permanent BNP Paribas
U.E.B (Switzerland) Geneve	President
Charter Atlantic Corporation	Director
BNP Paribas Asset Management Group	Chairman
BNP Paribas Luxembourg	Administrateur
BNP Paribas Asset Management	Administrateur Asia
BNP Paribas Asset Management	Administrateur Group SAS
BNP Paribas Assurances	Administrateur
BNP Paribas Médéric	Conseur



<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Stephen C. Francis Director	Charter Atlantic Corporation	Director
	Institute of International	Trustee Education
Gilles Glicenstein Director	BNP Paribas Asset Management Asia	Chairman
	BNP Paribas Asset Management Japon	Administrateur (resigned September 2005)
	BNP Paribas Asset Management SAS	Chairman
	BNP Paribas Epargne & Retraite	Administrateur
	BNP Paribas SAM Monaco	Chairman
	Charter Atlantic Corporation	Director
	Fauchier Partners Management Limited	Chairman
	Charter Atlantic Corporation	Director
Simon Hard Director	Fischer Francis Trees & Watts KK	Director
	Charter Atlantic Corporation	Chief Financial Officer
Cathleen McQuillen Chief Financial Officer	Fischer Francis Trees & Watts	Chief Financial Officer
	Fischer Francis Trees & Watts KK	Statutory Auditor
	Fischer Francis Trees & Watts (Singapore) Pte Ltd	Director
	The Foundation for Shrewsbury	Board Director and Treasurer Education
	Charter Atlantic Corporation	Chief Legal and Risk Officer, Secretary of the Board of Directors
Robin S. Meister Legal Officer, Chief Compliance Officer and Secretary	Fischer Francis Trees & Watts	Chief Legal Officer, Chief Compliance Officer and Secretary
	Fischer Francis Trees & Watts Ltd.	Secretary
	Fischer Francis Trees & Watts KK	Chief Legal Officer, Chief Compliance Officer and Director
	Fischer Francis Trees & Watts (Singapore) Pte Ltd	Chief Legal Officer, Chief Compliance Officer and Director

FFTW Diversified Alpha  
Fund Ltd

Assistant Secretary

FFTW Funds Inc.

Chief Legal Officer and Secretary

FFTW Funds Selection

Director

FFTW Funds Selection II

Director

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**Name and Position**

**With Investment Adviser**

John H. Watts

Chairman of the Board of Directors

**Name of Other Company**

Charter Atlantic Corporation

EagleNest Ranch

Friends of Governor's Island

National Park Foundation

South Lano Farms, Ltd.

BNP Paribas Asset Management

Brooklyn Bridge Development  
Corporation

The League of Conservation  
Voters

Robert College of Istanbul

Charter Atlantic Corporation

Blue Crest Funds

Fischer Francis Trees & Watts

Charter Atlantic Corporation

Fischer Francis Trees & Watts

**Position With Other Company**

Chairman of the Board of  
Directors

President

Director

Director Emeritus

Limited Partner

Vice Chairman of Board of  
Directors

Director

Honorary Director

Director

Co-Chief Investment Officer and  
Director

Director

Co-Chief Investment Officer

Co-Chief Investment Officer

Co-Chief Investment Officer

Stewart Russell

Co-Chief Investment Officer and Director

Richard Williams

Co-Chief Investment Officer

**Sub-Adviser: Fischer Francis Trees & Watts**

**Name and Position**

**With Investment Adviser**

Stephen Casper

Chief Executive Officer

**Name of Other Company**

Charter Atlantic Corporation

**Position With Other Company**

Chief Executive Officer, Director

FFTW Funds Inc.	President, Chief Executive Officer and Director
FFTW Diversified Alpha Fund Ltd	Director
FFTW Global Credit Fund SPC	Director
FFTW Global Debt Fund plc	Director
FFTW Mortgage Total Return Fund plc	Director
Fischer Francis Trees & Watts Inc.	Chief Executive Officer, Director
Fischer Francis Trees & Watts Ltd.	Director
Fischer Francis Trees & Watts (Singapore) Pte Ltd	Director
MarketAxess Holdings Inc.	Director
The Depository Trust & Clearing Corporation	Director
The Depository Trust Company	Director
The Emerging Markets Clearing Corporation	Director
The Fixed Income Clearing Corporation	Director

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**Name and Position**

**With Investment Adviser**

Cathleen McQuillen  
Chief Financial Officer

Robin S. Meister  
Chief Legal Officer, Chief Compliance Officer and Secretary

**Name of Other Company**

The National Securities Clearing Corporation

Charter Atlantic Corporation

Fischer Francis Trees & Watts Inc.

Fischer Francis Trees & Watts KK

Fischer Francis Trees & Watts (Singapore) Pte Ltd

The Foundation for Shrewsbury Education

Charter Atlantic Corporation

Fischer Francis Trees & Watts Inc.

**Position With Other Company**

Director

Chief Financial Officer

Chief Financial Officer

Statutory Auditor

Director

Board Director and Treasurer

Chief Legal and Risk Officer, Secretary of the Board of Directors

Chief Legal Officer, Chief Compliance Officer and

		Secretary of the Board Directors
	Fischer Francis Trees & Watts Ltd.	Secretary
	Fischer Francis Trees & Watts KK	Chief Legal Officer, Chief Compliance Officer and Director
	Fischer Francis Trees & Watts (Singapore) Pte Ltd	Chief Legal Officer, Chief Compliance Officer and Director
	FFTW Diversified Alpha Fund Ltd.	Assistant Secretary
	FFTW Funds Inc.	Chief Legal Officer, Secretary
	FFTW Funds Selection	Director
	FFTW Funds Selection II	Director
Stewart Russell Co-Chief Investment Officer	Charter Atlantic Corporation	Co-Chief Investment Officer and Director
	Fischer Francis Trees & Watts Inc.	Co-Chief Investment Officer and Director
	Blue Crest Funds	Director
Richard Williams Co-Chief Investment Officer	Charter Atlantic Corporation	Co-Chief Investment Officer
	Fischer Francis Trees & Watts Inc.	Co-Chief Investment Officer

**Sub-Adviser-Fischer Francis Trees & Watts (Singapore) Pte Ltd**

<b>Name and Position</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
<b>With Investment Adviser</b> Stephen P. Casper Director	Charter Atlantic Corporation	Chief Operating Officer, Director
	FFTW Diversified Alpha Fund Ltd	Director
	FFTW Funds Inc.	President, Chief Executive Officer, Director
	FFTW Global Credit Fund SPC	Director

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<b>Name and Position</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
<b>With Investment Adviser</b>	FFTW Global Debt Fund plc	Director

	FFTW Mortgage Total Return Fund plc	Director
	Fischer Francis Trees & Watts	Chief Executive Officer
	Fischer Francis Trees & Watts Inc.	Chief Executive Officer, Director
	Fischer Francis Trees & Watts Ltd.	Director
	MarketAxess Holdings Inc.	Director
	The Depository Trust & Clearing Corporation	Director
	The Depository Trust Company	Director
	The Emerging Markets Clearing Corporation	Director
	The Fixed Income Clearing Corporation	Director
	The National Securities Clearing Corporation	Director
Roy Wei-Chien Diao Director	-	-
Cathleen McQuillen Director	Charter Atlantic Corporation	Chief Financial Officer
	Fischer Francis Trees & Watts	Chief Financial Officer
	Fischer Francis Trees & Watts Inc.	Chief Financial Officer
	Fischer Francis Trees & Watts KK	Statutory Auditor
Robin S. Meister Chief Legal Officer, Chief Compliance Officer and Director	Charter Atlantic Corporation	Chief Legal Officer, Chief Compliance Officer, Secretary of the Board of Directors
	FFTW Diversified Alpha Fund Ltd	Assistant Secretary
	FFTW Funds Inc.	Chief Legal Officer and Secretary
	FFTW Funds Selection	Director
	FFTW Funds Selection II	Director
	Fischer Francis Trees & Watts	Chief Legal Officer, Chief Compliance Officer and Secretary
	Fischer Francis Trees & Watts Inc.	Chief Legal and Risk Officer, Chief Compliance Officer, Secretary of the Board of Directors
	Fischer Francis Trees &	Secretary Watts Ltd.

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**Name and Position**

**With Investment Adviser**

O. John Olcay  
Chairman of the  
Board of Directors

**Name of Other Company**

Aegon NV

**Position With Other Company**

Vice Chairman of Supervisory  
Board

Charter Atlantic Corporation

Director

FFTW Funds Selection

Chairman of the Board of  
Directors

FFTW Funds Selection II

Chairman of the Board of  
Directors

FFTW Global Debt Fund plc

Chairman of the Board of  
Directors

FFTW Mortgage Total  
Return Fund plc

Chairman of the Board of  
Directors

Fischer Francis Trees &

Director

Watts Inc.

Fischer Francis Trees &

Chairman of the Board of

Watts KK

Directors

**Sub-Adviser-Fischer Francis Trees & Watts Kabushiki Kaisha**

**Name and Position**

**With Investment Adviser**

Simon Hard  
Director

**Name of Other Company**

Charter Atlantic Corporation

**Position With Other Company**

Director

Fischer Francis Trees & Watts Inc.

Director

Ken Katayama  
President and Director

-

-

Cathleen McQuillen  
Statutory Auditor

Charter Atlantic Corporation

Chief Financial Officer

Fischer Francis Trees & Watts

Chief Financial Officer

Fischer Francis Trees & Watts Inc.

Chief Financial Officer

Robin S. Meister  
Chief Legal Officer, Chief  
Compliance Officer and  
Director

Fischer Francis Trees & Watts	Director (Singapore) Pte Ltd
The Foundation for Shrewsbury Education	Board Director and Treasurer
Charter Atlantic Corporation	Chief Legal Officer, Chief Compliance Officer, Secretary of the Board of Directors
FFTW Diversified Alpha	Assistant Secretary Fund Ltd
FFTW Funds Inc.	Chief Legal Officer and Secretary
FFTW Funds Selection	Director
FFTW Funds Selection II	Director
Fischer Francis Trees & Watts	Chief Legal Officer, Chief Compliance Officer and Secretary

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**Name and Position**

**With Investment Adviser**

**Name of Other Company**

**Position With Other Company**

O. John Olcay  
Chairman of the Board of  
Directors

Fischer Francis Trees & Watts Inc.	Chief Legal Officer, Chief Compliance Officer, Secretary of the Board of Directors
Fischer Francis Trees &	Secretary Watts Ltd.
Fischer Francis Trees & Watts (Singapore) Pte Ltd	Chief Legal Officer, Chief Compliance Officer and Director
Aegon NV	Vice Chairman of Supervisory Board
Charter Atlantic Corporation	Director
FFTW Funds Selection	Chairman of the Board of Directors
FFTW Funds Selection II	Chairman of the Board of Directors
FFTW Global Debt Fund plc	Chairman of the Board of Directors
FFTW Mortgage Total Return Fund plc	Chairman of the Board of Directors

Fischer Francis Trees & Watts Inc.

Director

Fischer Francis Trees & Watts  
(Singapore) Pte Ltd.

Chairman of  
the Board of Directors

### **Fisher Investments, Inc.**

Fisher Investments, Inc. ("Fisher") is a sub-adviser for the Registrant's International Equity Fund. The principal business address of Fisher is 13100 Skyline Boulevard, Woodside, California 94062. Fisher is a registered investment adviser under the Advisers Act.

#### **Name and Position**

##### **With Investment Adviser**

Kenneth L. Fisher,  
Chief Executive Officer,  
Chief Investment Officer,  
Investment Policy  
Committee member

##### **Name of Other Company**

The Purisima Funds

##### **Position With Other Company**

President, Trustee

### **Fuller & Thaler Asset Management, Inc.**

Fuller & Thaler Asset Management, Inc. ("Fuller & Thaler") is a sub-adviser for the Registrant's International Equity Fund. The principal business address of Fuller & Thaler is 411 Borel Avenue, Suite 402, San Mateo, California 94420. Fuller & Thaler is a registered investment adviser under the Advisers Act.

#### **Name and Position**

##### **With Investment Adviser**

Daniel Kahneman,  
Director

##### **Name and Address of Other Company**

Princeton University, Department  
of Psychology, Green Hall,

##### **Connection With Other Company**

Eugene Higgins Professor of  
Psychology  
Princeton, NJ 08544

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#### **Name and Position**

##### **With Investment Adviser**

Richard Thaler,  
Director and Principal

##### **Name and Address of Other Company**

The University of Chicago  
Graduate School of Business,  
5807 South Woodlawn Avenue,

##### **Connection With Other Company**

Robert P. Gwinn Professor of  
Behavioral Science and  
Economics  
Chicago, Illinois 60637

### **McKinley Capital Management Inc.**



McKinley Capital Management Inc. ("McKinley Capital") is a sub-adviser for the Registrant's International Equity Fund. The principal business address of McKinley Capital is 3301 C Street, Suite 500, Anchorage, AK 99503. McKinley Capital is a registered investment adviser under the Advisers Act.

**Name and Position**

<b>With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Robert B. Gillam President, CIO	FAS Alaska, Inc.	Director
	McKinley Capital International Growth Fund, LP	Director
Diane M. Wilke Executive Vice President, COO	FAS Alaska, Inc.	Director
B. Thomas Willison Director	-	-
Charles Weaver Director	SBC Communications, Inc. (Until March 2004)	Director
	South Texas Money Management	Director (Until March 2004)
Brian Stafford Director	Lexis Nexis Special Services, Inc.	Director
Tamara L. Leitis Assistant Vice President, HR Manager	-	-
Gregory O'Keefe Chief Financial Officer	-	-
Robert A. Gillam Executive Vice President, Director		

**Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited**

Morgan Stanley Investment Management Inc. ("MSIM Inc.") is a sub-adviser for the Registrant's International Equity Fund. MSIM Inc. delegates certain investment advisory responsibilities to its affiliate, Morgan Stanley Investment Management Limited ("MSIM Limited"). The principal business address of MSIM Inc. is 1221 Avenue of the Americas, New York, NY 10020. The principal business address of MSIM Limited is 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom. MSIM Inc. and MSIM Limited are investment advisers registered under the Advisers Act.

**Sub-Adviser: Morgan Stanley Investment Management Inc.**

**Name and Position****With Investment Adviser****Name of Other Company****Position With Other Company**

Joseph J. McAlinden  
Chief Investment Officer  
and Managing Director

Morgan Stanley Investment  
Advisors Inc.

Managing Director and  
Chief Investment Officer

Morgan Stanley Institutional Funds

Vice President

Morgan Stanley Retail Funds

Vice President

Van Kampen Funds

Chief Investment Officer

Rajesh Kumar Gupta  
Managing Director and Chief Administrative  
Officer-Investments

Morgan Stanley Investment  
Advisors Inc.

Managing Director and  
Chief Administrative  
Officer-Investments

Ronald E. Robison  
Principal Executive Officer-  
Office of the Funds

Morgan Stanley Investment  
Advisors Inc.

Managing Director, Chief  
Administrative Officer and  
Director

Morgan Stanley Services  
Company Inc.

Managing Director, Chief  
Administrative Officer and  
Director

Morgan Stanley Trust

Chief Executive Officer and  
Director

Morgan Stanley & Co.  
Incorporated

Managing Director

Morgan Stanley Distributors Inc.

Managing Director and Director

Morgan Stanley Retail Funds

Executive Vice President and  
Principal Executive Officer, and  
previously President and Director

Morgan Stanley Institutional Funds

President  
Principal Executive Officer, and  
previously President and Director

Morgan Stanley SICAV

Director

Barry Fink  
General Counsel and  
Managing Director

Morgan Stanley Investment  
Advisors Inc.

Managing Director, Secretary,  
Director and previously Vice  
President and Assistant  
General Counsel

Morgan Stanley Services  
Company Inc.

Managing Director, Secretary,  
Director and previously Vice  
President and Assistant  
General Counsel

Morgan Stanley Retail Funds

Vice President, and previously  
Secretary and General Counsel

Morgan Stanley DW Inc.

Assistant Secretary

Morgan Stanley Distributors Inc.

Managing Director, Secretary  
and Director

**Name and Position**

<b>With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Carsten Otto Executive Director and U.S. Director of Compliance	-	-
Alexander C. Frank Treasurer and Managing Director	Morgan Stanley  Morgan Stanley Investment Advisors Inc.	Global Treasurer  Treasurer

**Sub-Adviser: Morgan Stanley Investment Management Limited****Name and Position**

<b>With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Robert Andrew Sargent Director	-	-
Jeremy Goulding Lodwick Director	-	-
Peter Dominic Caldecott Director	-	-
James David Germany Director	-	-
Stephano Russo Director	-	-
Michael John Reinbold Director	-	-
Richard Scott Rosenthal Secretary	-	-

**Quantitative Management Associates LLC**

Quantitative Management Associates LLC ("QMA") is a sub-adviser for the Registrants International Equity Fund. The principal business address of QMA is Gateway Center 2, McCarter Highway & Market Street, Newark, New Jersey 07102. QMA is a registered investment adviser under the Advisers Act.

**Name and Position**

<b>With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
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Dennis M. Kass  
Manager and Chairman

Jennison Associates LLC  
Prudential Trust Company

Chairman and CEO  
Director

Prudential Investment  
Management, Inc.

Director and Vice President

Bernard B. Winograd  
Manager

Jennison Associates LLC

Director

PIC Holdings Limited

Chairman and Director

PIM Foreign Investments, Inc

President

PIM Warehouse, Inc.

Chairman and Director

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**Name and Position**

**With Investment Adviser**

**Name of Other Company**

**Position With Other Company**

Roger K. Andrews  
Manager

Prudential Investment  
Management Services LLC

Executive Vice President

Prudential Asset Management  
Holding Company

Director and Vice President

The Prudential Insurance  
Company of America

Vice President

PIM Investments, Inc.

Director and President

Prudential Investment  
Management, Inc.

President, Chief Executive  
Officer and Director

Jennison Associates LLC

Director

PIM Warehouse, Inc.

Assistant Secretary

Prudential Financial Asia Limited

Corporate Secretary

Prudential Latin American  
Investments, Ltd.

Secretary

Residential Information  
Services, Inc.

Vice President and Secretary

The Prudential Insurance  
Company of America

Assistant Secretary

Prudential Investment  
Management, Inc.

Vice President and Secretary

Kenneth Moore  
Manager, Vice President and  
Chief Financial Officer

The Prudential Insurance  
Company of America

Assistant Secretary

Prudential Investment  
Management, Inc.

Vice President

	Jennison Associates LLC	Senior Vice President and Treasurer
	Prudential Trust Company	Director
Scott Hayward Manager and Chief Executive Officer	Jennison Associates LLC Prudential Trust Company	Executive Vice President Director
	The Prudential Insurance Company of America	Signatory Second VP
	Pramerica Asset Management, Inc.	Director
	Prudential Investment Management, Inc.	Vice President
Margaret Stumpp Manager, Vice President and Chief Investment Officer	Prudential Trust Company	Vice President
	The Prudential Insurance Company of America	Vice President
	Pramerica Asset Management, Inc.	Senior Vice President
	Prudential Investment Management, Inc.	Vice President

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### Rexiter Capital Management Limited

Rexiter Capital Management Limited ("Rexiter") is a sub-adviser for the Registrant's Emerging Markets Equity Fund. The principal business address of Rexiter is 21 St. James's Square, London SW1Y 4SS United Kingdom. Rexiter is an investment adviser registered under the Advisers Act.

#### Name and Position

With Investment Adviser	Name of Other Company	Position With Other Company
Paul Duncanbe Non-Executive Director	SSGA Limited (UK)	Managing Director
Kenneth King Managing Director and Chief Investment Officer	-	-
Helena Coles Director-Senior Investment Manager	-	-
Adrian Cowell Director-Senior Investment Manager	-	-

Murray Davey Director-Senior Investment Manager	-	-
Christopher James Director-Senior Investment Manager	-	-
Gavin MacLachlan Director-Business Manager and Company Secretary	-	-
Nicholas Payne Director-Senior Investment Manager	-	-
Christopher Vale Director-Senior Investment Manager	-	-
Alan Brown Director	SSgA (UK)	SSgA Group CIO & Chairman
Joe Lyons Director	State Street Global Alliance (US)	Senior Principal
Nigel Wightman Director	SSgA Limited (UK)	Managing Director
Nancy Mangraviti Legal Counsel	State Street Global Alliance (US)	Legal Counsel

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<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Sam Stewart Chief Compliance Officer	SSgA Limited (UK)	Head of Compliance and Risk
Christopher Peacock Deputy Head of Compliance and Risk	SSgA Limited (UK)	Deputy Head of Compliance and Risk
Sean McLeod Compliance Assistant	SSgA Limited (UK)	Compliance Assistant
Tanya Barvenik Compliance Assistant	SSgA Limited (UK)	Compliance Assistant
Karen Clark Compliance-Equity, Advisers Act	SSgA (US)	Compliance-Equity, Advisers Act

John Stelley Compliance-Code of Ethics	SSgA (US)	Compliance-Code of Ethics
Tracey Wilkinson Compliance-Code of Ethics	SSgA (US)	Compliance-Code of Ethics
Andrew Letts Proxy Voting	SSgA (US)	Proxy Voting
Sylvana Billings Finance Manager	-	-

### Salomon Brothers Asset Management Inc

Salomon Brothers Asset Management Inc ("SaBAM") is a sub-adviser for the Registrant's Emerging Markets Debt Fund. The principal address of SaBAM is 399 Park Avenue, New York, New York 10022. SaBAM is an investment adviser registered under the Advisers Act.

#### Name and Position

<u>With Investment Adviser</u>	<u>Name of Other Company</u>	<u>Position With Other Company</u>
Michael Even Managing Director	Citigroup Asset Management	Global Chief Investment Officer
	Citigroup Private Bank	Chief Investment Officer
Mark J. McAllister Senior Portfolio Manager, Managing Director	-	-
Robert Feitler Senior Portfolio Manager, Director	-	-
Michael A. Kagan Senior Portfolio Manager, Managing Director	Salomon Brothers	Vice President
		Asset Management
	Citigroup Global Markets Inc.	Managing Director

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#### Name and Position

<u>With Investment Adviser</u>	<u>Name of Other Company</u>	<u>Position With Other Company</u>
Kevin Kennedy Senior Portfolio Manager, Managing Director	-	-

Evan Merberg Managing Director	Citigroup Global Markets Inc.	Managing Director
	Citigroup Asset Management	Chief Administrative Officer
Michael Fred Rosenbaum Chief Legal Officer	Citigroup Asset Management	General Counsel
	Citigroup Global Markets Inc.	Managing Director
Andrew Beagley Chief Compliance Officer, Managing Director	Citigroup Global Markets, Inc.	Managing Director
	Citigroup Asset Management	Managing Director
David A. Torchia Senior Portfolio Manager, Managing Director	Citigroup Global Markets Inc.	Managing Director
	Travelers Asset Management International Company, LLC	Managing Director
Peter J. Wilby Chief Investment Officer North American Fixed Income, Managing Director	Smith Barney Fund Management, LLC	Managing Director
	Travelers Investment Advisors, Inc.	Managing Director
	Citi Fund Management Inc.	Managing Director

### SEI Investments Management Corporation

SEI Investments Management Corporation ("SIMC") is the investment adviser for each of the Funds. The principal address of SIMC is One Freedom Valley Drive, Oaks, Pennsylvania 19456. SIMC is an investment adviser registered under the Advisers Act.

#### Name and Position

<u>With Investment Adviser</u>	<u>Name of Other Company</u>	<u>Position With Other Company</u>
Edward D. Loughlin Director, President	SEI Investments Company	Executive Vice President, President-Asset Management Division
	SEI Investments Distribution Co.	Director
	SEI Trust Company	Director
	SEI Capital Limited (Canada)	Director
	SEI Investments Global Funds Services	Executive Vice President
	SEI Investments (France)	Board of Directors
	SEI Investments Management Corporation II	Director, President



SEI Investments Fund  
Management

Chief Executive Officer

SEI Investments Canada  
Company

Director

SEI Investments Management  
Corporation Delaware, L.L.C.

Manager

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**Name and Position**

**With Investment Adviser**

Carl A. Guarino  
Director, Executive  
Vice President

**Name of Other Company**

SEI Investments Company  
SEI Investments Distribution Co.  
SEI Global Holdings (Cayman)  
Inc.  
SEI Investments De Mexico  
SEI Investments (Europe) Ltd.  
SEI Investments (France)  
SEI Investments-Unit Trust  
Management (UK) Limited  
LSV Asset Management  
SEI Investments Management  
Corporation II  
SEI Investments Global, Limited  
SEI Insurance Group, Inc.  
SEI Global Nominee Ltd.  
SEI Franchise, Inc.

**Position With Other Company**

Executive Vice President  
Director  
Director  
Director  
Director  
Board of Directors  
Director  
Management Committee  
Director, Executive Vice  
President  
Director  
Director  
Director  
Senior Vice President  
Vice President  
-  
Vice President  
Vice President, Assistant  
Secretary  
Manager  
Assistant Secretary  
General Counsel, Vice President,  
Secretary

Jack May  
Vice President

SEI Investments Management  
Corporation II  
SEI Franchise, Inc.

James V. Morris  
Vice President

-

-

Stephen Onofrio  
Vice President

SEI Investments  
Management Corporation II

Timothy D. Barto  
General Counsel, Vice  
President, Secretary

SEI Investments Company  
SIMC Holdings, LLC

SEI Insurance Group, Inc.

SEI Investments Fund  
Management

	SEI Investments Global Funds Services	General Counsel, Vice President, Secretary
	SEI Investments Management Corporation II	General Counsel, Vice President, Secretary
	SIMC Subsidiary, LLC	Manager
	SEI Franchise, Inc.	Assistant Secretary
	SEI Investments Global (Bermuda) Ltd.	Vice President
Robert Crudup Senior Vice President	SEI Investments Global Funds Services	Vice President
	SEI Investments Fund Management	Vice President
	SEI Investments Company	Executive Vice President

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<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
	SEI Global Services, Inc.	Director, Senior Vice President
Richard A. Deak Vice President, Assistant Secretary	SEI Investments Company	Vice President, Assistant Secretary
	SEI Global Services, Inc.	General Counsel, Vice President, Secretary
	SEI Investments Global Funds Services	Vice President, Assistant Secretary
	SEI Investments Management Corporation II	Vice President, Assistant Secretary
	SEI Investments Fund Management	Vice President, Assistant Secretary
Lydia A. Gavalis Vice President, Assistant Secretary	SEI Investments Company	Vice President, Assistant Secretary
	SEI Trust Company	General Counsel, Assistant Secretary
	SEI Investments Management Corporation Delaware, L.L.C.	Vice President
	SEI Investments Global Funds Services	Assistant Secretary
	SEI Investments Fund Management	Assistant Secretary

Greg Gettinger Vice President	SEI Investments Management Corporation II	Assistant Secretary
	SEI Private Trust Company	General Counsel
	SEI Trust Company	Vice President
Kathy Heilig Vice President, Treasurer	SEI Investments Global Funds Services	Vice President
	SEI Investments Fund Management	Vice President
	SEI Investments Management Corporation II	Vice President
	SEI Investments Management Corporation Delaware, L.L.C.	Vice President
	SEI Global Services, Inc.	Vice President
	SEI Inc. (Canada)	Vice President, Treasurer
	SEI Ventures, Inc.	Director, Vice President, Treasurer
	SEI Insurance Group, Inc.	Vice President, Treasurer
	SEI Realty Capital Corporation	Vice President, Treasurer
	SEI Global Investments Corp.	Vice President, Treasurer
	SEI Advanced Capital Management, Inc.	Director, Vice President, Treasurer
SEI Investments Global (Cayman), Limited	Vice President, Treasurer	

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**Name and Position  
With Investment Adviser**

<b>Name of Other Company</b>	<b>Position With Other Company</b>
SEI Primus Holding Corp.	Director, Vice President, Treasurer
SEI Global Services, Inc.	Treasurer
SEI Franchise, Inc.	Vice President, Treasurer
SEI Global Capital Investments, Inc.	Director, Vice President, Treasurer
SEI Investments Global Funds Services	Vice President, Treasurer
SEI Investments Fund Management	Vice President, Treasurer

	SEI Global Holdings (Cayman) Inc.	Vice President, Treasurer, Assistant Secretary
	SEI Funds, Inc.	Director, Vice President, Treasurer
	SEI Investments Management Corporation II	Vice President, Treasurer
	SEI Investments Management Corporation Delaware, L.L.C.	Manager, Vice President, Treasurer
	SEI Investments, Inc.	Director, Vice President, Treasurer
	SEI Investments Developments, Inc.	Director, Vice President, Treasurer
	SEI Investments Company	Vice President, Treasurer, Controller, Chief Accounting Officer
Carolyn McLaurin Vice President	-	-
Kathryn L. Stanton Vice President	SEI Giving Fund	Vice President, Treasurer
Raymond B. Webster Vice President	SEI Investments Management Corporation II	Vice President
	SEI Global Services, Inc.	Vice President
Lori L. White Assistant Secretary	SEI Investments Company	Vice President, Assistant Secretary
	SEI Investments Distribution Co.	Vice President, Assistant Secretary
	SEI Investments, Inc.	Vice President, Assistant Secretary
	SEI Investments Management Corporation II	Assistant Secretary
	SEI Investments Global Funds Services	Assistant Secretary
	SEI Investments Fund Management	Assistant Secretary

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**Name and Position**  
**With Investment Adviser**  
John C. Munch  
Assistant Secretary

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**Name of Other Company**  
SEI Investments Company

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**Position With Other Company**  
Vice President, Assistant  
Secretary

	SEI Investments Distribution Co.	General Counsel, Secretary
	SEI Ventures, Inc.	Assistant Secretary
	SEI Insurance Group, Inc.	Secretary
	SEI Investments Global Funds Services	Assistant Secretary
	SEI Investments Fund Management	Assistant Secretary
	SEI Investments Management Corporation II	Assistant Secretary
	SEI Inc. (Canada)	General Counsel, Secretary
	SEI Franchise, Inc.	Assistant Secretary
David Campbell Vice President	SEI Global Services, Inc.	Vice President
Lori Heinel Vice President	-	-
Rosanne Miller Assistant Secretary	SEI Investments Company	Vice President, Assistant Secretary
	SEI Global Services, Inc.	Assistant Secretary
Jim Combs Vice President	SEI Global Services, Inc.	Vice President
Michael Cagina Vice President	-	-
Paul Klauder Vice President	-	-
Alison Saunders Vice President	-	-
Brandon Sharrett Vice President	SEI Global Services, Inc.	Vice President
Wayne Withrow Senior Vice President	SEI Investments Company	Executive Vice President
	SEI Investments Distribution Co.	Director
	SEI Investments Global Funds Services	Executive Vice President
	SEI Investments Fund Management	Executive Vice President
	SEI Trust Company	Director
	SEI Investments-Global (Cayman), Limited	Director
	SEI Investments Global Fund Services Limited	Director
	SEI Global Services, Inc.	Director, Senior Vice President

<b>Name and Position With Investment Adviser</b>	<b>Name of Other Company</b>	<b>Position With Other Company</b>
Christine McCullough Vice President, Assistant Secretary	SEI Investments Management Corporation II	Senior Vice President
	SEI Investments Global (Bermuda) Ltd.	Director, President
	SEI Insurance Group, Inc.	Assistant Secretary
	SEI Investments Company	Vice President, Assistant Secretary
	SEI Global Services, Inc.	Assistant Secretary
	SEI Investments Management Corporation II	Assistant Secretary
	SEI Franchise, Inc.	General Counsel, Vice President, Secretary
Tom Jones Compliance Officer, Assistant Secretary	SEI Investments Management Corporation II	Compliance Officer, Assistant Secretary
Karl Dasher Vice President, Chief Investment Officer	SEI Investments (France)	Board of Directors
Frank Sidoti Vice President	-	-
Vincent Chu Vice President	SEI Asset Korea	Director

**Item 27. Principal Underwriters:**

(a) Furnish the name of each investment company (other than the Registrant) for which each principal underwriter currently distributing the securities of the Registrant also acts as a principal underwriter, distributor or investment adviser.

Registrant's distributor, SEI Investments Distribution Co. (the "Distributor"), acts as distributor for:

SEI Daily Income Trust	July 15, 1982
SEI Liquid Asset Trust	November 29, 1982
SEI Tax Exempt Trust	December 3, 1982

SEI Index Funds	July 10, 1985
SEI Institutional Managed Trust	January 22, 1987
The Advisors' Inner Circle Fund	November 14, 1991
The Advisors' Inner Circle Fund II	January 28, 1993
Bishop Street Funds	January 27, 1995
SEI Asset Allocation Trust	April 1, 1996
SEI Institutional Investments Trust	June 14, 1996
HighMark Funds	February 15, 1997
Oak Associates Funds	February 27, 1998
The Nevis Fund, Inc.	June 29, 1998
CNI Charter Funds	April 1, 1999
iShares Inc.	January 28, 2000
iShares Trust	April 25, 2000

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JohnsonFamily Funds, Inc.	November 1, 2000
The MDL Funds	January 24, 2001
Causeway Capital Management Trust	September 20, 2001
The Japan Fund, Inc.	October 7, 2002
The Arbitrage Funds	May 17, 2005

The Distributor provides numerous financial services to investment managers, pension plan sponsors, and bank trust departments. These services include portfolio evaluation, performance measurement and consulting services ("Funds Evaluation") and automated execution, clearing and settlement of securities transactions ("MarketLink").

(b) Furnish the information required by the following table with respect to each director, officer or partner of each principal underwriter named in the answer to Item 19 of Part B. Unless otherwise noted, the business address of each director or officer is Oaks, PA 19456.

<u>Name</u>	<u>Position and Office with Underwriter</u>	<u>Positions and Offices with Registrant</u>
William M. Doran	Director	
Carl A. Guarino	Director	-
Edward D. Loughlin	Director	

Wayne M. Withrow	Director	
Kevin Barr	President & Chief Executive Officer	-
Maxine Chou	Chief Financial Officer & Treasurer	-
John Munch	General Counsel & Secretary	-
Karen LaTourette	Chief Compliance Officer, Anti-Money Laundering Officer & Assistant Secretary	-
Mark Held	Senior Vice President	-
Lori L. White	Vice President & Assistant Secretary	-
Robert Silvestri	Vice President	-
Michael Farrell	Vice President	-
Mark Greco	Chief Operations Officer	-
John Coary	Vice President	-
Joanne Nelson	Vice President	-
Al DelPizzo	Vice President	

**Item 28. Location of Accounts and Records:**

Books or other documents required to be maintained by Section 31(a) of the Investment Company Act of 1940, as amended (the "1940 Act"), and the rules promulgated thereunder, are maintained as follows:

(a) With respect to Rules 31a-1(a); 31a-1(b)(1); (2)(a) and (b); (3); (6); (8); (12); and 31a-1(d), the required books and records are maintained at the offices of the Funds' Custodian:

Brown Brothers Harriman & Co.  
40 Water Street  
Boston, Massachusetts 02109

(b)(c) With respect to Rules 31a-1(a); 31a-1(b)(1), (4); (2)(C) and (D); (4); (5); (6); (8); (9); (10); (11); and 31a-1(f), the required books and records are maintained at the offices of Registrant's Manager:

SEI Investments Fund Management  
Oaks, PA 19456

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(d) With respect to Rules 31a-(b)(5); (6), (9) and (10) and 31a-1(f), the required books and records are maintained at the offices of Registrant's Advisers:

SEI Investments Management Corporation  
Oaks, PA 19456



Alliance Capital Management L.P.  
1345 Avenue of the Americas  
New York, NY 10105

Ashmore Investment Management Limited  
20 Bedfordbury  
London, WC2N 4BL  
United Kingdom

The Boston Company Asset Management  
One Boston Place  
Boston, MA 02108

Bridgewater Associates, Inc.  
1 Glendinning Place  
Westport, CT 06880

Capital Guardian Trust Company  
333 South Hope Street, 55<sup>th</sup> Floor  
Los Angeles, CA 90071

Emerging Markets Management, L.L.C.  
1001 Nineteenth Street North  
17<sup>th</sup> Floor  
Arlington, Virginia 22209-1722

Fischer Francis Trees & Watts, Inc.  
200 Park Avenue, 46<sup>th</sup> Floor  
New York, NY 10166

Fisher Asset Management, LLC  
13100 Skyline Boulevard  
Woodside, California 94062

Fuller & Thaler Asset Management, Inc.  
411 Borel Avenue  
Suite 402  
San Mateo, California 94420

McKinley Capital Management Inc.  
3301 C Street  
Suite 500  
Anchorage, Alaska 99503

Morgan Stanley Investment Management Inc.  
1221 Avenue of the Americas  
New York, New York 10020

Morgan Stanley Investment Management Limited  
25 Cabot Square  
Canary Wharf, London E14 4QA  
United Kingdom

Quantitative Management Associates  
Gateway Center 2  
McCarter Highway & Market Street  
Newark, New Jersey 07102

Rexiter Capital Management Limited  
21 St. James's Square  
London SW1Y 4SS  
United Kingdom

Salomon Brothers Asset Management Inc  
399 Park Avenue  
New York, New York 10022

**Item 29. Management Services:**

None.

**Item 30. Undertakings:**

None.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, the Registrant certifies that it meets all of the requirements for effectiveness of this Registration Statement pursuant to Rule 485(a) under the Securities Act of 1933 and has duly caused this Post-Effective Amendment No. 40 to Registration Statement No. 33-22821 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oaks, Commonwealth of Pennsylvania on the 1st day of December, 2006.

SEI INSTITUTIONAL INTERNATIONAL TRUST

BY: /S/ EDWARD D. LOUGHLIN

Edward D. Loughlin

*President & Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacity on the date indicated.

\*  
Rosemarie B. Greco

Trustee

December 1,  
2006

*	Trustee	December 1, 2006
William M. Doran		
*	Trustee	December 1, 2006
F. Wendell Gooch		
*	Trustee	December 1, 2006
George J. Sullivan, Jr.		
*	Trustee	December 1, 2006
James M. Storey		
*	Trustee	December 1, 2006
Robert A. Neshier		
*	Trustee	December 1, 2006
Nina Lesavoy		
*	Trustee	December 1, 2006
James M. Williams		
/s/ EDWARD D. LOUGHLIN	President & Chief	December 1, 2006
Edward D. Loughlin		
/s/ STEPHEN F. PANNER	Executive Officer Controller & Chief Financial	December 1, 2006
Stephen F. Panner		
Officer		
*BY:	/S/ EDWARD D. LOUGHLIN Edward D. Loughlin <i>Attorney-in-Fact</i>	

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**EXHIBIT INDEX**

Exhibit Number	Description
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- EX-99.Ba Agreement and Declaration of Trust dated June 28, 1988 as originally filed with Registrant's Registration Statement on Form N-1A (File No. 33-22821) filed with the Securities and Exchange Commission ("SEC") on June 30, 1988, is herein incorporated by reference to Exhibit 1 of Post-Effective Amendment No. 23, filed with the SEC on June 23, 1997.
- EX-99.Ba2 Amendment to Agreement and Declaration of Trust, dated August 9, 1989, is herein incorporated by reference to Exhibit (a)(2) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Ba3 Amendment to Agreement and Declaration of Trust, dated April 29, 1998, is herein incorporated by reference to Exhibit (a)(3) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Bb1 Amended By-Laws dated June 17, 2004 are herein incorporated by reference to Exhibit (b)(1) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
- EX-99.Bc Not Applicable
- EX-99.Bd1 Investment Advisory Agreement between Registrant and SEI Investments Management Corporation ("SIMC") dated December 16, 1994 (restated as of December 17, 2002) is herein incorporated by reference to Exhibit (d)(1) of Post-Effective Amendment No. 36 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2003.
- EX-99.Bd2 Schedule to Investment Advisory Agreement between Registrant and SIMC dated December 16, 2002 with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(2) of Post-Effective Amendment No. 36 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2003.
- EX-99.Bd3 Investment Sub-Advisory Agreement between SIMC and Capital Guardian Trust Company dated June 29, 1998 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(24) of Post-Effective Amendment No. 26 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 25, 1998.
- EX-99.Bd4 Investment Sub-Advisory Agreement between SIMC and Morgan Stanley Investment Management Inc. dated October 1, 2001 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(39) of Post-Effective Amendment No. 34 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2002.
- EX-99.Bd5 Delegation Agreement between Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited dated December 10, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(5) of Post-Effective Amendment No. 39 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.

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Exhibit	Number	Description
	EX-99.Bd6	Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated June 26, 2002 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(9) of Post-Effective Amendment No. 35 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 27, 2002.
	EX-99.Bd7	Investment Sub-Advisory Agreement between SIMC and The Boston Company Asset Management dated September 18, 2000 is herein incorporated by reference to Exhibit (d)(6) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.

- EX-99.Bd8 Investment Sub-Advisory Agreement between SIMC, Fischer Francis Trees & Watts, Inc., Fischer Francis Trees & Watts, Fischer Francis Trees & Watts (Singapore) Pte Ltd and Fischer Francis Trees & Watts Kabushiki Kaisha dated December 17, 2002 with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(13) of Post-Effective Amendment No. 36 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2003.
- EX-99.Bd9 Investment Sub-Advisory Agreement between SIMC and Salomon Brothers Asset Management Inc dated March 31, 1997 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(31) of Post-Effective Amendment No. 29 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed on January 27, 2000.
- EX-99.Bd10 Investment Sub-Advisory Agreement between SIMC and Ashmore Investment Management Limited dated March 17, 2003 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(9) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Bd11 Amended Schedules A and B to the investment Sub-Advisory Agreement between SIMC and Ashmore Investment Management Limited dated October 7, 2005 with respect to the Emerging Markets Equity Fund are filed herewith.
- EX-99.Bd12 Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(10) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Bd13 Investment Sub-Advisory Agreement between SIMC and Citigroup Asset Management Limited dated September 30, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(11) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Bd14 Investment Sub-Advisory Agreement between SIMC and Emerging Markets Management, L.L.C. dated March 11, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(12) of Post-Effective Amendment No. 37 to Registrants Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.

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**Exhibit**

Number	Description
EX-99.Bd15	Investment Sub-Advisory Agreement between SIMC and Fisher Investments, Inc. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(13) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
EX-99.Bd16	Investment Sub-Advisory Agreement between SIMC and McKinley Capital Management, Inc. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(13) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
EX-99.Bd17	Investment Sub-Advisory Agreement between SIMC and Rexiter Capital Management Limited dated July 15, 2004 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(15) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
EX-99.Bd18	Investment Sub-Advisory Agreement between SIMC and Bridgewater Associates, Inc. with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(11) of Post-Effective Amendment No. 39 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.
EX-99.Bd19	Revised Schedule A to the Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated March 10, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(18) of

Post-Effective Amendment No. 39 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.

- EX-99.Bd20 Amendment to Investment Sub-Advisory Agreement between SIMC and Alliance Capital Management L.P. dated July 1, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(15) of Post-Effective Amendment No. 37 to Registrants Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Bd21 Amendment to Investment Sub-Advisory Agreement between SIMC and Ashmore Investment Management Limited dated July 1, 2003 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(16) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Bd22 Amendment to Investment Sub-Advisory Agreement between SIMC and The Boston Company Asset Management, LLC dated July 1, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(17) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
- EX-99.Bd23 Amendment to Investment Sub-Advisory Agreement between SIMC and Capital Guardian Trust Company dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(18) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.

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<b>Exhibit Number</b>	<b>Description</b>
EX-99.Bd24	Amendment to Investment Sub-Advisory Agreement between SIMC and Emerging Markets Management, L.L.C. dated July 1, 2003 with respect to the Emerging Markets Equity Fund is herein incorporated by reference to Exhibit (d)(19) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
EX-99.Bd25	Amendment to Investment Sub-Advisory Agreement between SIMC and Fischer Francis Trees & Watts, Inc., Fischer Francis Trees & Watts, Fischer Francis Trees & Watts (Singapore) Pte Ltd and Fischer Francis Trees & Watts Kabushiki Kaisha dated July 1, 2003 with respect to the International Fixed Income Fund is herein incorporated by reference to Exhibit (d)(20) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
EX-99.Bd26	Amendment to Investment Sub-Advisory Agreement between SIMC and Morgan Stanley Investment Management Inc. dated July 1, 2003 with respect to the International Equity Fund is herein incorporated by reference to Exhibit (d)(21) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
EX-99.Bd27	Amendment to Investment Sub-Advisory Agreement between SIMC and Salomon Brothers Asset Management Inc dated July 28, 2003 with respect to the Emerging Markets Debt Fund is herein incorporated by reference to Exhibit (d)(22) of Post-Effective Amendment No. 37 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 29, 2004.
EX-99.Bd28	Investment Sub-Advisory Agreement between SIMC and Quantitative Management Associates LLC dated June 30, 2005 with respect to the International Equity Fund is filed herewith.
EX-99.Bd29	Investment Sub-Advisory Agreement between SIMC and Fuller & Thaler Asset Management, Inc. dated July 15, 2005 with respect to the International Equity Fund is filed herewith.

- EX-99.Be Amended and Restated Distribution Agreement between Registrant and SEI Investments Distribution Co. dated September 16, 2002 is herein incorporated by reference to Exhibit (e) of Post-Effective Amendment No. 35 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on November 27, 2002.
- EX-99.Bf Not Applicable
- EX-99.Bg1 Custodian Agreement between Registrant and Brown Brothers Harriman & Co. dated March 1, 2004 is herein incorporated by reference to Exhibit (g)(1) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.
- EX-99.Bh1 Amended and Restated Administration and Transfer Agency Agreement between Registrant and SEI Investments Fund Management dated December 10, 2003 is herein incorporated by reference to Exhibit (h)(1) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.

Exhibit Number	Description
EX-99.Bh2	Shareholder Service Plan and Agreement with respect to the Class A shares is herein incorporated by reference to Exhibit 15(e) of Post-Effective Amendment No. 22 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on April 8, 1997.
EX-99.Bh3	Shareholder Service Plan and Agreement with respect to Class I shares is herein incorporated by reference to Exhibit (h)(5) of Post-Effective Amendment No. 30 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed on June 30, 2000.
EX-99.Bh4	Administrative Services Plan and Agreement with respect to Class I shares signed October 4, 2001 is herein incorporated by reference to Exhibit (h)(6) of Post-Effective Amendment No. 34 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2002.
EX-99.Bi	Opinion and Consent of Counsel to be filed by later amendment.
EX-99.Bj	Opinion and Consent of Independent Registered Public Accounting Firm to be filed by later amendment.
EX-99.Bk	Not Applicable
EX-99.Bl	Not Applicable
EX-99.Bm	Not Applicable.
EX-99.Bn	Amended and Restated Rule 18f-3 Plan relating to Class A, I and Y shares dated June 26, 2002 is herein incorporated by reference to Exhibit (n) of Post-Effective Amendment No. 35 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed with the SEC on November 27, 2002.
EX-99.Bo	Not Applicable.
EX-99.Bp1	The Code of Ethics for SEI Investments Management Corporation is filed herewith.
EX-99.Bp2	The Code of Ethics for SEI Investments Distribution Co. is filed herewith.
EX-99.Bp3	The Code of Ethics for SEI Institutional International Trust is herein incorporated by reference to Exhibit (p)(2) of Post-Effective Amendment No. 30 to Registrant's Registration Statement on Form N-1A (File No. 33-22821), filed on June 30, 2000.
EX-99.Bp4	The Code of Ethics for Capital Guardian Trust Company is filed herewith.
EX-99.Bp5	The Code of Ethics for Morgan Stanley Investment Management Inc. and Morgan Stanley Investment Management Limited is filed herewith.
EX-99.Bp6	The Code of Ethics for Salomon Brothers Asset Management Inc is filed herewith.

EX-99.Bp7 The Code of Ethics for The Boston Company Asset Management is filed herewith.

EX-99.Bp8 The Code of Ethics for Alliance Capital Management L.P. is filed herewith.

EX-99.Bp9 The Code of Ethics for Fischer Francis Trees & Watts, Inc. is filed herewith.

EX-99.Bp10 The Code of Ethics for Ashmore Investment Management Limited is filed herewith.

EX-99.Bp11 The Code of Ethics for Citigroup Asset Management Limited is herein incorporated by reference to Exhibit (p)(9) of Post-Effective Amendment No. 13 to SEI Institutional Investments Trust's Registration Statement on Form N-1A (File Nos. 33-58041 and 811-7257), filed with the SEC on September 30, 2003.

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**Exhibit**

**Number**

**Description**

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EX-99.Bp12 The Code of Ethics for Emerging Markets Management, L.L.C. is filed herewith.

EX-99.Bp13 The Code of Ethics for Fisher Investments, Inc. is herein incorporated by reference to Exhibit (p)(13) of Post-Effective Amendment No. 38 to Registrant's Registration Statement on Form N-1A (File Nos. 33-22821 and 811-5601), filed with the SEC on November 29, 2004.

EX-99.Bp14 The Code of Ethics for McKinley Capital Management, Inc. is filed herewith.

EX-99.Bp15 The Code of Ethics for Rexiter Capital Management Limited is filed herewith.

EX-99.Bp16 The Code of Ethics for Bridgewater Associates, Inc. is herein incorporated by reference to Exhibit (p)(16) of Post-Effective Amendment No. 39 to Registrant's Registration Statement (File Nos. 33-22821 and 811-5601), filed with the SEC on January 28, 2005.

EX-99.Bp17 The Code of Ethics for Fuller & Tholer Asset Management, Inc. is filed herewith.

EX-99.Bp18 The Code of Ethics for Quantitative Management Associates LLC is filed herewith.

EX-99.Bq1 Powers of Attorney for Robert A. Neshor, William M. Doran, F. Wendell Gooch, Rosemarie B. Greco, George J. Sullivan, Jr., James M. Storey, Edward D. Loughlin, Nina Lesavoy, Stephen F. Panner and James M. Williams are filed herewith.

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**Schedule A  
to the  
Sub-Advisory Agreement  
between  
SEI Investments Management Corporation  
and  
Ashmore Investment Management Limited**

**As of March 17, 2003, as amended July 1, 2003, July 1, 2004 and October 7, 2005**

**SEI INSTITUTIONAL INTERNATIONAL TRUST**

Emerging Markets Debt Fund  
Emerging Markets Equity Fund

Agreed and Accepted:

**SEI Investments Management Corporation**

**Ashmore Investment Management Limited**

By:

By:

/s/Sophia A. Rosala

/s/Tim Davis

Name:

Name:

Sophia A Rosala

Tim Davis

Title:

Title:

Vice President & Assistant Secretary

Head of Legal and Transaction Management

**Schedule B  
to the  
Sub-Advisory Agreement  
between  
SEI Investments Management Corporation  
and  
Ashmore Investment Management Limited**

**As of March 17, 2003, as amended July 1, 2003, July 1, 2004 and October 7, 2005**

Pursuant to Paragraph 6, the Adviser shall pay the Sub-Adviser compensation at an annual rate as follows:

**SEI Institutional International Trust**

Emerging Markets Debt Fund

Emerging Markets Equity Fund

Agreed and Accepted:

**SEI Investments Management Corporation**

**Ashmore Investment Management Limited**

By:

By:

/s/ Sophia A. Rosala

/s/Tim Davis

Name:

Name:

Sophia A Rosala

Tim Davis

Title:

Title:

Vice President & Assistant Secretary

Head of Legal and Transaction Management

**INVESTMENT SUB-ADVISORY AGREEMENT  
SEI INSTITUTIONAL INTERNATIONAL TRUST**

AGREEMENT made as of this 30th day of June, 2005 between SEI Investments Management Corporation (the “Adviser”) and Quantitative Management Associates LLC (the “Sub-Adviser”).

WHEREAS, SEI Institutional International Trust, a Massachusetts business trust (the “Trust”), is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”); and

WHEREAS, the Adviser has entered into an Investment Advisory Agreement dated December 16, 1994 (the “Advisory Agreement”) with the Trust, pursuant to which the Adviser acts as investment adviser to the series of the Trust set forth on Schedule A attached hereto (the “Fund”), as such Schedule may be amended by mutual agreement of the parties hereto; and

WHEREAS, the Adviser, with the approval of the Trust, desires to retain the Sub-Adviser to provide investment advisory services to the Adviser in connection with the management of the Fund, and the Sub-Adviser is willing to render such investment advisory services.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Duties of the Sub-Adviser.** Subject to supervision by the Adviser and the Trust’s Board of Trustees, the Sub-Adviser shall manage all of the securities and other assets of the Fund entrusted to it hereunder (the “Assets”), including the purchase, retention and disposition of the Assets, in accordance with the Fund’s investment objectives, policies and restrictions as stated in the Fund’s prospectus and statement of additional information, as currently in effect and as amended or supplemented from time to time (referred to collectively as the “Prospectus”), and subject to the following:
  - (a) The Sub-Adviser shall, subject to any direction given by the Adviser in writing and Paragraph 1(b), determine in its discretion from time to time what Assets will be purchased, retained or sold by the Fund, and what portion of the Assets will be invested or held uninvested in cash.
  - (b) In the performance of its duties and obligations under this Agreement, the Sub-Adviser shall act in conformity with the Trust’s Declaration of Trust (as defined herein) and the Prospectus and with the instructions and directions of the Adviser and of the Board of Trustees of the Trust and will conform to and comply with the requirements of the 1940 Act, the Internal Revenue Code of 1986 (the “Code”), and all other applicable federal and state laws and regulations, as each is amended from time to time.
  - (c) The Sub-Adviser shall determine the Assets to be purchased or sold by the Fund as provided in subparagraph (a) and will place orders with or through such persons, brokers or dealers to carry out the policy with respect to brokerage set forth in the Fund’s

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Prospectus or as the Board of Trustees or the Adviser may direct from time to time, in conformity with all federal securities laws. In executing Fund transactions and selecting brokers or dealers, the Sub-Adviser will use its best efforts to seek on behalf of the Fund the best overall terms available. In assessing the best overall terms available for any transaction, the Sub-Adviser shall consider all factors that it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer, and the reasonableness of the commission, if any, both for the specific transaction and on a continuing basis. In evaluating the best overall terms available, and in selecting the broker-dealer to execute a particular transaction, the Sub-Adviser may also consider the brokerage and research services provided (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934 (the “Exchange Act”). Consistent with any guidelines established by the Board of Trustees of the Trust and Section 28(e) of the Exchange Act, the Sub-Adviser is authorized to pay to a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Fund which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if, but only if, the Sub-Adviser determines in good faith that such commission was reasonable in relation to the value of the brokerage and research services provided

by such broker or dealer – viewed in terms of that particular transaction or in terms of the overall responsibilities of the Sub-Adviser to its discretionary clients, including the Fund. In addition, the Sub-Adviser is authorized to allocate purchase and sale orders for securities to brokers or dealers (including brokers and dealers that are affiliated with the Adviser, Sub-Adviser or the Trust’s principal underwriter) if the Sub-Adviser believes that the quality of the transaction and the commission are comparable to what they would be with other qualified firms. In no instance, however, will the Fund’s Assets be purchased from or sold to the Adviser, Sub-Adviser, the Trust’s principal underwriter, or any affiliated person of either the Trust, Adviser, the Sub-Adviser or the principal underwriter, acting as principal in the transaction, except to the extent permitted by the Securities and Exchange Commission (“SEC”) and the 1940 Act. Promptly after execution of this Agreement, Adviser will provide Sub-Adviser a list of the Trust’s principal underwriter and affiliated persons of the Trust, Adviser and the Trust’s principal underwriter and will update such list as necessary.

- (d) The Sub-Adviser shall maintain all books and records with respect to transactions involving the Assets required by subparagraphs (b)(5), (6), (7), (9), (10) and (11) and paragraph (f) of Rule 31a-1 under the 1940 Act. The Sub-Adviser shall provide to the Adviser or the Board of Trustees such periodic and special reports, balance sheets or financial information, and such other information with regard to its affairs as the Adviser or Board of Trustees may reasonably request.

The Sub-Adviser shall keep the books and records relating to the Assets required to be maintained by the Sub-Adviser under this Agreement and shall timely furnish to the Adviser all information relating to the Sub-Adviser’s services under this Agreement needed by the Adviser to keep the other books and records of the Fund required by Rule 31a-1 under the 1940 Act. The Sub-Adviser shall also furnish to the Adviser any other

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information under the control of the Sub-Adviser relating to the Assets that is required to be filed by the Adviser or the Trust with the SEC or sent to shareholders under the 1940 Act (including the rules adopted thereunder) or any exemptive or other relief that the Adviser or the Trust obtains from the SEC. The Sub-Adviser agrees that all records that it maintains on behalf of the Fund are property of the Fund and the Sub-Adviser will surrender promptly to the Fund any of such records upon the Fund’s request; provided, however, that the Sub-Adviser may retain a copy of such records. In addition, for the duration of this Agreement, the Sub-Adviser shall preserve for the periods prescribed by Rule 31a-2 under the 1940 Act any such records as are required to be maintained by it pursuant to this Agreement, and shall transfer said records to any successor sub-adviser upon the termination of this Agreement (or, if there is no successor sub-adviser, to the Adviser).

- (e) The Sub-Adviser shall provide the Fund’s custodian on each business day with information relating to all transactions concerning the Fund’s Assets and shall provide the Adviser with such information upon request of the Adviser.
- (f) The investment management services provided by the Sub-Adviser under this Agreement are not to be deemed exclusive and the Sub-Adviser shall be free to render similar services to others, as long as such services do not impair the services rendered to the Adviser or the Trust.
- (g) The Sub-Adviser shall promptly notify the Adviser of any financial condition that is likely to impair the Sub-Adviser’s ability to fulfill its commitment under this Agreement.
- (h) (i) Except under the circumstances set forth in subsection (ii), the Sub-Adviser shall not be responsible for reviewing proxy solicitation materials or voting and handling proxies in relation to the securities held as Assets in the Fund. If the Sub-Adviser receives a misdirected proxy, it shall promptly forward such misdirected proxy to the Adviser.
- (ii) The Sub-Adviser hereby agrees that upon 60 days’ written notice from the Adviser, the Sub-Adviser shall assume responsibility for reviewing proxy solicitation materials and voting proxies in relation to the securities held as Assets in the Fund. As of the time as the Sub-Adviser shall assume such responsibilities with respect to proxies under this subsection (ii), the Adviser shall instruct the custodian and other parties providing services to the Fund to promptly forward misdirected proxies to the Sub-Adviser.

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- (i) In performance of its duties and obligations under this Agreement, the Sub-Adviser shall not consult with any other sub-adviser to the Fund or a sub-adviser to a portfolio that is under common control with the Fund concerning the Assets, except as permitted by the policies and procedures of the Fund. The Sub-Adviser shall not provide investment advice to any assets of the Fund other than the Assets.

Services to be furnished by the Sub-Adviser under this Agreement may be furnished through the medium of any of the Sub-Adviser's control affiliates, partners, officers or employees.

2. **Duties of the Adviser.** The Adviser shall continue to have responsibility for all services to be provided to the Fund pursuant to the Advisory Agreement and shall oversee and review the Sub-Adviser's performance of its duties under this Agreement; provided, however, that in connection with its management of the Assets, nothing herein shall be construed to relieve the Sub-Adviser of responsibility for compliance with the Trust's Declaration of Trust (as defined herein), the Prospectus, the instructions and directions of the Board of Trustees of the Trust, the requirements of the 1940 Act, the Code, and all other applicable federal and state laws and regulations, as each is amended from time to time. The Adviser shall promptly provide to the Sub-Adviser any amendments to the Declaration of Trust or the Fund's Prospectus. Notwithstanding anything to the contrary herein, any obligation of Sub-Adviser to comply with such amended documents is subject, in each case, to Sub-Adviser's prior receipt of the amended document.
3. **Delivery of Documents.** The Adviser has furnished the Sub-Adviser with copies of each of the following documents:
- (a) The Trust's Agreement and Declaration of Trust, as filed with the Secretary of State of the Commonwealth of Massachusetts (such Agreement and Declaration of Trust, as in effect on the date of this Agreement and as amended from time to time, herein called the "Declaration of Trust");
- (b) By-Laws of the Trust (such By-Laws, as in effect on the date of this Agreement and as amended from time to time, are herein called the "By-Laws"); and
- (c) Prospectus of the Fund.
4. **Compensation to the Sub-Adviser.** For the services to be provided by the Sub-Adviser pursuant to this Agreement, the Adviser will pay the Sub-Adviser, and the Sub-Adviser agrees to accept as full compensation therefor, a sub-advisory fee at the rate specified in Schedule B which is attached hereto and made part of this Agreement. The fee will be calculated based on the average daily value of the Assets, excluding cash, under the Sub-Adviser's management and will be paid to the Sub-Adviser monthly. For the avoidance of doubt, notwithstanding the fact that the Agreement has not been terminated, no fee will be accrued under this Paragraph 4 with respect to any day that the value of the Assets under the Sub-Adviser's management equals zero. Except as may otherwise be

prohibited by law or regulation (including any then current SEC staff interpretation), the Sub-Adviser may, in its discretion and from time to time, waive a portion of its fee.

5. **Indemnification.** The Sub-Adviser shall indemnify and hold harmless the Adviser from and against any and all claims, losses, liabilities or damages (including reasonable attorney's fees and other related expenses) howsoever caused by or otherwise directly related to the Sub-Adviser's failure to meet its obligations under this Agreement; provided, however, that the Sub-Adviser's obligation under this Paragraph 5 shall be reduced to the extent that the claim against, or the loss, liability or damage experienced by the Adviser, is caused by or is otherwise directly related to the Adviser's own willful misfeasance, bad faith or negligence, or to the reckless disregard of its duties under this Agreement.

The Adviser shall indemnify and hold harmless the Sub-Adviser from and against any and all claims, losses, liabilities or damages (including reasonable attorney's fees and other related expenses) howsoever caused by or otherwise directly related to the Adviser's failure to meet its obligations under this Agreement; provided, however, that the Adviser's obligation under this Paragraph 5 shall be reduced to the extent that the claim against, or the loss, liability or damage experienced by the Sub-Adviser, is caused by or is otherwise directly related to the Sub-Adviser's own willful misfeasance, bad faith or negligence, or to the reckless disregard of its duties under this Agreement.

6. **Duration and Termination.** This Agreement shall become effective upon approval by the Trust's Board of Trustees and its execution by the parties hereto. Pursuant to the exemptive relief obtained in the SEC Order dated April 29, 1996, Investment Company Act Release No. 21921, approval of the Agreement by a majority of the outstanding voting securities of the Fund is not required, and the Sub-Adviser acknowledges that it and any other sub-adviser so selected and approved shall be without the protection (if any) accorded by shareholder approval of an investment adviser's receipt of compensation under Section 36(b) of the 1940 Act.

This Agreement shall continue in effect for a period of more than two years from the date hereof only so long as continuance is specifically approved at least annually in conformance with the 1940 Act; provided, however, that this Agreement may be terminated with respect to the Fund (a) by the Fund at any time, without the payment of any penalty, by the vote of a majority of Trustees of the Trust or by the vote of a majority of the outstanding voting securities of the Fund, (b) by the Adviser at any time, without the payment of any penalty, on not more than 60 days' nor less than 30 days' written notice to the Sub-Adviser, or (c) by the Sub-Adviser at any time, without the payment of any penalty, on 90 days' written notice to the Adviser. This Agreement shall terminate automatically and immediately in the event of its assignment, or in the event of a termination of the Advisory Agreement with the Trust. As used in this Paragraph 6, the terms "assignment" and "vote of a majority of the outstanding voting securities" shall have the respective meanings set forth in the 1940 Act and the rules and regulations thereunder, subject to such exceptions as may be granted by the SEC under the 1940 Act.

7. **Governing Law.** This Agreement shall be governed by the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles; provided, however, that nothing herein shall be construed as being inconsistent with the 1940 Act.
8. **Severability.** Should any part of this Agreement be held invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors.
9. **Notice:** Any notice, advice or report to be given pursuant to this Agreement shall be deemed sufficient if delivered or mailed by registered, certified or overnight mail, postage prepaid addressed by the party giving notice to the other party at the last address furnished by the other party:

To the Adviser at: SEI Investments Management Corporation  
One Freedom Valley Road  
Oaks, PA 19456  
Attention: Legal Department

To the Sub-Adviser at: Quantitative Management Associates LLC  
Gateway Center 2, Fourth Floor  
Newark, NJ 07102  
Attention: Kevin McGrory

With a copy to Prudential Insurance Company of America Legal  
Department  
Gateway Center 2, Fourth Floor  
Newark, NJ 07102  
Attention: Maureen Baker Fialcowitz

10. **Non-Hire/Non-Solicitation.** The Sub-Adviser hereby agrees that so long as the Sub-Adviser provides services to the Adviser or the Trust and for a period of one year following the date on which the Sub-Adviser ceases to provide services to the Adviser and the Trust, the Sub-Adviser shall not for any reason, directly or indirectly, on the Sub-Adviser's own behalf or on behalf of others, hire any person employed in the Adviser's Investment Management Unit to work for Sub-Adviser, whether or not such person is a full-time employee or whether or not any person's employment is pursuant to a written agreement or is at-will. The Sub-Adviser further

agrees that, to the extent that the Sub-Adviser breaches the covenant described in this paragraph, the Adviser shall be entitled to pursue all appropriate remedies in law or equity.

11. **Noncompete Provisions.**

- (a) The Sub-Adviser hereby agrees that, the Sub-Adviser will waive enforcement of any noncompete agreement or other agreement or arrangement to which it is currently a party or becomes a party to during the term of this Agreement that

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restricts, limits, or otherwise interferes with the ability of the Adviser to employ or engage:

- (i) any person who provided investment advisory services to Adviser pursuant to this Agreement, or  
(ii) entity employing such person,

to provide investment advisory or other services to Adviser and will transmit to any person or entity notice of such waiver as may be required to give effect to this provision; provided, however, Sub-Adviser will not waive any restriction on a former employee' s (or his/her current employer' s) ability to hire current employees of the Sub-Adviser; and

- (b) Notwithstanding any termination of this Agreement, the Sub-Adviser' s obligations under this Paragraph 11 shall survive.

12. **Entire Agreement.** This Agreement embodies the entire agreement and understanding between the parties hereto, and supersedes all prior agreements and understandings relating to this Agreement' s subject matter. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

In the event the terms of this Agreement are applicable to more than one portfolio of the Trust (for purposes of this Paragraph 12, each a "Fund"), the Adviser is entering into this Agreement with the Sub-Adviser on behalf of the respective Funds severally and not jointly, with the express intention that the provisions contained in each numbered paragraph hereof shall be understood as applying separately with respect to each Fund as if contained in separate agreements between the Adviser and Sub-Adviser for each such Fund. In the event that this Agreement is made applicable to any additional Funds by way of a Schedule executed subsequent to the date first indicated above, provisions of such Schedule shall be deemed to be incorporated into this Agreement as it relates to such Fund so that, for example, the execution date for purposes of Paragraph 6 of this Agreement with respect to such Fund shall be the execution date of the relevant Schedule.

13. **Miscellaneous.**

- (a) A copy of the Declaration of Trust is on file with the Secretary of State of the Commonwealth of Massachusetts, and notice is hereby given that the obligations of this instrument are not binding upon any of the Trustees, officers or shareholders of the Fund or the Trust.

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- (b) Where the effect of a requirement of the 1940 Act reflected in any provision of this Agreement is altered by a rule, regulation or order of the SEC, whether of special or general application, such provision shall be deemed to incorporate the effect of such rule, regulation or order.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers designated below as of the day and year first written above.

SEI Investments Management Corporation

Quantitative Management Associates LLC

By:

/s/ Timothy D. Barto

Name:

Timothy D. Barto

Title:

Vice President

By:

/s/ Margaret Stumpp

Name:

Margaret Stumpp

Title:

Chief Investment Officer

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**Schedule A  
to the  
Sub-Advisory Agreement  
between  
SEI Investments Management Corporation  
and  
Quantitative Management Associates LLC**

**As of June 30, 2005**

**SEI INSTITUTIONAL INTERNATIONAL TRUST**

International Equity Fund

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**Schedule B  
to the  
Sub-Advisory Agreement  
between  
SEI Investments Management Corporation  
and  
Quantitative Management Associates LLC**

**As of June 30, 2005**

Pursuant to Paragraph 4, the Adviser shall pay the Sub-Adviser compensation at an annual rate as follows:

SEI Institutional International Trust

International Equity Fund



Agreed and Accepted:

**SEI Investments Management Corporation**

By:

/s/ Timothy D. Barto

Name:

Timothy D. Barto

Title:

Vice President

**Quantitative Management Associates LLC**

By:

/s/ Margaret Stumpp

Name:

Margaret Stumpp

Title:

Chief Investment Officer

**INVESTMENT SUB-ADVISORY AGREEMENT  
SEI INSTITUTIONAL INTERNATIONAL TRUST**

AGREEMENT made as of this 15th day of July, 2005 between SEI Investments Management Corporation (the “Adviser”) and Fuller & Thaler Asset Management, Inc. (the “Sub-Adviser”).

WHEREAS, SEI Institutional International Trust, a Massachusetts business trust (the “Trust”), is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”); and

WHEREAS, the Adviser has entered into an Investment Advisory Agreement dated December 16, 1994 (the “Advisory Agreement”) with the Trust, pursuant to which the Adviser acts as investment adviser to the series of the Trust set forth on Schedule A attached hereto (the “Fund”), as such Schedule may be amended by mutual agreement of the parties hereto; and

WHEREAS, the Adviser, with the approval of the Trust, desires to retain the Sub-Adviser to provide investment advisory services to the Adviser in connection with the management of the Fund, and the Sub-Adviser is willing to render such investment advisory services.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Duties of the Sub-Adviser.** Subject to supervision by the Adviser and the Trust’s Board of Trustees, the Sub-Adviser shall manage all of the securities and other assets of the Fund entrusted to it hereunder (the “Assets”), including the purchase, retention and disposition of the Assets, in accordance with the Fund’s investment objectives, policies and restrictions as stated in the Fund’s prospectus and statement of additional information, as currently in effect and as amended or supplemented from time to time (referred to collectively as the “Prospectus”), and subject to the following:
  - (a) The Sub-Adviser shall, in consultation with and subject to the direction of the Adviser, determine from time to time what Assets will be purchased, retained or sold by the Fund, and what portion of the Assets will be invested or held uninvested in cash.
  - (b) In the performance of its duties and obligations under this Agreement, the Sub-Adviser shall act in conformity with the Trust’s Declaration of Trust (as defined herein) and the Prospectus and with the instructions and directions of the Adviser and of the Board of Trustees of the Trust and will conform to and comply with the requirements of the 1940 Act, the Internal Revenue Code of 1986 (the “Code”), and all other applicable federal and state laws and regulations, as each is amended from time to time.
  - (c) The Sub-Adviser shall determine the Assets to be purchased or sold by the Fund as provided in subparagraph (a) and will place orders with or through such persons, brokers or dealers to carry out the policy with respect to brokerage set forth in the Fund’s Prospectus or as the Board of Trustees or the Adviser may direct from time to time, in conformity with all federal securities laws. In executing Fund transactions and selecting

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brokers or dealers, the Sub-Adviser will use its best efforts to seek on behalf of the Fund the best overall terms available. In assessing the best overall terms available for any transaction, the Sub-Adviser shall consider all factors that it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer, and the reasonableness of the commission, if any, both for the specific transaction and on a continuing basis. In evaluating the best overall terms available, and in selecting the broker-dealer to execute a particular transaction, the Sub-Adviser may also consider the brokerage and research services provided (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934 (the “Exchange Act”). Consistent with any guidelines established by the Board of Trustees of the Trust and Section 28(e) of the Exchange Act, the Sub-Adviser is authorized to pay to a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction for the Fund which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction if, but only if, the Sub-Adviser determines in good faith

that such commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer – viewed in terms of that particular transaction or in terms of the overall responsibilities of the Sub-Adviser to its discretionary clients, including the Fund. In addition, the Sub-Adviser is authorized to allocate purchase and sale orders for securities to brokers or dealers (including brokers and dealers that are affiliated with the Adviser, Sub-Adviser or the Trust’ s principal underwriter) if the Sub-Adviser believes that the quality of the transaction and the commission are comparable to what they would be with other qualified firms. In no instance, however, will the Fund’ s Assets be purchased from or sold to the Adviser, Sub-Adviser, the Trust’ s principal underwriter, or any affiliated person of either the Trust, Adviser, the Sub-Adviser or the principal underwriter, acting as principal in the transaction, except to the extent permitted by the Securities and Exchange Commission (“SEC”) and the 1940 Act.

- (d) The Sub-Adviser shall maintain all books and records with respect to transactions involving the Assets required by subparagraphs (b)(5), (6), (7), (9), (10) and (11) and paragraph (f) of Rule 31a-1 under the 1940 Act. The Sub-Adviser shall provide to the Adviser or the Board of Trustees such periodic and special reports, balance sheets or financial information, and such other information with regard to its affairs as the Adviser or Board of Trustees may reasonably request.

The Sub-Adviser shall keep the books and records relating to the Assets required to be maintained by the Sub-Adviser under this Agreement and shall timely furnish to the Adviser all information relating to the Sub-Adviser’ s services under this Agreement needed by the Adviser to keep the other books and records of the Fund required by Rule 31a-1 under the 1940 Act. The Sub-Adviser shall also furnish to the Adviser any other information relating to the Assets that is required to be filed by the Adviser or the Trust with the SEC or sent to shareholders under the 1940 Act (including the rules adopted thereunder) or any exemptive or other relief that the Adviser or the Trust obtains from the SEC. The Sub-Adviser agrees that all records that it maintains on behalf of the Fund are property of the Fund and the Sub-Adviser will surrender promptly to the Fund any of

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such records upon the Fund’ s request; provided, however, that the Sub-Adviser may retain a copy of such records. In addition, for the duration of this Agreement, the Sub-Adviser shall preserve for the periods prescribed by Rule 31a-2 under the 1940 Act any such records as are required to be maintained by it pursuant to this Agreement, and shall transfer said records to any successor sub-adviser upon the termination of this Agreement (or, if there is no successor sub-adviser, to the Adviser).

- (e) The Sub-Adviser shall provide the Fund’ s custodian on each business day with information relating to all transactions concerning the Fund’ s Assets and shall provide the Adviser with such information upon request of the Adviser.
- (f) The investment management services provided by the Sub-Adviser under this Agreement are not to be deemed exclusive and the Sub-Adviser shall be free to render similar services to others, as long as such services do not impair the services rendered to the Adviser or the Trust.
- (g) The Sub-Adviser shall promptly notify the Adviser of any financial condition that is likely to impair the Sub-Adviser’ s ability to fulfill its commitment under this Agreement.
- (h) (i) Except under the circumstances set forth in subsection (ii), the Sub-Adviser shall not be responsible for reviewing proxy solicitation materials or voting and handling proxies in relation to the securities held as Assets in the Fund. If the Sub-Adviser receives a misdirected proxy, it shall promptly forward such misdirected proxy to the Adviser.
- (ii) The Sub-Adviser hereby agrees that upon 60 days’ written notice from the Adviser, the Sub-Adviser shall assume responsibility for reviewing proxy solicitation materials and voting proxies in relation to the securities held as Assets in the Fund. As of the time the Sub-Adviser shall assume such responsibilities with respect to proxies under this sub-section (ii), the Adviser shall instruct the custodian and other parties providing services to the Fund to promptly forward misdirected proxies to the Sub-Adviser.
- (i) In performance of its duties and obligations under this Agreement, the Sub-Adviser shall not consult with any other sub-adviser to the Fund or a sub-adviser to a portfolio that is under common control with the Fund concerning the Assets, except as permitted by the policies and procedures of the Fund. The Sub-Adviser shall not provide investment advice to any assets of the Fund other than the Assets.

- (j) On occasions when the Sub-Adviser deems the purchase or sale of a security to be in the best interest of the Fund as well as other clients of the Sub-Adviser, the Sub-Adviser may, to the extent permitted by applicable law and regulations, aggregate the order for securities to be sold or purchased. In such event, the Sub-Adviser will allocate securities so purchased or sold, as well as the expenses incurred in the transaction, in a manner the Sub-Adviser reasonably considers to be equitable and consistent with its fiduciary obligations to the Fund and to such other clients under the circumstances.

Services to be furnished by the Sub-Adviser under this Agreement may be furnished through the medium of any of the Sub-Adviser's partners, officers, employees or control affiliates; provided, however, that the use of such mediums does not relieve the Sub-Adviser from any obligation or duty under this Agreement.

2. **Duties of the Adviser.**

- (a) The Adviser shall continue to have responsibility for all services to be provided to each Fund pursuant to the Advisory Agreement and shall oversee and review the Sub-Adviser's performance of its duties under this Agreement; provided, however, that in connection with its management of the Assets, nothing herein shall be construed to relieve the Sub-Adviser of responsibility for compliance with the Trust's Declaration of Trust (as defined herein), the Prospectus, the instructions and directions of the Board of Trustees of the Trust, the requirements of the 1940 Act, the Code, and all other applicable federal and state laws and regulations, as each is amended from time to time.
- (b) The Adviser agrees to obtain the Sub-Adviser's approval of all prospectuses, proxy statements, report to stockholders, sales literature or other material prepared for distribution to shareholders of the Fund or the public, which refer in any way to the Sub-Adviser and not to use such material if the Sub-Adviser should reasonably object thereto in writing within five (5) days after receipt of such material; provided, however, that the Sub-Adviser's approval of such materials is not required when (i) all uses of its name in such materials merely refer in accurate terms to its appointment as investment sub-adviser hereunder; (ii) its name is used as required to be disclosed by the SEC or a state securities commission; or (iii) previously approved materials are re-issued. The Adviser shall furnish or otherwise make available to the Sub-Adviser such other information relating to the business affairs of the Fund that is necessary for the Sub-Adviser to discharge its obligations hereunder as the Sub-Adviser at any time, or from time to time, reasonably requests. The Adviser shall furnish all materials requiring approval under this subparagraph (b) to the Sub-Adviser at its principal office, which is stated in Section 9 of this Agreement.

3. **Delivery of Documents.** The Adviser has furnished the Sub-Adviser with copies of each of the following documents:

- (a) The Trust's Agreement and Declaration of Trust, as filed with the Secretary of State of the Commonwealth of Massachusetts (such Agreement and Declaration of Trust, as in effect on the date of this Agreement and as amended from time to time, herein called the "Declaration of Trust");
- (b) By-Laws of the Trust (such By-Laws, as in effect on the date of this Agreement and as amended from time to time, are herein called the "By-Laws"); and
- (c) Prospectus of the Fund.

4. **Compensation to the Sub-Adviser.** For the services to be provided by the Sub-Adviser pursuant to this Agreement, the Adviser will pay the Sub-Adviser, and the Sub-Adviser agrees to accept as full compensation therefor, a sub-advisory fee at the rate specified in Schedule B which is attached hereto and made part of this Agreement. The fee will be calculated based on the average daily value of the Assets, excluding cash, under the Sub-Adviser's management and will be paid to the Sub-Adviser monthly. For the avoidance of doubt, notwithstanding the fact that the Agreement has not been terminated, no fee will be accrued under this Paragraph 4 with respect to any day that the value of the Assets under the Sub-Adviser's management equals zero. Except as may otherwise be prohibited by law or regulation (including any then current SEC staff interpretation), the Sub-Adviser may, in its discretion and from time to time, waive a portion of its fee.

5. **Indemnification.** The Sub-Adviser shall indemnify and hold harmless the Adviser from and against any and all claims, losses, liabilities or damages (including reasonable attorney' s fees and other related expenses) howsoever arising from or in connection with the performance of the Sub-Adviser' s obligations under this Agreement; provided, however, that the Sub-Adviser' s obligation under this Paragraph 5 shall be reduced to the extent that the claim against, or the loss, liability or damage experienced by the Adviser, is caused by or is otherwise directly related to the Adviser' s own willful misfeasance, bad faith or negligence, or to the reckless disregard of its duties under this Agreement.

The Adviser shall indemnify and hold harmless the Sub-Adviser from and against any and all claims, losses, liabilities or damages (including reasonable attorney' s fees and other related expenses) howsoever arising from or in connection with the performance of the Adviser' s obligations under this Agreement; provided, however, that the Adviser' s obligation under this Paragraph 5 shall be reduced to the extent that the claim against, or the loss, liability or damage experienced by the Sub-Adviser, is caused by or is otherwise directly related to the Sub-Adviser' s own willful misfeasance, bad faith or negligence, or to the reckless disregard of its duties under this Agreement.

6. **Duration and Termination.** This Agreement shall become effective upon approval by the Trust' s Board of Trustees and its execution by the parties hereto. Pursuant to the exemptive relief obtained in the SEC Order dated April 29, 1996, Investment Company Act Release No. 21921, approval of the Agreement by a majority of the outstanding voting securities of the Fund is not required, and the Sub-Adviser acknowledges that it and any other sub-adviser so selected and approved shall be without the protection (if any) accorded by shareholder approval of an investment adviser' s receipt of compensation under Section 36(b) of the 1940 Act.

This Agreement shall continue in effect for a period of more than two years from the date hereof only so long as continuance is specifically approved at least annually in conformance with the 1940 Act; provided, however, that this Agreement may be terminated with respect to the Fund (a) by the Fund at any time, without the payment of any penalty, by the vote of a majority of Trustees of the Trust or by the vote of a majority of the outstanding voting securities of the Fund, (b) by the Adviser at any time, without the payment of any penalty, on not more than 60 days' nor less than 30 days' written

notice to the Sub-Adviser, or (c) by the Sub-Adviser at any time, without the payment of any penalty, on 90 days' written notice to the Adviser. This Agreement shall terminate automatically and immediately in the event of its assignment, or in the event of a termination of the Advisory Agreement with the Trust. As used in this Paragraph 6, the terms "assignment" and "vote of a majority of the outstanding voting securities" shall have the respective meanings set forth in the 1940 Act and the rules and regulations thereunder, subject to such exceptions as may be granted by the SEC under the 1940 Act.

7. **Governing Law.** This Agreement shall be governed by the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles; provided, however, that nothing herein shall be construed as being inconsistent with the 1940 Act.
8. **Severability.** Should any part of this Agreement be held invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors.
9. **Notice:** Any notice, advice or report to be given pursuant to this Agreement shall be deemed sufficient if delivered or mailed by registered, certified or overnight mail, postage prepaid addressed by the party giving notice to the other party at the last address furnished by the other party:

To the Adviser at:

SEI Investments Management Corporation  
One Freedom Valley Road  
Oaks, PA 19456  
Attention: Legal Department

To the Sub-Adviser at:

Fuller & Thaler Asset Management, Inc.  
411 Borel Avenue, Suite 402

10. **Non-Hire/Non-Solicitation.** The Sub-Adviser hereby agrees that so long as the Sub-Adviser provides services to the Adviser or the Trust and for a period of one year following the date on which the Sub-Adviser ceases to provide services to the Adviser and the Trust, the Sub-Adviser shall not for any reason, directly or indirectly, on the Sub-Adviser's own behalf or on behalf of others, hire any person employed by the Adviser, whether or not such person is a full-time employee or whether or not any person's employment is pursuant to a written agreement or is at-will. The Sub-Adviser further agrees that, to the extent that the Sub-Adviser breaches the covenant described in this paragraph, the Adviser shall be entitled to pursue all appropriate remedies in law or equity.
11. **Noncompete Provisions.**
- (a) The Sub-Adviser hereby agrees that, the Sub-Adviser will:

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- (i) waive enforcement of any noncompete agreement or other agreement or arrangement to which it is currently a party that restricts, limits, or otherwise interferes with the ability of the Adviser to employ or engage any person or entity to provide investment advisory or other services and will transmit to any person or entity notice of such waiver as may be required to give effect to this provision; and
- (ii) will not become a party to any noncompete agreement or other agreement or arrangement that restricts, limits or otherwise interferes with the ability of the Adviser to employ or engage any person or entity to provide investment advisory or other services.
- (b) Notwithstanding any termination of this Agreement, the Sub-Adviser's obligations under this Paragraph 11 shall survive.
12. **Entire Agreement.** This Agreement embodies the entire agreement and understanding between the parties hereto, and supersedes all prior agreements and understandings relating to this Agreement's subject matter. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

In the event the terms of this Agreement are applicable to more than one portfolio of the Trust (for purposes of this Paragraph 12, each a "Fund"), the Adviser is entering into this Agreement with the Sub-Adviser on behalf of the respective Funds severally and not jointly, with the express intention that the provisions contained in each numbered paragraph hereof shall be understood as applying separately with respect to each Fund as if contained in separate agreements between the Adviser and Sub-Adviser for each such Fund. In the event that this Agreement is made applicable to any additional Funds by way of a Schedule executed subsequent to the date first indicated above, provisions of such Schedule shall be deemed to be incorporated into this Agreement as it relates to such Fund so that, for example, the execution date for purposes of Paragraph 6 of this Agreement with respect to such Fund shall be the execution date of the relevant Schedule.

13. **Miscellaneous.**
- (a) A copy of the Declaration of Trust is on file with the Secretary of State of the Commonwealth of Massachusetts, and notice is hereby given that the obligations of this instrument are not binding upon any of the Trustees, officers or shareholders of the Fund or the Trust.
- (b) Where the effect of a requirement of the 1940 Act reflected in any provision of this Agreement is altered by a rule, regulation or order of the SEC, whether of special or general application, such provision shall be deemed to incorporate the effect of such rule, regulation or order.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers designated below as of the day and year first written above.

**SEI Investments Management Corporation**

**Fuller & Thaler Asset Management, Inc.**

By:

By:

/s/ Timothy D. Barto

/s/Russell J. Fuller

Name:

Name:

Timothy D. Barto

Russell J. Fuller

Title:

Title:

Vice President

President

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**Schedule A**  
**to the**  
**Sub-Advisory Agreement**  
**between**  
**SEI Investments Management Corporation**  
**and**  
**Fuller & Thaler Asset Management, Inc.**

**As of June 15, 2005**

**SEI INSTITUTIONAL INTERNATIONAL TRUST**

International Equity Fund

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**Schedule B**  
**to the**  
**Sub-Advisory Agreement**  
**between**  
**SEI Investments Management Corporation**  
**and**  
**Fuller & Thaler Asset Management, Inc.**

**As of June 15, 2005**

Pursuant to Paragraph 4, the Adviser shall pay the Sub-Adviser compensation at an annual rate as follows:

SEI Institutional International Trust

International Equity Fund

Agreed and Accepted:

**SEI Investments Management Corporation**

By:

/s/ Timothy D. Barto

Name:

Timothy D. Barto

Title:

Vice President

**Fuller & Thaler Asset Management, Inc.**

By:

/s/Russell J. Fuller

Name:

Russell J. Fuller

Title:

President



**SEI INVESTMENTS MANAGEMENT CORPORATION  
SEI INVESTMENTS MANAGEMENT CORPORATION II**

**CODE OF ETHICS**

A copy of this Code may be accessed on the SEI intranet site under the Corporate Governance section.

This is an important document. You should take the time to read it thoroughly before you submit the required annual certification.

**Any questions regarding this Code of Ethics should be referred to a member of the SIMC Compliance Department**

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**I. GENERAL POLICY**

SEI Investments Management Corporation and SEI Investments Management Corporation II (jointly “SIMC”) serve as investment advisers to investment companies and other asset management accounts (jointly “Investment Vehicles”). As an investment adviser, SIMC is subject to various U.S. securities laws and regulations governing the use of confidential information and personal securities transactions. This Code of Ethics (“Code”) was developed based on those laws and regulations, and sets forth the procedures and restrictions governing the personal securities transactions for SIMC personnel.

SIMC has a highly ethical business culture and expects that all personnel will conduct any personal securities transactions consistent with this Code and in such a manner as to avoid any actual or potential conflict of interest or abuse of a position of trust and responsibility. When an advisory employee invests for his or her own account, conflicts of interest may arise between a client’s and that employee’s interest. Such conflicts may include using of that employee’s advisory position to take advantage of available investment opportunities, taking an investment opportunity from a client for the employee’s own portfolio, or front-running, which occurs when an advisory employee trades in his or her personal account before making client transactions. As a fiduciary, SIMC owes a duty of loyalty to clients, which requires that an

advisory employee must always place the interests of clients first and foremost and shall not take inappropriate advantage of his or her position. Thus, SIMC personnel must conduct themselves and their personal securities transactions in a manner that does not create conflicts of interest with the firm's clients.

Pursuant to this Code, SIMC personnel, their family members, and other persons associated with SIMC will be subject to various pre-clearance and reporting standards for their personal securities transactions based on their status as defined by this Code. Therefore, it is important that every person pay special attention to the categories set forth to determine which provisions of this Code applies to him or her, as well as to the sections on restrictions, pre-clearance, and reporting of personal securities transactions.

Each person subject to this Code must read and retain a copy of this Code and agree to abide by its terms. Failure to comply with the provisions of this Code may result in the imposition of serious sanctions, including, but not limited to disgorgement of profits, penalties, dismissal, substantial personal liability and/or referral to regulatory or law enforcement agencies.

Please note that SIMC personnel are also subject to the Code of Conduct of SEI Investments Company, which is the parent company of SEI Investments Management Corporation and SEI Investments Management Corporation II, as well as to various other compliance policies and procedures governing the activities of SIMC and its personnel. The requirements and limitations of this Code of Ethics are in addition to any requirements or limitations contained in the Code of Conduct or in other compliance policies

and procedures applicable to SIMC and its personnel. All employees are required to comply with the federal securities laws.

Any questions regarding this Code of Ethics should be directed to a member of the SIMC Compliance Department (Michael Brophy, telephone 610-676-2972 is the primary contact).

## **II. CODE OF ETHICS**

### **A. Purpose of Code**

This Code was adopted pursuant to the provisions of Section 17(j) of the Investment Company Act of 1940 ("the 1940 Act"), as amended, and Rule 17j-1 thereunder, as amended, and Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"), as amended. Those provisions of the U.S. securities laws are designed to prevent persons who are actively engaged in the management, portfolio selection or underwriting of registered investment companies and advising other investment advisory clients from participating in fraudulent, deceptive or manipulative acts, practices or courses of conduct in connection with the purchase or sale of securities held or to be acquired by such accounts. SIMC personnel will be subject to various pre-clearance and reporting requirements based on their responsibilities within SIMC and accessibility to certain information. Those functions are set forth in the categories below.

### **B. Employee Categories**

#### **1. Access Person:**

Any director, officer or employee of SIMC and any other person who provides advice on behalf of SIMC and is subject to SIMC's supervision and control, who, in connection with his or her regular functions or duties, (1) has access to nonpublic information regarding the purchase or sale of securities by any Investment Vehicle, or nonpublic information regarding the portfolio holdings of any Reportable Fund; or (2) is involved in making securities recommendations to any Investment Vehicle, or who has access to such recommendations that are nonpublic. This includes any person who directly oversees the performance of one or more sub-advisers for any Investment Vehicle for which SIMC acts as investment adviser or obtains or is able to obtain prior or contemporaneous information regarding the purchase or sale of Covered Securities by an Investment Vehicle.

#### **2. Investment Person:**

Any director, officer or employee of SIMC who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of Covered Securities by one or more Investment Vehicles or who is otherwise entrusted with responsibility and authority to make investment decisions

regarding Covered Securities in one or more Investment Vehicles.

**3. Associated Person:**

Any director, officer or employee of SIMC, or any other person so designated by the SIMC Chief Compliance Officer, who does not fall within the above listed categories.

**4. Reporting Person:**

Any Access Person or Investment Person.

**C. Prohibitions and Restrictions**

**1. Prohibition Against Fraud, Deceit and Manipulation - All SIMC Directors, Officers and Reporting Persons**

All SIMC directors, officers and Reporting Persons may not, directly or indirectly, in connection with the purchase or sale of a security held or to be acquired by an Investment Vehicle for which SIMC acts as an investment adviser:

- (a) employ any device, scheme or artifice to defraud the Investment Vehicle;
- (b) make to the Investment Vehicle any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- (c) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Investment Vehicle; or
- (d) engage in any manipulative practice with respect to the Investment Vehicle.

**2. Excessive Trading of Mutual Fund Shares - All SIMC Directors, Officers and Reporting Persons**

All SIMC directors, officers and Reporting Persons may not, directly or indirectly, engage in excessive short-term trading of shares of open-end funds within the SEI Family of Funds.<sup>(1)</sup> For purposes of this section, a person's trades shall be considered "excessive" if made in violation of any stated policy in the mutual fund's prospectus or if the trading involves multiple short-term round trip trades in a

(1) The SEI Family of Funds includes the following Trusts: SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Index Funds, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

Fund for the purpose of taking advantage of short-term market movements.

Note that the SEI Funds are Covered Securities. Trades in the SEI Funds do not have to be pre-cleared but do have to be reported in accordance with this Code. Trades in SEI Funds done through the SEI Capital Accumulation (401(k)) Plan and trades done through an employee account established at SEI Private Trust Company will be deemed to satisfy the reporting requirements of the Code. Any trades in SEI Funds done in a different channel must be reported to the SIMC Chief Compliance Officer or the designated SIMC Compliance Officer.

### 3. Personal Securities Restrictions

#### Access Persons:

may not purchase or sell, directly or indirectly, any Covered Security **within 24 hours before or after** the time that the same Covered Security (including any equity related security of the same issuer such as preferred stock, options, warrants and convertible bonds) is being purchased or sold by any Investment Vehicle for which SIMC acts as investment adviser.

may not acquire securities as part of an Initial Public Offering (“IPO”) without obtaining the written approval of the SIMC Chief Compliance Officer or the designated SIMC Compliance Officer before directly or indirectly acquiring a beneficial ownership in such securities.

may not acquire a Beneficial Ownership interest in securities issued in a private placement transaction without obtaining prior written approval from the designated SIMC Compliance Officer.

**may not profit** from the purchase and sale or sale and purchase of a Covered Security **within 60 days** of acquiring or disposing of Beneficial Ownership of that Covered Security. This prohibition does not apply to transactions resulting in a loss, or to futures or options on futures on broad-based securities indexes or U.S. Government securities. This prohibition also does not apply to transactions in the SEI Funds, which are separately covered under the “Excessive Trading of Mutual Fund Shares” discussed in Section II.C.2 above.

may not serve on the board of directors of any publicly traded company.

#### Investment Persons:

Subject to the same restrictions as an Access Person, except that an Investment Person may not purchase or sell, directly or indirectly, any Covered Security **within 7 days before or after** the time that the same Covered Security (including any equity related security of the same issuer such as preferred stock, options, warrants and convertible bonds) is being purchased or sold by any Investment Vehicle for which SIMC serves as investment adviser.

### D. Pre-Clearance of Personal Securities Transactions

#### 1. Transactions Required to be Pre-Cleared:

Access and Investment Persons must pre-clear each proposed transaction in a Covered Security with a member of the SIMC Compliance Department (Mike Brophy) for all Accounts held in their names or in the names of others in which they hold a Beneficial Ownership interest. *Note that, among other things, this means that these persons must pre-clear each proposed securities transaction by their spouse or domestic partner, minor children, and relatives who reside in the person’s household.* No transaction in Covered Securities may be effected without prior written approval, except those set forth below in Section D.2 which lists the securities transactions that do not require pre-clearance.

Associated Persons must pre-clear transactions with a member of the SIMC Compliance Department (Mike Brophy) **only if** the Associated Person knew or should have known at the time of the transaction that, **during the 24 hour period**

immediately preceding or following the transaction, the Security was purchased or sold or was being considered for purchase or sale by any Investment Vehicle.

the SIMC Compliance Department will keep a record of the approvals, and the rationale supporting, investments in IPOs and private placement transactions. This approval will be based upon a determination that the investment opportunity need not be reserved for Investment Vehicles, that the person is not being offered the opportunity due to his or her employment with SEI and other relevant factors on a case-by-case basis.

**2. Transactions that do not have to be pre-cleared:**

purchases or sales over which the person pre-clearing the transactions (the "Pre-clearing Person") has no direct or indirect influence or control;

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purchases, sales or other acquisitions of Covered Securities which are non-volitional on the part of the Pre-clearing Person or any Investment Vehicle, such as purchases or sales upon exercise or puts or calls written by Pre-clearing Person, sales from a margin account pursuant to a bona fide margin call, stock dividends, stock splits, mergers consolidations, spin-offs, or other similar corporate reorganizations or distributions;

purchases or withdrawals made pursuant to an Automatic Investment Program; however, any transaction that overrides the preset schedule or allocations of the automatic investment plan must be reported in a quarterly transaction report;

purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities, to the extent such rights were acquired for such issuer; and

acquisitions of Covered Securities through gifts or bequests.

**3. Pre-clearance Procedures:**

All requests for pre-clearance of securities transactions must be submitted to SIMC Chief Compliance Officer or the designated SIMC Compliance Officer by using the SEI Automated Pre-Clearance Trading System.

The following information must be provided for each request:

- a. Name, date, and phone extension;and
- b. Transaction detail, i.e. whether the transaction is a buy or sell; the security name and security type; number of shares; price; date acquired if a sale; and whether the security is traded in a portfolio or Investment Vehicle, part of an initial public offering, or part of a private placement transaction.

The SIMC Chief Compliance Officer or the designated SIMC Compliance Officer will notify the person whether the trading request is approved or denied through the SEI Automated Pre-Clearance Trading System.

A Pre-clearance request should not be submitted for a transaction that the requesting person does not intend to execute.

Pre-clearance trading authorization is valid from the time when approval is granted through the next business day. If the transaction is not executed

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within this period, an explanation of why the previous pre-cleared transaction was not completed must be submitted to the SIMC Compliance Department or entered into the SEI Automated Pre-Clearance Trading System. Also, Open and Limit Orders must be resubmitted for pre-clearance approval if not executed within the permitted time period.

The SIMC Chief Compliance Officer or the designated SIMC Compliance Officer can grant exemptions from the personal trading restrictions in this Code (with the exception of pre-clearance obligations) upon determining that the transaction for which an exemption is requested would not result in a conflict of interest or violate any other policy embodied in this Code. Factors to be considered may include: the discussion with the requesting person as to the background for the exemption request, the certification of the requesting person as to his or her lack of knowledge of transactions by Investment Vehicles for which SIMC serves as an investment adviser, the requesting person's work role, the size and holding period of the person's position in the security, the market capitalization of the issuer, the liquidity of the security, the reason for the requested transaction, the amount and timing of client trading in the same or a related security, and other relevant factors. The person granting the exemption must document all exemptions.

The SIMC Compliance Department will maintain pre-clearance records and records of exemptions granted for 5 years.

## **E. Reporting Requirements**

### **1. Duplicate Brokerage Statements (Reporting Persons)**

All Reporting Persons are required to instruct their broker/dealer to file duplicate statements with the SIMC Compliance Department at SEI Oaks. Statements must be filed for all Accounts (including those in which a Reporting Person has a Beneficial Ownership interest), except those that trade exclusively in open-end funds other than Reportable Funds, government securities or Automatic Investment Plans, and **do not offer the ability to trade in Covered Securities**. Failure of a broker/dealer to send duplicate statements will not excuse a violation of this Section.

Sample letters instructing the broker/dealer firms to send the statements to SEI are attached in **Exhibit 1** of this Code. If the broker/dealer requires a letter authorizing a SIMC employee to open an account, the permission letter may also be found in Exhibit 1. Please complete the necessary brokerage information and forward a signature ready copy to the SIMC Chief

Compliance Officer or the designated SIMC Compliance Officer.

### **2. Initial Holdings Report (Reporting Persons)**

**Within 10 days** after becoming a Reporting Person, such Person must submit an Initial Holdings Report to the SIMC Chief Compliance Officer or the designated SIMC Compliance Officer disclosing *every* Covered Security, and every Reportable Fund, in which he or she has a direct or indirect Beneficial Ownership interest. Any person who returns the report late may be subject to the penalties in Section G regarding Code of Ethics violations.

The following information must be provided on the report:

- a. the title of the security;
- b. the number of shares held;
- c. the principal amount of the security;
- d. the name of the broker, dealer, transfer agent bank or other location where the security is held; and
- e. the date the report is submitted.

The information disclosed in the report should be current as of a date no more than 45 days prior to the date the person becomes an Access Person. If the above information is contained on the Reporting Person's brokerage statement, the Reporting Person may attach the statement and sign the Initial Holdings Report.

The Initial Holdings Report is attached as **Exhibit 2** to this Code.

### 3. Quarterly Report of Securities Transactions (Reporting Persons)

Each Reporting Person must submit quarterly transaction reports of the purchases and/or sales of Covered Securities in which such person has a direct or indirect Beneficial Ownership interest. The report will be provided to all of the above defined persons before the end of each quarter by the SIMC Chief Compliance Officer or the designated SIMC Compliance Person and must be completed and returned **no later than 30 days** after the end of each calendar quarter. Quarterly Transaction Reports that are not returned by the date they are due **will** be considered late and will be noted as violations of the Code of Ethics. Any person who repeatedly returns the reports late may be subject to the penalties in Section G regarding Code of Ethics violations.

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The following information must be provided on the report:

- a. the date of the transaction, the description and number of shares, and the principal amount of each security involved;
- b. whether the transaction is a purchase, sale or other acquisition or disposition;
- c. the transaction price;
- d. the name of the broker, dealer or bank through whom the transaction was effected;
- e. a list of securities accounts opened during the quarterly including the name of the broker, dealer or bank and account number; and
- f. the date the report is submitted.

The Quarterly Report of Securities Transaction is attached as **Exhibit 3** to this Code.

### 4. Annual Report of Securities Holdings (Reporting Persons)

On an annual basis, each Reporting Person, must submit to the SIMC Chief Compliance Officer or the designated SIMC Compliance Officer an Annual Report of Securities Holdings that contains a list of all Covered Securities, and all Reportable Funds, in which he or she has a direct or indirect Beneficial Ownership interest.

The following information must be provided on the report:

- a. the title of the security;
- b. the number of shares held;
- c. the principal amount of the security;
- d. the name of the broker, dealer, transfer agent, bank or other location where the security is held; and
- e. the date the report is submitted.

The information disclosed in the report should be current as of a date no more than 45 days before the report is submitted. If the above information is contained on the Reporting Person's brokerage statement, the Reporting Person may attach the statement and sign the annual holdings report.

Annual Reports must be completed and returned to the SIMC Chief Compliance Officer or the designated SIMC Compliance Officer **within 30 days** after the end of the calendar year-end. Annual Reports that are not returned by the date they are due **will** be considered late and will be noted as violations of the Code of Ethics. Any person who repeatedly returns the reports late may be subject to the penalties in Section G regarding Code of Ethics violations.

The Annual Report of Securities Holdings is attached as **Exhibit 4** to this Code.

#### 5. **Annual Certification of Compliance - All SIMC Directors, Officers and Reporting Persons**

All directors, officers and Reporting Persons will be required to certify annually that they:

- have read the Code of Ethics;
- understand the Code of Ethics; and
- have complied with the provisions of the Code of Ethics.

The SIMC Chief Compliance Officer or the designated SIMC Compliance Officer will send out the certifications to all directors, officers and Reporting Persons that must be completed and returned **no later than 30 days** after the end of the calendar year. Any person who repeatedly returns the forms late may be subject to the penalties in Section G regarding Code of Ethics violations.

The Annual Certification of Compliance is attached as **Exhibit 5** to this Code.

#### **F. Detection and Reporting of Code Violations**

1. The SIMC Chief Compliance Officer or the designated SIMC Compliance Officer will:

review the personal securities transaction reports or duplicate statements filed by Reporting Persons and compare the reports or statements of the Investment Vehicles' completed portfolio transactions. The review will be performed on a quarterly basis. If the SIMC Chief Compliance Officer or the designated SIMC Compliance Officer determines that a compliance violation may have occurred, the Compliance Officer will give the person an opportunity to supply explanatory material;

prepare an Annual Issues and Certification Report to the Board of Trustees or Directors of any Investment Vehicle that is a registered investment company that: (1) describes the issues that arose during the year under this Code, including, but not limited to, material violations of and sanctions under the Code, and (2) certifies that SIMC has adopted procedures reasonably necessary to prevent its Reporting Persons from violating this Code;

prepare a written report to SIMC management outlining any violations of the Code together with recommendations for the appropriate penalties; and

prepare a written report detailing any approval(s) granted for the purchase of securities offered in connection with an IPO or a private placement. The report must include the rationale supporting any decision to approve such a purchase.

2. An employee who in good faith reports illegal or unethical behavior will not be subject to reprisal or retaliation for making the report. Retaliation is a serious violation of this policy and any concern about retaliation should be reported immediately. Any person found to have retaliated against an employee for reporting violations will be subject to appropriate disciplinary action.

#### **G. Violations of the Code of Ethics**

1. **Penalties:**



A person who violates the Code of Ethics may be subject to serious penalties, which may include:

- written warning;
- reversal of securities transactions;
- restriction of trading privileges;
- disgorgement of trading profits;
- fines;
- suspension or termination of employment; and/or
- referral to regulatory or law enforcement agencies.

## **2. Penalty Factors:**

Factors which may be considered in determining an appropriate penalty include, but are not limited to:

- the harm to clients;
- the frequency of occurrence;
- the degree of personal benefit to the person;
- the degree of conflict of interest;
- the extent of unjust enrichment;
- evidence of fraud, violation of law, or reckless disregard of a regulatory requirement; and/or
- the level of accurate, honest and timely cooperation from the person.

## **H. Confidential Treatment**

The SIMC Chief Compliance Officer or the designated SIMC Compliance Officer will use their best efforts to assure that all requests for pre-clearance, all personal securities reports and all reports for securities holdings are treated as personal and confidential. However, such documents will be

available for inspection by appropriate regulatory agencies and other parties, such as counsel, within and outside SIMC as necessary to evaluate compliance with or sanctions under this Code.

## **I. Recordkeeping**

SIMC will maintain records relating to this Code of Ethics in accordance with Rule 31a-2 under the 1940 Act and Rule 204-2 of the Advisers Act. They will be available for examination by representatives of the Securities and Exchange Commission and other regulatory agencies.

A copy of this Code that is, or at any time within the past five years has been, in effect will be preserved in an easily accessible place for a period of five years.

A record of any Code violation and of any sanctions taken will be preserved in an easily accessible place for a period of at least five years following the end of the fiscal year in which the violation occurred.

A copy of each Quarterly Transaction Report, Initial Holdings Report, and Annual Holdings Report submitted under this Code, including any information provided in lieu of any such reports made under the Code, will be preserved for a period of at least five years from the end of the fiscal year in which it is made, for the first two years in an easily accessible place.

A record of all persons, currently or within the past five years, who are or were required to submit reports under this Code, or who are or were responsible for reviewing these reports, will be maintained in an easily accessible place for a period of at least five years from the end of the calendar year in which it is made.

A record of any decision, and the reasons supporting the decision, to approve an Reporting Person's acquisition of securities in an IPO or limited offering, for at least five years after the end of the fiscal year in which the approval is granted.

#### J. Definitions Applicable to the Code of Ethics

**Account** - a securities trading account held by a person and by any such person's spouse, minor children and adults residing in his or her household (each such person, an "immediate family member"); any trust for which the person is a trustee or from which the person benefits directly or indirectly; any partnership (general, limited or otherwise) of which the person is a general partner or a principal of the general

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partner; and any other account over which the person exercises investment discretion.

**Automatic Investment Plan** - a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. An Automatic Investment Plan includes a dividend reinvestment plan.

**Beneficial Ownership** - Covered Security ownership in which a person has a direct or indirect financial interest. Generally, a person will be regarded as a beneficial owner of Covered Securities that are held in the name of:

- a. a spouse or domestic partner;
- b. a child residing at home or attending college;
- c. a relative who resides in the person's household; or
- d. any other person **IE**: (a) the person obtains from the securities benefits substantially similar to those of ownership (for example, income from securities that are held by a spouse); or (b) the person can obtain title to the securities now or in the future.

**Covered Security** - except as noted below, includes any interest or instrument commonly known as a "security", including notes, bonds, stocks (including closed-end funds), debentures, convertibles, preferred stock, security future, warrants, rights, and any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities. The term "Covered Securities" specifically includes the SEI Funds. See the definition of Reportable Funds below.

A "Covered Security" **does not include** (i) direct obligations of the U.S. Government, (ii) bankers' acceptances, (iii) bank certificates of deposit, (iv) commercial paper and other high quality short-term debt instruments, including repurchase agreements, (v) shares issued by money market funds and (vi) shares issued by open-end investment companies other than a Reportable Fund.

**Initial Public Offering** - an offering of securities for which a registration statement has not been previously filed with the U.S. SEC and for which there is no active public market in the shares.

**Purchase or sale of a Covered Security** - includes the writing of an option to purchase or sell a security.

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**SEI INVESTMENTS MANAGEMENT CORPORATION  
SEI INVESTMENTS MANAGEMENT CORPORATION II  
CODE OF ETHICS EXHIBITS**

- Exhibit 1**            **Account Opening Letters to Brokers/Dealers**
- Exhibit 2**            **Initial Holdings Report**
- Exhibit 3**            **Quarterly Transaction Report**
- Exhibit 4**            **Annual Securities Holdings Report**
- Exhibit 5**            **Annual Compliance Certification**
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**EXHIBIT 1**

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Date:

Your Broker  
street address  
city, state zip code

Re:     Your Name  
       your S.S. number or account number

Dear Sir or Madam:

Please be advised that I am an employee of [SEI Investments Management Corporation/SEI Investments Management Corporation II ("SIMC")], a registered investment adviser. Please send **duplicate statements only** of this brokerage account to the attention of:

[SEI Investments Management Corporation/SEI Investments  
Management Corporation II]Attn: The Corporate Compliance  
Department  
One Freedom Valley Drive  
Oaks, PA 19456

This request is made pursuant to SIMC' s Code of Ethics.

Thank you for your cooperation.

Sincerely,

Your name

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Date:

[Address]

Re: Employee Name  
Account #  
SS#

Dear Sir or Madam:

Please be advised that the above referenced person is an employee of [SEI Investments Management Corporation/SEI Investments Management Corporation II (“SIMC”)], a registered investment adviser. We grant permission for him/her to open a brokerage account with your firm, provided that you agree to send **duplicate statements only** of this employee’s brokerage account to:

SEI Investments Management Corporation/SEI Investments  
Management Corporation II  
Attn: The Corporate Compliance Department  
One Freedom Valley Drive  
Oaks, PA 19456

This request is made pursuant to SIMC’s Code of Ethics.

Thank you for your cooperation.

Sincerely,

SIMC Compliance Officer

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**EXHIBIT 2**

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**SEI INVESTMENTS MANAGEMENT CORPORATION OR SEI INVESTMENTS  
MANAGEMENT CORPORATION II  
INITIAL HOLDINGS REPORT**

Name of Reporting Person:

Date Person Became Subject to the Code’s Reporting Requirements:

Information in Report Dated as of:

Date Report Due:

Date Report Submitted:

*Securities Holdings*

Name of Issuer and Title of Security	No. of Shares (if applicable)	Principal Amount, Maturity Date and Interest Rate (if applicable)	Name of Broker, Dealer or Bank Where Security Held

If you have no securities holdings to report, please check here.

*Securities Accounts*

Name of Broker, Dealer or Bank	Account Number	Names on Account	Type of Account

If you have no securities accounts to report, please check here.

*I certify that I have included on this report all securities holdings and accounts in which I have a direct or indirect beneficial interest and required to be reported pursuant to the Code of Ethics. I hereby declare that I will comply with the Code of Ethics.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Received by: \_\_\_\_\_

**EXHIBIT 3**

**SEI INVESTMENTS MANAGEMENT CORPORATION OR SEI INVESTMENTS MANAGEMENT CORPORATION II  
QUARTERLY TRANSACTION REPORT  
Transaction Record of Securities Directly or Indirectly Beneficially Owned  
For the Quarter Ended**

**Name:**

**Submission Date:**

*Securities Transactions*

<b>Date of Transaction</b>	<b>Name of Issuer and Title of Security</b>	<b>No. of Shares (if applicable)</b>	<b>Principal Amount, Maturity Date and Interest Rate (if applicable)</b>	<b>Type of Transaction</b>	<b>Price</b>	<b>Name of Broker, Dealer or Bank Effecting Transaction</b>

If you had no reportable transactions during the quarter, please check here.

NOTE: Trades in SEI Funds done through the SEI Capital Accumulation (401(k)) Plan and trades done through an employee account established at SEI Private Trust Company will be deemed to satisfy the reporting requirements of the Code and do not have to be reported here. Any trades in SEI Funds done in a different channel must be reported.

This report is required of all officers, directors and certain other persons under Rule 204A-1 of the Investment Advisers Act of 1940 and Rule 17j-1 of the Investment Company Act of 1940 and is subject to examination. Transactions in direct obligations of the U.S. Government need not be reported. In addition, persons need not report transactions in bankers' acceptances, certificates of deposit, commercial paper, Automatic Investment Plans or open-end investment companies other than Reportable Funds. **The report must be returned within 30 days of the applicable calendar quarter end.** The reporting of transactions on this record shall not be construed as an admission that the reporting person has any direct or indirect beneficial ownership in the security listed.

*Securities Accounts*

If you established an account within the quarter, please provide the following information:

<b>Name of Broker, Dealer or Bank</b>	<b>Account Number</b>	<b>Names on Account</b>	<b>Date Account was Established</b>	<b>Type of Account</b>

If you did not establish a securities account during the quarter, please check here.

By signing this document, I represent that all reported transactions were pre-cleared through the Compliance Department or the designated Compliance Officer in compliance with the SIMC Code of Ethics. In addition, I certify that I have included on this report all securities transactions and accounts required to be reported pursuant to the Policy.

Signature: \_\_\_\_\_

Received by: \_\_\_\_\_

**EXHIBIT 4**

ANNUAL SECURITIES HOLDINGS REPORT

As of December 31,

Name of Reporting Person:

Securities Holdings

Name of Issuer and Title of Security	No. of Shares (if applicable)	Principal Amount, Maturity Date and Interest Rate (if applicable)	Name of Broker, Dealer or Bank Where Security Held

If you had no securities holding to report this year, please check here.

Securities Accounts

If you established an account during the year, please provide the following information:

Name of Broker, Dealer or Bank	Date Account was Established	Account Number	Names on Account	Type of Account

If you have no securities accounts to report this year, please check here.

I certify that the above list is an accurate and complete listing of all securities in which I have a direct or indirect beneficial interest.

\_\_\_\_\_  
Signature

Received by \_\_\_\_\_

\_\_\_\_\_  
Date

Note: **Do not** report holdings of U.S. Government securities, bankers' acceptances, certificates of deposit, commercial paper and mutual funds other than Reportable Funds.

EXHIBIT 5

**SEI INVESTMENTS MANAGEMENT CORPORATION  
SEI INVESTMENTS MANAGEMENT CORPORATION II  
CODE OF ETHICS  
ANNUAL COMPLIANCE CERTIFICATION**

**Please return the signed form via email to “2004 Code of Ethics” or  
interoffice the form to SIMC Compliance Department - Meadowlands Two**

1. I hereby acknowledge receipt of a copy of the Code of Ethics.
2. I have read and understand the Code of Ethics and recognize that I am subject thereto. In addition, I have raised any questions I may have on the Code of Ethics with the SIMC Chief Compliance Officer and have received a satisfactory response[s].
3. For all securities/accounts beneficially owned by me, I hereby declare that I have complied with the terms of the Code of Ethics during the prior year.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Received by SIMC: \_\_\_\_\_

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## SEI INVESTMENTS DISTRIBUTION CO.

## RULE 17j-1 CODE OF ETHICS

A copy of this Code may be accessed on the SEI intranet site under the Corporate Governance section.

This is an important document. You should take the time to read it thoroughly before you submit the required annual certification.

**Any questions regarding this Code of Ethics should be referred to a member of the SIDCO Compliance Department**

January 2005

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**I. GENERAL POLICY**

SEI Investments Distribution Co. (“SIDCO”) serves as principal underwriter for investment companies that are registered under the Investment Company Act of 1940 (“Investment Vehicles”). In addition, certain employees of SIDCO may serve as directors and/or officers of certain Investment Vehicles. This Code of Ethics (“Code”) sets forth the procedures and restrictions governing personal securities transactions for certain SIDCO personnel.

SIDCO has a highly ethical business culture and expects that its personnel will conduct any personal securities transactions consistent with this Code and in such a manner as to avoid any actual or potential conflict of interest or abuse of a position of trust and responsibility. Thus, SIDCO personnel must conduct themselves and their personal securities transactions in a manner that does not create conflicts of interest with the firm’s clients.

Pursuant to this Code, SIDCO personnel, their family members, and other persons associated with SIMC may be subject to various pre-clearance and reporting standards for their personal securities transactions based on their status as defined by this Code. Therefore, it is important that every person pay special attention to the categories set forth to determine which provisions of this Code applies to him or her, as well as to the sections on restrictions, pre-clearance, and reporting of personal securities transactions.

**Each person subject to this Code must read and retain a copy of this Code and agree to abide by its terms. Failure to comply with the provisions of this Code may result in the imposition of serious sanctions, including, but not limited to, disgorgement of profits, penalties, dismissal, substantial personal liability and/or referral to regulatory or law enforcement agencies.**

**Please note that employees and registered representatives of SIDCO are subject to the supervisory procedures and other policies and procedures of SIDCO, and are also subject to the Code of Conduct of SEI Investments Company, which is the parent company of SIDCO. The requirements and limitations of this Code of Ethics are in addition to any requirements or limitations contained in these other policies and procedures. All employees are required to comply with federal securities laws and any regulations set forth by self-regulatory organizations (NASD, MSRB, etc.) of which SIDCO is a member.**

**Any questions regarding this Code of Ethics should be directed to a member of the SIDCO Compliance Department.**

## **II. CODE OF ETHICS**

### **A. Purpose of Code**

This Code is intended to conform to the provisions of Section 17(j) of the Investment Company Act of 1940 (“the 1940 Act”), as amended, and Rule 17j-1 thereunder, as amended, to the extent applicable to SIDCO’s role as principal underwriter to Investment Vehicles. Those provisions of the U.S. securities laws are designed to prevent persons who are actively engaged in the management, portfolio selection or underwriting of registered investment companies from participating in fraudulent, deceptive or manipulative acts, practices or courses of conduct in connection with the purchase or sale of securities held or to be acquired by such companies. Certain SIDCO personnel will be subject to various requirements based on their responsibilities within SIDCO and accessibility to certain information. Those functions are set forth in the categories below.

### **B. Access Persons**

- (1) any director, officer or employee of SIDCO who serves as a director or officer of an Investment Vehicle for which SIDCO serves as principal underwriter;
- (2) any director or officer of SIDCO who, in the ordinary course of business, makes, participates in or obtains information regarding, the purchase or sale of Covered Securities by an Investment Vehicle for which SIDCO serves as principal underwriter, or whose functions or duties in the ordinary course of business relate to the making of any recommendation to the Investment Vehicle regarding the purchase or sale of a Covered Security.

### **C. Prohibitions and Restrictions**

#### **1. Prohibition Against Fraud, Deceit and Manipulation**

Access Persons may not, directly or indirectly, in connection with the purchase or sale of a security held or to be acquired by an Investment Vehicle for which SIDCO serves as principal underwriter:

- (a) employ any device, scheme or artifice to defraud the Investment Vehicle;

(b) make to the Investment Vehicle any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(c) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon the Investment Vehicle; or

(d) engage in any manipulative practice with respect to the Investment Vehicle.

## 2. Excessive Trading of Mutual Fund Shares

Access Persons may not, directly or indirectly, engage in excessive short-term trading of shares of Investment Vehicles for which SIDCO serves as principal underwriter. Exhibit 6 hereto provides a list of the Investment Vehicles for which SIDCO provided such services. For purposes of this section, a person's trades shall be considered "excessive" if made in violation of any stated policy in the mutual fund's prospectus or if the trading involves multiple short-term round trip trades in a Fund for the purpose of taking advantage of short-term market movements.

Note that the SEI Funds are Covered Securities.<sup>(1)</sup> Trades in the SEI Funds do not have to be pre-cleared but do have to be reported in accordance with this Code. Trades in SEI Funds done through the SEI Capital Accumulation (401(k)) Plan and trades done through an employee account established at SEI Private Trust Company will be deemed to satisfy the reporting requirements of the Code. Any trades in SEI Funds done in a different channel must be reported to the SIDCO Compliance Officer or the designated representative of the SIDCO Compliance Department.

## 3. Personal Securities Restrictions

### Access Persons:

may not purchase or sell, directly or indirectly, any Covered Security **within 24 hours before or after** the time that the same Covered Security (including any equity related security of the same issuer such as preferred stock, options, warrants and convertible bonds) is being purchased or sold by any Investment Vehicle for which SIDCO serves as principal underwriter.

may not acquire securities as part of an Initial Public Offering ("IPO") without obtaining the written approval of the SIDCO Compliance Officer or the designated representative of the SIDCO Compliance Department before directly or indirectly acquiring a beneficial ownership in such securities.

may not acquire a Beneficial Ownership interest in securities issued in a private placement transaction without obtaining prior written approval from the SIDCO Compliance Officer or the designated representative of the SIDCO Compliance Department.

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(1) The SEI Family of Funds includes the following Trusts: SEI Asset Allocation Trust, SEI Daily Income Trust, SEI Index Funds, SEI Institutional International Trust, SEI Institutional Investments Trust, SEI Institutional Managed Trust, SEI Liquid Asset Trust and SEI Tax Exempt Trust.

**may not profit** from the purchase and sale or sale and purchase of a Covered Security **within 60 days** of acquiring or disposing of Beneficial Ownership of that Covered Security. This prohibition does not apply to transactions resulting in a loss, or to futures or options on futures on broad-based securities indexes or U.S. Government securities. This

prohibition also does not apply to transactions in the SEI Funds, which are separately covered under the “Excessive Trading of Mutual Fund Shares” discussed in Section II.C.2 above.

may not serve on the board of directors of any publicly traded company.

#### **D. Pre-Clearance of Personal Securities Transactions**

##### **1. Transactions Required to be Pre-Cleared:**

Access Persons must pre-clear with the SIDCO Compliance Officer or the designated representative of the SIDCO Compliance Department a proposed transaction in a Covered Security if he or she has actual knowledge at the time of the transaction that, during the 24 hour period immediately preceding or following the transaction, the Covered Security was purchased or sold or was being considered for purchase or sale by any Investment Vehicle. The pre-clearance obligation applies to all Accounts held in the person’s name or in the name of others in which they hold a Beneficial Ownership interest. *Note that, among other things, this means that these persons must pre-clear such proposed securities transactions by their spouse or domestic partner, minor children, and relatives who reside in the person’s household.*

The SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department may authorize a Pre-clearing Person to conduct the requested trade upon determining that the transaction for which pre-clearance is requested would not result in a conflict of interest or violate any other policy embodied in this Code. Factors to be considered may include: the discussion with the requesting person as to the background for the exemption request, the requesting person’s work role, the size and holding period of the requesting person’s position in the security, the market capitalization of the issuer, the liquidity of the security, the reason for the requesting person’s requested transaction, the amount and timing of client trading in the same or a related security, and other relevant factors. The person granting the authorization must document the basis for the authorization.

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##### **2. Transactions that do not have to be pre-cleared:**

purchases or sales over which the person pre-clearing the transactions (the “Pre-clearing Person”) has no direct or indirect influence or control;

purchases, sales or other acquisitions of Covered Securities which are non-volitional on the part of the Pre-clearing Person or any Investment Vehicle, such as purchases or sales upon exercise or puts or calls written by Pre-clearing Person, sales from a margin account pursuant to a bona fide margin call, stock dividends, stock splits, mergers consolidations, spin-offs, or other similar corporate reorganizations or distributions;

purchases or withdrawals made pursuant to an Automatic Investment Program; however, any transaction that overrides the preset schedule or allocations of the automatic investment plan must be reported in a quarterly transaction report;

purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities, to the extent such rights were acquired for such issuer; and

acquisitions of Covered Securities through gifts or bequests.

##### **3. Pre-clearance Procedures:**

All requests for pre-clearance of securities transactions must be submitted to the SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department by using the SEI Automated Pre-Clearance Trading system.

The following information must be provided for each request:

- a. Name, date, phone extension and job title
- b. Transaction detail, i.e. whether the transaction is a buy or sell; the security name and security type; number of shares; price; date acquired if a sale; and whether the security is traded in a portfolio or Investment Vehicle, part of an initial public offering, or part of a private placement transaction; and
- c. Signature and date; if electronically submitted, initial and date.

The SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department will notify the requesting person whether the trading

request is approved or denied through the SEI Automated Pre-Clearance Trading system.

A Pre-clearance Request should not be submitted for a transaction that the requesting person does not intend to execute.

Pre-clearance trading authorization is valid from the time when approval is granted through the next business day. If the transaction is not executed within this period, an explanation of why the previous pre-cleared transaction was not completed must be submitted to the SIDCO Compliance department or entered into the SEI Automated Pre-clearance Trading system. Also, Open and Limit Orders must be resubmitted for pre-clearance approval if not executed within the permitted time period.

With respect to any transaction requiring pre-clearance, the person subject to pre-clearance must submit to the SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department transaction reports showing the transactions for all the Investment Vehicles with respect to which such person has knowledge regarding purchases and sales that triggered the requirement to pre-clear under Section D.1. The transaction information must be provided for the 24 hour period before and after the date on which their securities transactions were effected. These reports may be submitted in hard copy or viewed through the SEI Pre-clearance Trading system. Transaction reports need only cover the Investment Vehicles that hold or are eligible to purchase and sell the types of securities proposed to be bought or sold by person subject to pre-clearance requirements. For example, if a person seeks approval for a proposed equity trade, only the transactions reports for the Investment Vehicles effecting or eligible to effect transactions in equity securities are required.

The SIDCO Compliance Department will maintain pre-clearance records and records of exemptions granted for 5 years.

## **E. Reporting Requirements**

### **1. Duplicate Brokerage Statements**

Access Persons are required to instruct their broker/dealer to file duplicate statements with the SIDCO Compliance Department at SEI Oaks. Statements must be filed for all Accounts (including those in which the person has a Beneficial Ownership interest), except those that trade exclusively in open-end funds other than Reportable Funds, government securities or

Automatic Investment Plans. Failure of a broker/dealer to send duplicate statements will not excuse a violation of this Section.

Sample letters instructing the broker/dealer firms to send the statements to SIDCO are attached in **Exhibit 1** of this Code. If the broker/dealer requires a letter authorizing a SIDCO employee to open an account, the permission letter

may also be found in Exhibit 1. Please complete the necessary brokerage information and forward a signature ready copy to the SIDCO Compliance Officer.

If no such duplicate statement can be supplied, the employee should contact the SIDCO Compliance Department.

## 2. Initial Holdings Report

Access Persons must submit an Initial Holdings Report to the SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department disclosing *every* Covered Security, including mutual fund accounts, beneficially owned directly or indirectly by such person **within 10 days** of becoming an Access Person. Any person who returns the report late may be subject to the penalties in Section G regarding Code of Ethics violations.

The following information must be provided on the report:

- a. the title of the security;
- b. the number of shares held;
- c. the principal amount of the security;
- d. the name of the broker, dealer, transfer agent; bank or other location where the security is held; and
- e. the date the report is submitted.

The information disclosed in the report should be current as of a date no more than 45 days prior to the date the person becomes an Access Person. If the above information is contained on the Access Person's brokerage statement, he or she may attach the statement and sign the Initial Holdings Report.

The Initial Holdings Report is attached as **Exhibit 2** to this Code.

## 3. Quarterly Report of Securities Transactions

Access Persons must submit quarterly transaction reports of the purchases and/or sales of Covered Securities in which such persons have a direct or indirect Beneficial Ownership interest. The report

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will be provided to all of the above defined persons before the end of each quarter by the SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department and must be completed and returned **no later than 30 days** after the end of each calendar quarter. Quarterly Transaction Reports that are not returned by the date they are due **will** be considered late and will be noted as violations of the Code of Ethics. Any person who repeatedly returns the reports late may be subject to the penalties in Section G regarding Code of Ethics violations.

The following information must be provided on the report:

- a. the date of the transaction, the description and number of shares, and the principal amount of each security involved;
- b. whether the transaction is a purchase, sale or other acquisition or disposition;
- c. the transaction price;
- d. the name of the broker, dealer or bank through whom the transaction was effected;
- e. a list of securities accounts opened during the quarterly including the name of the broker, dealer or bank and account number; and
- f. the date the report is submitted.

The Quarterly Report of Securities Transaction is attached as **Exhibit 3** to this Code.

## 4. Annual Report of Securities Holdings

On an annual basis, Access Persons must submit to the SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department an Annual Report of Securities Holdings that contains a list of all Covered Securities, including mutual fund accounts, in which they have any direct or indirect Beneficial Ownership interest.

The following information must be provided on the report:

- a. the title of the security;
- b. the number of shares held;
- c. the principal amount of the security;
- d. the name of the broker, dealer, transfer agent, bank or other location where the security is held; and
- e. the date the report is submitted.

The information disclosed in the report should be current as of a date no more than 45 days before the report is submitted. If the above information is contained on the Access Person's brokerage

statement, he or she may attach the statement and sign the annual holdings report.

Annual Reports must be completed and returned to the SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department **within 30 days** after the end of the calendar year-end. Annual Reports that are not returned by the date they are due **will** be considered late and will be noted as violations of the Code of Ethics. Any person who repeatedly returns the reports late may be subject to the penalties in Section G regarding Code of Ethics violations.

The Annual Report of Securities Holdings is attached as **Exhibit 4** to this Code.

## **5. Annual Certification of Compliance**

Access Persons will be required to certify annually that they:

- have read the Code of Ethics;
- understand the Code of Ethics; and
- have complied with the provisions of the Code of Ethics.

The SIDCO Compliance Officer or designated representative from the SIDCO Compliance Department will send out annual forms to all Access Persons that must be completed and returned **no later than 30 days** after the end of the calendar year. Any person who repeatedly returns the forms late may be subject to the penalties in Section G regarding Code of Ethics violations.

The Annual Certification of Compliance is attached as **Exhibit 5** to this Code.

## **6. Exception to Reporting Requirements**

An Access Person who is subject to the Code of Ethics of an affiliate of SIDCO ("Affiliate Code"), and who pursuant to the Affiliate Code submits reports consistent with the reporting requirements of paragraphs 1 through 4 above, will not be required to submit such reports under this Code.

## **F. Detection and Reporting of Code Violations**

1. The SIDCO Compliance Officer or designated representative of the SIDCO Compliance Department will:

compare the reports or statements of the Investment Vehicles' completed portfolio transactions. The review will be performed on a quarterly basis. If the SIDCO Compliance Officer or the designated representative of the SIDCO Compliance Department determines that a compliance violation may have occurred, the Officer will give the person an opportunity to supply explanatory material;

prepare an Annual Issues and Certification Report to the Board of Trustees or Directors of any Investment Vehicle that (1) describes the issues that arose during the year under this Code, including, but not limited to, material violations of and sanctions under the Code, and (2) certifies that SIDCO has adopted procedures reasonably necessary to prevent its Access Persons from violating this Code;

prepare a written report to SIDCO management outlining any violations of the Code together with recommendations for the appropriate penalties; and

prepare a written report detailing any approval(s) granted for the purchase of securities offered in connection with an IPO or a private placement. The report must include the rationale supporting any decision to approve such a purchase.

2. An employee who in good faith reports illegal or unethical behavior will not be subject to reprisal or retaliation for making the report. Retaliation is a serious violation of this policy and any concern about retaliation should be reported immediately. Any person found to have retaliated against an employee for reporting violations will be subject to appropriate disciplinary action.

## **G. Violations of the Code of Ethics**

### **1. Penalties:**

Persons who violate the Code of Ethics may be subject to serious penalties, which may include:

- written warning;
- reversal of securities transactions;
- restriction of trading privileges;
- disgorgement of trading profits;
- fines;
- suspension or termination of employment; and/or
- referral to regulatory or law enforcement agencies.

### **2. Penalty Factors:**

Factors which may be considered in determining an appropriate penalty include, but are not limited to:

- the harm to clients;
- the frequency of occurrence;
- the degree of personal benefit to the employee;
- the degree of conflict of interest;
- the extent of unjust enrichment;
- evidence of fraud, violation of law, or reckless disregard of a regulatory requirement; and/or



the level of accurate, honest and timely cooperation from the employee.

## **H. Confidential Treatment**

The SIDCO Compliance Officer or designated representative from the SIDCO Compliance Department will use their best efforts to assure that all requests for pre-clearance, all personal securities reports and all reports for securities holding are treated as personal and confidential. However, such documents will be available for inspection by appropriate regulatory agencies and other parties, such as counsel, within and outside SIDCO as necessary to evaluate compliance with or sanctions under this Code.

## **I. Recordkeeping**

SIDCO will maintain records relating to this Code of Ethics in accordance with Rule 31a-2 under the 1940 Act. They will be available for examination by representatives of the Securities and Exchange Commission and other regulatory agencies.

A copy of this Code that is, or at any time within the past five years has been, in effect will be preserved in an easily accessible place for a period of five years.

A record of any Code violation and of any sanctions taken will be preserved in an easily accessible place for a period of at least five years following the end of the fiscal year in which the violation occurred.

A copy of each Quarterly Transaction Report, Initial Holdings Report, and Annual Holdings Report submitted under this Code, including any information provided in lieu of any such reports made under the Code, will be preserved for a period of at least five years from the end of the fiscal year in which it is made, for the first two years in an easily accessible place.

A record of all persons, currently or within the past five years, who are or were required to submit reports under this Code, or who are or were responsible for reviewing these reports, will be maintained in an easily accessible place for a period of at least five years from the end of the calendar year in which it is made.

## **J. Definitions Applicable to the Code of Ethics**

**Account** - a securities trading account held by a person and by any such person's spouse, minor children and adults residing in his or her household (each such person, an "immediate family member"); any trust for which the person is a trustee or from which the person benefits directly or indirectly; any partnership (general, limited or otherwise) of which the person is a general partner or a principal of the general partner; and any other account over which the person exercises investment discretion.

**Automatic Investment Plan** - a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. An Automatic Investment Plan includes a dividend reinvestment plan.

**Beneficial Ownership** - Covered Security ownership in which a person has a direct or indirect financial interest. Generally, a person will be regarded as a beneficial owner of Covered Securities that are held in the name of:

- a. a spouse or domestic partner;
- c. a relative who resides in the person's household; or
- d. any other person **IF**: (a) the person obtains from the securities benefits substantially similar to those of ownership (for example, income from securities that are held by a spouse); or (b) the person can obtain title to the securities now or in the future.

**Covered Security** - except as noted below, includes any interest or instrument commonly known as a “security”, including notes, bonds, stocks (including closed-end funds), debentures, convertibles, preferred stock, security future, warrants, rights, and any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities. The term “Covered Securities” specifically includes the SEI Funds. See the definition of Reportable Funds below.

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A “Covered Security” **does not include** (i) direct obligations of the U.S. Government, (ii) bankers’ acceptances, (iii) bank certificates of deposit, (iv) commercial paper and other high quality short-term debt instruments, including repurchase agreements, (v) shares issued by money market funds and (vi) shares issued by open-end investment companies other than a Reportable Fund.

**Initial Public Offering** - an offering of securities for which a registration statement has not been previously filed with the U.S. SEC and for which there is no active public market in the shares.

**Purchase or sale of a Covered Security** - includes the writing of an option to purchase or sell a security.

**Reportable Fund** - Any non-money market fund for which SIDCO serves as principal underwriter.

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**SEI INVESTMENTS DISTRIBUTION CO.  
CODE OF ETHICS EXHIBITS**

<b>Exhibit 1</b>	<b>Account Opening Letters to Brokers/Dealers</b>
<b>Exhibit 2</b>	<b>Initial Holdings Report</b>
<b>Exhibit 3</b>	<b>Quarterly Transaction Report</b>
<b>Exhibit 4</b>	<b>Annual Securities Holdings Report</b>
<b>Exhibit 5</b>	<b>Annual Compliance Certification</b>
<b>Exhibit 6</b>	<b>SIDCO Client List</b>

January 2005

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**EXHIBIT 1**

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Date:

Your Broker

street address  
city, state zip code

Re: Your Name  
your S.S. number or account number

Dear Sir or Madam:

Please be advised that I am an employee of SEI Investments Distribution Co. Please send **duplicate statements only** of this brokerage account to the attention of:

SEI Investments Distribution Co.  
Attn: The Compliance Department  
One Freedom Valley Drive  
Oaks, PA 19456

This request is made pursuant to SEI's Code of Ethics.

Thank you for your cooperation.

Sincerely,

Your name

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Date:

[Address]

Re: Employee Name  
Account #  
SS#

Dear Sir or Madam:

Please be advised that the above referenced person is an employee of SEI Investments Distribution Co. We grant permission for him/her to open a brokerage account with your firm, provided that you agree to send **duplicate statements only** of this employee's brokerage account to:

SEI Investments Distribution Co.  
Attn: The Compliance Department  
One Freedom Valley Drive  
Oaks, PA 19456

This request is made pursuant to SEI's Code of Ethics.

Thank you for your cooperation.

Sincerely,

**EXHIBIT 2**

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**SEI INVESTMENTS DISTRIBUTION CO.  
INITIAL HOLDINGS REPORT**

Name of Reporting Person:

Date Person Became Subject to the Code's Reporting Requirements:

Information in Report Dated as of:

Date Report Due:

Date Report Submitted:

*Securities Holdings*

<b>Name of Issuer and Title of Security</b>	<b>No. of Shares (if applicable)</b>	<b>Principal Amount, Maturity Date and Interest Rate (if applicable)</b>	<b>Name of Broker, Dealer or Bank Where Security Held</b>
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If you have no securities holdings to report, please check here.

*Securities Accounts*

<b>Name of Broker, Dealer or Bank</b>	<b>Account Number</b>	<b>Names on Account</b>	<b>Type of Account</b>
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If you have no securities accounts to report, please check here.

*I certify that I have included on this report all securities holdings and accounts in which I have a direct or indirect beneficial interest and required to be reported pursuant to the Code of Ethics and that I will comply with the Code of Ethics.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Received by: \_\_\_\_\_

**EXHIBIT 3**

**SEI INVESTMENTS DISTRIBUTION CO.  
QUARTERLY TRANSACTION REPORT  
Transaction Record of Securities Directly or Indirectly Beneficially Owned  
For the Quarter Ended**

**Name:**

**Submission Date:**

*Securities Transactions*

<b>Date of Transaction</b>	<b>Name of Issuer and Title of Security</b>	<b>No. of Shares (if applicable)</b>	<b>Principal Amount, Maturity Date and Interest Rate (if applicable)</b>	<b>Type of Transaction</b>	<b>Price</b>	<b>Name of Broker, Dealer or Bank Effecting Transaction</b>
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If you had no reportable transactions during the quarter, please check here.

NOTE: Trades in SEI Funds done through the SEI Capital Accumulation (401(k)) Plan and trades done through an employee account established at SEI Private Trust Company will be deemed to satisfy the reporting requirements of the Code and do not have to be reported here. Any trades in SEI Funds done in a different channel must be reported.

This report is required of all officers, directors and certain other persons under Rule 17j-1 of the Investment Company Act of 1940 and is subject to examination. Transactions in direct obligations of the U.S. Government need not be reported. In addition, persons need not report transactions in bankers' acceptances, certificates of deposit, commercial paper or open-end investment companies other than Reportable Funds. **The report must be returned within 30 days of the applicable calendar quarter end.** The reporting of transactions on this record shall not be construed as an admission that the reporting person has any direct or indirect beneficial ownership in the security listed.

*Securities Accounts*

If you established an account within the quarter, please provide the following information:

<b>Name of Broker, Dealer or Bank</b>	<b>Account Number</b>	<b>Names on Account</b>	<b>Date Account was Established</b>	<b>Type of Account</b>
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If you did not establish a securities account during the quarter, please check here.

By signing this document, I represent that all reported transactions were pre-cleared through the Compliance Department or the designated Compliance Officer in compliance with the SIDCO Code of Ethics. In addition, I certify that I have included on this report all securities transactions and accounts required to be reported pursuant to the Policy.

Signature: \_\_\_\_\_

Received by: \_\_\_\_\_

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**EXHIBIT 4**

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**SEI INVESTMENTS DISTRIBUTION CO.  
ANNUAL SECURITIES HOLDINGS REPORT  
As of December 31,**

**Name of Reporting Person:**

Securities Holdings

<b>Name of Issuer and Title of Security</b>	<b>No. of Shares (if applicable)</b>	<b>Principal Amount, Maturity Date and Interest Rate (if applicable)</b>	<b>Name of Broker, Dealer or Bank Where Security Held</b>

If you had no securities holding to report this year, please check here.

Securities Accounts

If you established an account during the year, please provide the following information:

<b>Name of Broker, Dealer or Bank</b>	<b>Date Account was Established</b>	<b>Account Number</b>	<b>Names on Account</b>	<b>Type of Account</b>

If you have no securities accounts to report this year, please check here.

I certify that the above list is an accurate and complete listing of all securities in which I have a direct or indirect beneficial interest.

\_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_

Received by \_\_\_\_\_

\_\_\_\_\_  
Date

Note: **Do not** report holdings of U.S. Government securities, bankers' acceptances, certificates of deposit, commercial paper and mutual funds other than Reportable Funds.

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**EXHIBIT 5**

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**SEI INVESTMENTS DISTRIBUTION CO.  
RULE 17J-1 CODE OF ETHICS  
ANNUAL COMPLIANCE CERTIFICATION**

**Please return the signed form via email or  
interoffice the form to SEI Compliance Department - Meadowlands Two**

1. I hereby acknowledge receipt of a copy of the Code of Ethics.
2. I have read and understand the Code of Ethics and recognize that I am subject thereto. In addition, I have raised any questions I may have on the Code of Ethics with the SIDCO Compliance Officer and have received a satisfactory response[s].
3. For all securities/accounts beneficially owned by me, I hereby declare that I have complied with the terms of the Code of Ethics during the prior year.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Received by SIDCO: \_\_\_\_\_

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**EXHIBIT 6**

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**Investment Vehicles as of February 28, 2005**

- Advisor' s Inner Circle Funds  
Acadian Emerging Markets Portfolio  
AIG Money Market Fund  
Analytic Funds

Cambiar Funds  
CB Core Equity Fund  
Chartwell Funds  
Chicago Asset Management Value Portfolio  
Commerce Capital Funds  
FMC Funds  
FMA Small Company Portfolio  
HGK Equity Value Fund  
ICM Small Company Portfolio  
LSV Value Equity Fund  
McKee International Equity Portfolio  
(Prospect) Japan Smaller Companies Fund  
Rice Hall James Portfolios  
Sterling Capital Funds  
Synovus Funds  
Toews Funds  
TS&W Portfolios  
UA S&P 500 Index Fund  
AHA Investment Funds, Inc.  
Amerindo Funds  
Adviser' s Inner Circle Fund II  
Hancock Horizon Funds  
Reaves Select Research Fund  
Champlain Small Company Fund  
Bishop Street Funds  
Causeway Capital Management  
Chartwell Dividend and Income Fund  
CNI Charter Funds  
HighMark Funds  
The Japan Fund  
JohnsonFamily Funds  
MDL Funds  
The Nevis Fund  
Oak Associates Funds  
Schroder Funds  
Schwab Funds  
SEI Funds  
SEI Registered Hedge Funds  
TD Waterhouse Funds  
Turner Funds  
TT International Funds

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Following is the Code of Ethics for The Capital Group Companies Inc. (Capital), which includes Capital Research and Management Company, the investment adviser to the American Funds and those involved in the distribution of the funds, client support and services; and Capital Group International Inc. (CGII), which includes Capital Guardian Trust Company and Capital International Inc. The Code of Ethics applies to all associates.

### The Capital Group Companies CODE OF ETHICS

All of us within the Capital organization are responsible for maintaining the very highest ethical standards when conducting business. In keeping with these standards, we must always place the interests of clients and fund shareholders ahead of our own. Moreover, we should adhere to the spirit as well as the letter of the law and be vigilant in guarding against anything that could color our judgment.

Over the years we have earned a reputation for the highest integrity. Regardless of lesser standards that may be followed through business or community custom, we must observe exemplary standards of openness, integrity, honesty and trust. Accordingly, we have adopted certain standards as described below for the purpose of deterring wrongdoing and promoting: 1) honest and ethical conduct; 2) full, fair, accurate, timely and understandable disclosure in reports and documents; 3) compliance with applicable laws (including federal securities laws), rules, and regulations; 4) the prompt internal reporting of violations of our Code of Ethics; and 5) accountability for adherence to our Code of Ethics.

#### General Guidelines

Although specific policies are discussed in more detail below, these are general guidelines that all Capital associates should be aware of

It is a crime in the U.S. and many other countries to transact in a company's securities while in possession of material non-public information about the company. If there is any question as to whether you've received material information (typically from a company "insider") you should contact any member of the legal staff to discuss.

You should not knowingly misrepresent, or cause others to misrepresent, facts about Capital to clients, fund shareholders, regulators, or any other member of the public. Disclosure in reports and documents should be fair and accurate.

You should not accept extravagant gifts or entertainment from persons or companies who are trying to solicit business from any of the Capital companies. Capital's Gifts and Entertainment Policy is summarized below.

Safeguarding non-public information – **All associates** are responsible for safeguarding non-public information about securities recommendations and fund and client holdings (for example, analyst research reports, investment meeting discussions or notes, current fund/client transaction information). If you have access to such information, you will likely be subject to additional personal investing limitations under Capital's Personal Investing Policy(1). Even if you are not a "covered person" under the Personal Investing Policy, certain general principles apply to you, and you should not trade based on any Capital company's confidential, proprietary investment information where fund or client trades are likely to be pending or imminent.

Other types of information (for example, marketing plans, employment issues, shareholder identities, etc.) may also be confidential and should not be shared with individuals outside the company (except those retained to provide services for the Capital companies).

**Excessive trading of Capital-managed Funds** – You should not engage in excessive trading of the American Funds or any other Capital-managed investment vehicles worldwide to take advantage of short-term market movements. Excessive activity, such as a

**frequent pattern of exchanges, could involve actual or potential harm to shareholders or clients.** Note that this applies to your spouse and any other immediate family members.

**Ban on Participation in IPOs** – Capital associates and their immediate family members residing in their household **may not participate** in Initial Public Offerings (IPOs). Although exceptions are rarely granted, they will be considered on a case-by-case basis, for example, where a family member is **employed** by the IPO Company and IPO shares are considered part of that family member's compensation.

**Limitation on Service on Boards** – **Associates are discouraged from serving on the board of directors or advisory board** of any public or private company (this does not apply to boards of Capital companies or funds). You must receive approval prior to serving on a board, except for boards of charitable organizations or other nonprofit

- (1) Note that if you have access to non-public information regarding securities recommendations and holdings but you are not currently considered "covered" under the Personal Investing Policy (i.e., you do not receive a reporting form each quarter), you should contact the staff of the Personal Investing Committee to discuss.

organizations. In addition, certain associates will be sent a form annually and asked to disclose their board positions.

**Failure to adhere to our Code of Ethics may result in disciplinary action being taken, including termination.**

### **Annual Certification of Code of Ethics**

Each associate will receive a copy of the Code of Ethics annually and is responsible for certifying in writing that they have read and understood the Code.

### **Reporting Violations**

You have a responsibility to report any violations of our Code of Ethics, including: (i) fraud or illegal acts involving any aspect of our business; (ii) noncompliance with applicable laws, rules and regulations; (iii) intentional or material misstatements in our regulatory filings, internal books and records or client records or reports; or (iv) activity that is harmful to our clients or fund shareholders. Deviations from controls or procedures that safeguard the company, including the assets of shareholders and clients, should also be reported. Reported violations of the Code of Ethics will be investigated and appropriate actions will be taken.

You can report confidentially to:

Your manager or department head

Capital's Audit Committee

any other lawyer employed by the Capital organization

### **Capital Gifts and Entertainment Policy - Conflicts of Interest**

A conflict of interest occurs when the private interests of associates interfere or could potentially interfere with their responsibilities at work. Associates must not place themselves or the company in a position of actual or potential conflict. Associates may not accept gifts worth more than U.S.\$ 100.00, excessive business entertainment, loans, or anything else involving personal gain from those who conduct business with the company. In addition, a business entertainment event exceeding U.S. \$250.00 in value should not be accepted unless the associate receives permission from his/her manager or supervisor and the Gifts and Entertainment Policy Committee.

Gifts or entertainment that are reimbursed by Capital do not need to be reported (or pre-cleared). The expenses, however, are subject to the approval of the associate's manager. When giving a gift or extending entertainment on behalf of Capital, it is important to keep in mind that giving an extravagant gift or entertaining excessively or lavishly may create the appearance of conflict.

Associates should also be aware that certain laws or rules may prohibit or limit gifts or entertainment extended to public officials – especially those responsible for investing public funds.

### ***Charitable Contributions***

In soliciting donations from various people in the business community, associates must never allow the present or anticipated business relationships of Capital or any of its affiliates to be a factor in soliciting such contributions.

### ***Reporting***

The limitations on accepting gifts applies to all associates as described above, and all associates will be asked to fill out quarterly disclosures. You must report any gift exceeding U.S. \$50.00 in value and business entertainment in which an event exceeds U.S. \$75.00. (although it is recommended that you report all gifts and entertainment)

### ***Gifts and Entertainment Policy Committee***

The Gifts and Entertainment Policy Committee oversees administration of and compliance with the Policy.

### **Political Contributions Policy**

**Making Political Contributions**, – One of the objectives of Capital's Code of Ethics is to ensure that conflicts of interest do not arise as a result of an associate's position at Capital. Contributions (financial or non-financial) made to certain political campaigns may raise potential conflicts of interest because of the ability of certain office holders to direct business to Capital. For example, contributions to any person currently holding a city, county or state treasurer position or any candidate running for these offices may raise concerns. As a result, associates **should not make contributions** to any person currently holding these positions or running for these positions. Associates are also encouraged to seek guidance for contributions to other political offices that may have the power to influence the choice of a Capital company or the American Funds to manage public funds. **These policies also apply to an associate's spouse**. Pre-clear requests or questions may be directed to the staff of the Political Contributions Committee. The Political Contributions Committee will evaluate questions relating to potential political contributions considering, among other things: 1) an associate's relationship with the candidate (*i.e.*, is the relationship a personal or business one) and 2) the candidate's current or potential relationship with Capital.

As a general matter, contributions to candidates for U.S. President, Senate, House of Representatives and contributions to national political parties are permissible (unless the candidate currently holds an office that may raise potential conflict of interest issues as described above). Likewise, unless you are subject to the special "CollegeAmerica"

requirements (described below), contributions to State Governor and State Representative positions and state political parties are permissible.

**Special Political Contribution Requirements – CollegeAmerica** – Certain associates involved with "CollegeAmerica," the American Funds 529 College Savings Plan sponsored by the Commonwealth of Virginia will receive a special reporting form. These associates are subject to additional restrictions and reporting requirements. For example, these associates generally may not contribute to Virginia political candidates or parties, must report contributions to any other state or municipal candidates or parties, and must pre-clear Political Action Committee (PAC) contributions.

**Soliciting Political Contributions** – In soliciting political contributions from various people in the business community, you must never allow the present or anticipated business relationships of any Capital company to be a factor in soliciting such contributions.

**Other Considerations** – Please keep in mind that any political contributions that you make or solicit should be viewed as personal. Therefore, you should not use Capital letterhead for correspondence regarding these contributions, and you should not hold fundraising events in Capital offices.

### **Insider Trading**

Antifraud provisions of U.S. securities laws as well as the laws of other countries generally prohibit persons in possession of material non-public information from trading on or communicating the information to others. Sanctions for violations can include civil injunctions, permanent bars from the securities industry, civil penalties up to three times the profits made or losses avoided, criminal fines and jail sentences.

While investment research analysts are most likely to come in contact with material nonpublic information, the rules (and sanctions) in this area apply to all Capital associates and extend to activities both within and outside each associate's duties. **Any associate who believes that he or she may have material non-public information should contact a Capital lawyer.**

### **Personal Investing Policy**

As an associate of The Capital Group Companies, you may have access to confidential information. This places you in a position of special trust. You are associated with a group of companies that is responsible for the management of many billions of dollars belonging to mutual fund shareholders and other clients. The law, ethics and our own policy place a heavy burden on all of us to ensure that the highest standards of honesty and integrity are maintained at all times.

There are several rules that must be followed to avoid possible conflicts of interest in personal investments. Keep in mind, however, that placing the interests of clients and fund shareholders first is the core principle of our policies and applies even if the matter is not covered by a specific provision. The following is only a summary of the Capital Personal Investing Policy. Please refer to the Capital Personal Investing Policy for more detailed information about personal investing rules.

**The following provisions apply only to associates covered under the Personal Investing Policy.**

#### ***Covered Persons***

You are a "covered person" if you have access to non-public investment information relating to current or imminent fund/client transactions. If you are a "covered person" you should be receiving quarterly personal investing disclosure forms.

Covered persons must conduct their personal securities transactions in such a way that they do not conflict with the interests of the funds and client accounts. This policy also includes securities transactions of family members living in the covered person's household and any trust or custodianship for which the associate is trustee or custodian. A conflict may occur if you, or a family member in the same household, or a trust or custodianship for which you are trustee or custodian, have a transaction in a security when the funds or client accounts are considering or concluding a transaction in the same security. **For purposes of this Policy, "covered persons" include immediate family members living in the same household.**

Additional rules apply to "investment associates" including portfolio counselors/managers, investment analysts and research associates, trading associates including trading assistants, and investment administration, portfolio control and fixed income control associates including assistants (see below).

#### ***Prohibited Transactions for Covered Persons***

IPO investments

Writing puts and calls on securities that are subject to pre-clearance

Short sales of securities that are subject to pre-clearance

### ***Initial and Annual Holdings Reports***

Any associate that becomes a covered person must submit a list of portfolio holdings and securities accounts within 10 calendar days of becoming covered. In addition, all covered associates will be required to review and update their holdings and securities account information annually.

### ***Pre-clearance of Securities Transactions***

Covered persons must receive approval before buying or selling securities including (but not limited to):

stocks of companies (public or private, including purchases through private placements)

bonds (except U.S. government bonds or other sovereign government bonds rated AAA or Aaa or equivalent)

investments in/capital calls of venture capital partnerships and hedge funds

options on securities subject to pre-clearance (the exercise of options must also be pre-cleared)

closed-end funds (including investment trust companies)

index funds or exchange-traded funds that are not on the pre-approved list of index funds/ETFs

transactions in securities subject to pre-clearance in IRAs (or company-sponsored retirement accounts) and in Personal Equity Plans (PEPs) and Individual Savings Accounts (ISAs) (available in the U.K. only) over which you have discretion

Before buying or selling securities, covered persons must check with the staff of the Personal Investing Committee.

Pre-clear requests will be handled during the hours the New York Stock Exchange (“NYSE”) is open (generally 6:30am to 1:00pm Pacific Time).

You will generally receive a response within one business day. Unless a different period is specified, clearance is good until the close of the NYSE on the day that you check. Associates from offices outside the U.S. and/or associates trading on non-U.S. exchanges are usually granted enough time to complete their transaction during the next available trading day. If you have not executed your transaction within this period, you must again pre-clear your transaction. Note that investments in private companies (e.g., private placements) and venture capital partnerships must be pre-cleared and reported and are subject to special review. In

addition, opportunities to acquire a stock that is “limited” (*i.e.*, a broker-dealer is only given a certain number of shares to sell and is offering the opportunity to buy) would be subject to the Gifts and Entertainment Policy.

## Exception for *De Minimis* Transactions

The *de minimis* exception is NOT available for CIKK associates (a Capital company based in Tokyo) or associates considered investment associates.

All other covered associates may execute **one single transaction (either a buy or a sell) of 100 shares or less per issuer per calendar month** without pre-clearance. You must, however, still report these trades on your quarterly form. **If you request pre-clearance and are denied permission, you may not execute a *de minimis* transaction in that issuer without pre-clearance for a period of seven calendar days. Larger or more frequent share transactions must be pre-cleared.**

## Reporting Transactions

Covered persons must submit quarterly disclosure of certain transactions. If you are covered, you will receive reporting forms each quarter **that are due no later than 15 calendar days after the end of the quarter.**(2) Reports will be reviewed by the staff of the Personal Investing Committee. Transactions of securities (including fixed-income securities) or options must be pre-cleared as described above and reported except as outlined below:

### Report Only (no need to pre-clear):

#### **purchases and sales of CRMC Managed Funds**

*Note that American Funds transactions in Capital's 401(k) or MRP accounts or in accounts held with American Funds Service Company (AFS)/Capital Bank & Trust (CB& T) where the account number has been previously disclosed need not be reported*

#### **purchases and sales of Other Capital Affiliated Funds**

*Note that transactions in the LDO Personal Pension Plan need not be reported if you have a signed data release form on file with LDO Legal*

#### **purchases and sales of GIG Advised/Sub-Advised Funds and Insurance Products**

purchases and sales (including options and futures) of index funds or exchange traded funds that **are** on the pre-approved list of index funds/ETFs

participation in any CGII private equity fund/partnership

*de minimis* transactions (see above)

(2) For compliance purposes, only those signed and dated greater than 30 days past the end of the quarter will be considered "late".

distributions of stock from venture capital partnerships

gifts or bequests (either receiving or giving) of securities (note that sales of securities, subject to pre-clearance, received as a gift must be both pre-cleared and reported)

sales pursuant to tender offers

### Do Not Pre-clear or Report:

**open-end investment companies (i.e., mutual funds, OEICs, SICAVs, FCPs, UCITs, Unit Trusts (U.K.) or Japanese investment trusts and investment company funds except funds advised or sub-advised by any Capital company**

*(Note: all other funds should be pre-cleared and reported)*

money market instruments or other short-term debt instruments with maturities (at issuance) of one year or less that are rated in one of the highest two rating categories by a Nationally Recognized Statistical Rating Organization or unrated but of equivalent quality

direct obligations of the U.S. Government or bonds issued by sovereign governments outside the U.S. that are rated AAA or Aaa or equivalent

bankers' acceptances, CDs or other commercial paper

currencies (including options and futures)

commodities

transactions in accounts for which you have completely turned over investment decision-making authority to a professional money manager (see "Professionally Managed Accounts" below)

**Personal investing should be viewed as a privilege, not a right. As such, the Personal Investing Committee may place limitations on the number of pre-clearances and/or transactions.**

### *Securities Accounts*

#### **1. Disclosure of Securities Accounts**

The following types of accounts must be disclosed:

accounts currently holding reportable securities (including any accounts that hold funds advised or sub-advised by a Capital company including accounts held at AFS/CB&T)

accounts that have the *ability* to hold reportable securities

PEP and ISA accounts that hold or have the ability to hold reportable securities

accounts where you (or an immediate family member residing with you) have completely turned over investment decision-making authority to a professional money manager

You do not need to disclose accounts that **can only** hold cash, cash equivalents or open-end investment companies (i.e., mutual funds, OEICs, SICAVs, FCPs, UCITs, Unit Trusts (U.K.) or Japanese investment trusts and investment company funds) other than American Funds or other funds managed by Capital Group

#### **2. Duplicate Account Statements and Trade Confirmations**

Duplicate statements and trade confirmations (or other equivalent documentation) are required for accounts currently holding or have the ability to hold securities that are subject to pre-clearance and/or reporting. (This includes 401 k and other retirement accounts with previous employers and excludes American Funds accounts where records are held at American Funds Service Company and the account information has been previously disclosed and the LDO Personal Pension Plan where a signed data release form is on file with LDO Legal). Covered persons should inform their investment broker-dealer, bank, securities firm or money management firm that they are employed by an investment management organization.

In addition, covered persons must direct their broker-dealer, bank, securities firm or money management firm to send duplicate trade confirmations and account statements (or other equivalent documentation) for all new or existing accounts on a timely basis to the appropriate address listed below. **If they are not able to send duplicates directly, you should submit copies of all trade confirmations (or other equivalent documentation) and account statements as soon as they become available.**

**All documents received are kept strictly confidential and are maintained by LAO Legal in accordance with applicable Federal Securities laws.(3)**

If your broker requires a letter requesting duplicate trade confirmations and monthly statements, please contact the staff of the Personal Investing Committee.

If your broker will be sending confirmation statements for an immediate family member with a different last name than you, you should inform the staff of the Personal Investing Committee with the name of the family member and that person's relationship to you.

- (3) Information about particular transactions may be provided to an associate's supervisor or appropriate Human Resources manager by Personal Investing Committee staff where the transactions are in violation of the Policy, may impact the associate's job performance, or raise conflict of interest-related issues.

### 3. **Professionally Managed Accounts**

If you have an account where you have completely turned over decision-making authority to a professional money manager (who is not covered by our policy), you should have a signed "Professionally Managed Account Exception Memo" on file with the staff of the Personal Investing Committee. (This memo is not required for Personal Investment Management "PIM" accounts.) You must disclose the existence of these accounts and provide the account numbers on your personal investing disclosure forms. You do not need to pre-clear or report securities transactions in these accounts.

#### *Additional Policies for "Investment Associates"*

### 1. **Investment Associates**

Unless otherwise specified, the term "investment associates" includes: portfolio counselors/managers, investment analysts and research associates, trading associates including trading assistants, and investment administration, portfolio control and fixed income control including assistants.

### 2. **Disclosure of Personal Ownership of Recommended Securities**

Portfolio counselors/managers and analysts will be asked on a regular basis to disclose securities that they own both personally and professionally and, for analysts, securities that they hold personally that are within their research coverage. This disclosure will be reviewed on a periodic basis by the staff of the Personal Investing Committee and may also be reviewed by the CRMC and CGTC Executive Committees or other appropriate Capital Committees. In addition, to the extent that disclosure has not already been made to the Personal Investing Committee (by including information on the quarterly form), any associate who is in a position to recommend the purchase or sale of securities by the fund or client accounts that s/he personally owns should **first** disclose such ownership either in writing (in a company write-up) or verbally (when discussing the company at investment meetings) prior to making a recommendation<sup>(4)</sup> If you have any questions, you should contact the staff of the Personal Investing Committee.

- (4) Note that this disclosure requirement is consistent with both AIMR standards as well as the ICI Advisory Group Guidelines.

### 3. **Blackout Periods**

Investment associates may not buy or sell a security during a period beginning seven calendar days before and ending seven calendar days after a fund or client account transacts in that issuer. The blackout period applies to trades in the same management company with which the associate is affiliated. If a fund or client account transaction takes place in the seven calendar days following a pre-cleared transaction by an investment associate, the personal transaction may be reviewed by the Personal Investing Committee to determine the appropriate action, if any. For example, the Committee may recommend that the associate be subject to a price adjustment to ensure that he or she has not received a better price than the fund or client account.

### 4. **Ban on short-term trading profits**



Investment associates are generally prohibited from profiting from the purchase and sale or sale and purchase of the same (or equivalent) securities within 60 days. **This restriction applies to the purchase of an option and the exercise of the option within 60 days.**

### *Other Considerations*

Associates may not accept negotiated commission rates or any other terms that they believe may be more favorable than the broker-dealer grants to accounts with similar characteristics. U.S. broker-dealers are subject to certain rules designed to prevent favoritism toward such accounts.

In addition material outside business interests may give rise to potential conflicts of interest. Associates are asked to report if they are a senior officer of or own more than 5% of any private or public company that is or potentially may be doing business with any Capital company or with the American Funds. This reporting requirement also applies to any immediate family member residing within the associate's household.

### *Personal Investing Committee*

Any questions or hardships that result from these policies or requests for exceptions should be referred to Capital's Personal Investing Committee.



**MORGAN STANLEY INVESTMENT MANAGEMENT  
CODE OF ETHICS**

Effective December 31, 2004

The investment advisers, distribution companies and related service companies listed on the attached Schedule A that operate within Morgan Stanley Investment Management (each, a “Covered Company” and collectively, “Investment Management”) have adopted this Code of Ethics (the “Code”). The principal objectives of the Code are (i) to provide policies and procedures consistent with applicable law and regulation, including Rule 17j-1 under the Investment Company Act of 1940, as amended (the “1940 Act”), and Section 204 A of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and (ii) make certain that the personal trading and other business activities of Employees of Investment Management (defined in Section III. below) are conducted in a manner consistent with applicable law and regulation and the general principles set forth in the Code.

Employees of Investment Management are also subject to the “Morgan Stanley Code of Conduct - Securities and Asset Management Businesses” (the “Code of Conduct”), and the Morgan Stanley Code of Ethics and Business Practices, which can be found on the Law Portal of the Morgan Stanley Today intranet site. Employees are reminded that they are also subject to other Morgan Stanley Investment Management policies, including policies on insider trading, the receipt of gifts, the handling of all internally distributed proprietary and confidential information, Morgan Stanley Investment Management Senior Loan Firewall Procedures, and service as a director of a publicly traded company. All internally distributed information is proprietary and confidential information and should not be discussed with people outside of Morgan Stanley Investment Management or shared with anybody outside of the Investment Department.

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I. Policy Highlights

The Code is designed so that all acts, practices and courses of business engaged in by Employees are conducted in accordance with the highest possible standards and to prevent abuses or even the appearance of abuses by Employees relating to their personal trading and other business activity. Compliance with the Code is a matter of understanding the basic requirements and making sure the steps the Employee takes with respect to each Personal Securities Transaction (defined herein) and his/her personal investment is in accordance with these requirements. This Section sets forth selected rules that frequently raise questions. These are by no means comprehensive and Employees must examine the specific sections of the Code for more details and are strongly urged to consult the Compliance Department when questions arise:

Shares of Morgan Stanley/Van Kampen open-end investment companies that are advised by Investment Management (“Affiliated Mutual Funds”), whether purchased, sold or exchanged in a brokerage account, directly through a transfer agent or in a 401(k) or other retirement plan, including the Morgan Stanley 401(k) plan, are exempt from pre-clearance requirements but are subject to holding and reporting requirements. **Affiliated Mutual Funds may not be sold, redeemed or exchanged until at least 60 calendar days from the purchase trade date. Shares in the same Affiliated Mutual Fund may not be repurchased until at least 60 calendar days from the sale trade date. Investment Personnel, defined herein, may not sell, redeem or exchange Affiliated Mutual Funds until at least 90 calendar days from the purchase trade date and are subject to the repurchase restrictions above;**

Shares of open-end investment companies that are sub-advised by Investment Management (“Sub-advised Mutual Funds”), are exempt from pre-clearance requirements but are subject to reporting requirements.

Purchases and sales of shares in money market funds continue to be exempt from preclearance, holding period and reporting requirements of the Code;

Employees must maintain brokerage accounts at Morgan Stanley unless an exception is granted. All accounts for the purchase of Affiliated Mutual Funds and Sub-advised Mutual Funds must be pre-approved by the Compliance Department before opening;

All Personal Securities Transactions must be pre-cleared through the Compliance, Department, except as set forth herein;

Employees may only transact in MWD stock during designated window periods and all transactions must be pre-cleared. The restrictions imposed by Morgan Stanley on Senior Management and other persons in connection with transactions

in MWD stock are in addition to this Code, and must be observed to the extent applicable;

Exchange Traded Funds (“ETFs”) and closed-end mutual funds must be pre-cleared and are subject to all other holding and reporting requirements;

Employees are prohibited from acquiring any security in an initial public offering (IPO) or any other public underwriting;

Private placements, participation on the Board of any company and any outside business activities must be pre-approved by the Code of Ethics Review Committee;

Employees may not sell Covered Securities, defined herein, under any circumstances unless they have been held for at least 30 days and they may not be sold at a profit until at least 60 calendar days from the purchase trade date;

Employees may not repurchase any security sold by the Employee within the previous 30 days and may not repurchase such security within the previous 60 days if the purchase price is lower than any sale price within the 60-day period;

Portfolio managers and research analysts and those who report to them, may not trade in a security if accounts they manage trade in the same security within the 7 days prior to or 7 days following the Employee’ s transaction;

Employees are required to submit an Initial Holdings Report upon hire, Quarterly Transactions Reports and an Annual Report and Compliance Certification.

## II. General Principles

### A. Shareholder and Client Interests Come First

It is the policy of Investment Management to comply with all applicable federal securities laws. This Code is designed to assist Employees in fulfilling their regulatory and fiduciary duties.

Every Employee owes a fiduciary duty to the shareholders of registered investment companies (each; a “Fund” and collectively, the “Funds”) and to the Managed Account Clients (defined as clients other than registered investment companies including unregistered investment companies, institutional clients and individuals). This means that in every decision relating to investments, every Employee must recognize the needs and interests of the Fund shareholders and the Managed Account Clients, and be certain that at all times the interests of the

Fund shareholders and other Managed Account Clients are placed ahead of any personal interest.

### B. Avoid Actual and Potential Conflicts of Interest

The restrictions and requirements of the Code are designed to prevent behavior which actually or potentially conflicts, or raises the appearance of an actual or potential conflict, with the interests of the Fund shareholders or the Managed Account Clients. It is of the utmost importance that the Personal Securities Transactions of Employees be conducted in a manner consistent with both the letter and spirit of the Code to avoid any such conflict of interest and to prevent abuse of an Employee' s position of trust and responsibility.

### III. Definitions

- A. "Access Persons" shall include all directors, officers, and employees of Investment Management or any other person who provides investment advice on behalf of an investment adviser under Investment Management and is subject to the supervision and control of such investment adviser, as well as certain other persons falling within such definition under Rule 17j-1 under the 1940 Act or Rule 204A-1 under the Advisers Act and such other persons that may be so deemed by each Local Compliance Group from time to time, except those persons who are not officers and directors of an investment adviser under Investment Management (or of any company in a control relationship to the Fund or an investment adviser under Investment Management) and who meet the following criteria: (i) directors and officers of Morgan Stanley Distributors Inc., Morgan Stanley Distribution Inc., Morgan Stanley & Co., and Van Kampen Funds Inc. (each a "Distributor" and collectively, the "Distributors") that do not devote substantially all of their working time to the activities (including distribution activities) of an investment adviser under Investment Management; (ii) directors and officers of the Distributors who do not, in the ordinary course of business make, participate in, or obtain information regarding the purchase or sale of securities by the Funds or Managed Account Clients, or whose functions or duties in the ordinary course of business relate to the making of any recommendation to the Funds or Managed Account Clients regarding the purchase and sale of securities on behalf of a Fund or a Managed Account Client; and (iii) directors and officers of the Distributors that do not have access to information regarding the day-to-day investment activities of Investment Management shall not be deemed Access Persons. Such persons are, however, subject to the Code of Conduct. The Local Compliance Group for each Covered Company will identify all Access Persons of Investment Management and notify them of their pre-clearance and reporting obligations at the time they become an Access Person. Access Persons will be referred to as

"Employees" throughout the Code. Employees with questions concerning their status as Access Persons are urged to consult with their Local Compliance Group.

- B. "Covered Accounts" shall include any account in which an Employee has, or acquires any direct or indirect beneficial ownership in a security held in the account. Generally, an employee is regarded as having beneficial ownership of securities held in an account in the name of: (1) the individual; (2) a husband, wife or minor child; (3) a relative sharing the same house; (4) another person if the Employee (i) obtains benefits substantially equivalent to ownership of the securities; (ii) can obtain ownership of the securities immediately or at some future time; or (iii) can have investment discretion or otherwise

can exercise control. In addition, as described in the Code, certain circumstances constitute Beneficial Ownership, defined herein, by an Employee of securities held by a trust.

- C. “Covered Securities” shall include all securities, any option to purchase or sell, and any security convertible into or exchangeable for such securities. For example, Covered Securities also include, but are not limited to individual securities, open-end mutual funds, exchange traded funds, closed-end funds and unit investment trusts. Exemption from certain requirements of the Code may apply to designated Covered Securities, as set forth below. In addition, certain securities, such as money market funds, are exempt from the definition of “Covered Security” as explained in the Code.
- D. “Investment Personnel” shall mean any Employee who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities or anyone who, in connection with their job functions, has real-time knowledge of such recommendations or anyone who controls the Fund or an investment adviser under Investment Management and who obtains information concerning recommendations made to the Funds or Managed Account clients regarding the purchase or sale of securities by the Fund or the Managed Account Client. This includes, but is not limited to, portfolio managers, research analysts, and all persons reporting to portfolio managers and research analysts and personnel in the trading department, among others.

#### IV. Grounds for Disqualification from Employment

Pursuant to the terms of Section 9 of the 1940 Act, no director, officer or employee of a Covered Company may become, or continue to remain, an officer, director or employee without an exemptive order issued by the U.S. Securities and Exchange Commission if such director, officer or employee:

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within the past ten years has been convicted of any felony or misdemeanor (i) involving the purchase or sale of any security; or (ii) arising out of their conduct as an underwriter, broker, dealer, investment adviser, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the U.S. Commodity Exchange Act, or as an affiliated person, salesman or employee of any investment company, bank, insurance company or entity or person required to be registered under the U.S. Commodity Exchange Act; or

is or becomes permanently or temporarily enjoined by any court from: (i) acting as an underwriter, broker, dealer, investment adviser, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the U.S. Commodity Exchange Act, or as an affiliated person, salesman or employee of any investment company, bank, insurance company or entity or person required to be registered under the U.S. Commodity Exchange Act; or (ii) engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security.

It is your obligation to immediately report any conviction or injunction falling within the foregoing provisions to the Chief Legal or Compliance Officer of Investment Management.

#### V. Personal Securities Transactions

##### A. Prohibited Conduct

No Employee shall buy or sell any Covered Security (with the exception of those described in sub-section C. below) for a Covered Account (referred to herein as a “Personal Securities Transaction”) unless:

1. pre-clearance of the transaction has been obtained; and
2. the transaction is reported in writing to the Local Compliance Group in accordance with the requirements below.

B. Restrictions and Limitations on Personal Securities Transactions

Except where otherwise indicated, the following restrictions and limitations govern Personal Securities Transaction:

1. Covered Securities purchased may not be sold until at least 30 calendar days from the purchase trade date and may not be sold at a profit until at least 60 calendar days from the purchase trade date. Covered Securities

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sold may not be repurchased until at least 30 calendar days from the sale trade date. In addition, Covered Securities sold may not be purchased at a lower price until at least 60 calendar days from the sale trade date. Any violation may result in disgorgement of all profits from the transactions as well as other possible sanctions.

2. Affiliated Mutual Funds (excluding money market funds), whether purchased in a brokerage account, directly through a transfer agent or in a 401(k) or other retirement plan, may not be sold, redeemed or exchanged until at least 60 calendar days from the purchase trade date. They may not be repurchased until at least 60 calendar days from the sale trade date. Investment Personnel may not sell, redeem or exchange such mutual funds until at least 90 calendar days from the purchase trade date and are subject to the repurchase restrictions above.

In the event of financial hardship, exceptions to this section of the Code may be granted, but only with the prior written approval of a Compliance Officer and the Employee’s supervisor and the transaction is consistent with each Fund prospectus, if applicable.

3. No short sales are permitted.
4. No transactions in options or futures are permitted, except that listed options may be purchased, and covered calls written. No option may be purchased or written if the expiration date is less than 60 calendar days from the date of purchase. No option position may be closed at a profit less than 60 calendar days from the date it is established.
5. No Employee may acquire any security in an initial public offering (IPO) or any other public underwriting. No Employee shall purchase shares of a Fund that is managed by a Covered Company if such Fund is not generally available to the public, unless the vehicle is designed for Morgan Stanley employees and there is no intention of it becoming public in the future.
- 6a. Private placements of any kind may only be acquired with special permission from the Code of Ethics Review Committee and if approved, will be subject to monitoring by the Local Compliance Group. Any Employee wishing to request approval for private placements must complete a Private Placement Approval Request Form and submit the form to the Local Compliance Group. A copy of the Private Placement Approval Request Form, which may be revised from time to time, is attached as **Exhibit A**. Where the Code of Ethics Review Committee approves any acquisition of a private placement, its decision and reasons for supporting the decision will be documented in a written report, which is to

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be kept for five years by the Local Compliance Group after the end of the fiscal year in which the approval was granted.

- 6b. Any Employee who has a personal position in an issuer through a private placement must affirmatively disclose that interest if such employee is involved in considering any subsequent investment decision by a Fund or Managed Account regarding any security of that issuer or its affiliate(s). In such event, the President or Chief Investment Officer of Investment Management shall independently determine the final investment decision. Written records of any such circumstance shall be sent to the Local Compliance Group and maintained for a period of five years after the end of the fiscal year in which the approval was granted.

Restrictions 7.a. and 7.b. apply only to portfolio managers and research analysts (and all persons reporting to portfolio managers and research analysts) of Investment Management.

- 7a. No purchase or sale transaction may be made in any Covered Security by any portfolio manager or research analyst (or person reporting to a portfolio manager or research analyst) for a period of 7 calendar days before or after that Covered Security is bought or sold by any Fund (other than Morgan Stanley Value-Added Market Series, Morgan Stanley Select Dimensions Investment Series - Value-Added Market Portfolio, and Morgan Stanley index funds, or Portfolios) or any Managed Account (other than index-based Managed Accounts) for which such portfolio manager or research analyst (or person reporting to a portfolio manager or research analyst) serves in that capacity.
- 7b. The definition of portfolio manager shall also extend to any person involved in determining the composition of the portfolios of Funds that are UITs or who have knowledge of a composition of a UIT portfolio prior to deposit. These individuals shall not buy or sell a Covered Security within 7 calendar days before or after such Covered Security is included in the initial deposit of a UIT portfolio.

Restriction 7.c. applies only to personnel in the trading department of each Covered Company.

- 7c. No purchase or sale transaction may be made in any Covered Security traded through the appropriate Covered Company' s trading desk(s) (as determined by the Local Compliance Group) by any person on that trading desk at the same time that any Fund (other than Morgan Stanley Value-Added Market Series, Morgan Stanley Select Dimensions Investment Series- Value-Added Market Portfolio, and Morgan Stanley index funds, or

Portfolios) or any Managed Account (other than index-based Managed Accounts) has a pending purchase or sale order in that same Covered Security.

- 7d. Any transaction by persons described in sub-sections 7.a., 7.b., and 7.c. above within such enumerated period may be required to be reversed, if applicable, and any profits or, at the discretion of the Code of Ethics Review Committee, any differential between the sale price of the Personal Security Transaction and the subsequent purchase or sale price by a relevant Fund or Managed Account during the enumerated period, will be subject to disgorgement; other sanctions may also be applied.
8. No Employee shall purchase or sell any Covered Security which to their knowledge at the time of such purchase or sale: (i) is being considered for purchase or sale by a Fund or a Managed Account; or (ii) is being purchased or sold by a Fund or a Managed Account. With respect to portfolio managers and research analysts (and all persons reporting to portfolio managers and research analysts) of a Covered Company, no such persons may purchase shares of a closed-end investment company over which such person exercises investment discretion.
9. If a Personal Securities Transaction is not executed on the day pre-clearance is granted, it is required that pre-clearance be sought again on a subsequent day (i.e., open orders, such as limit orders, good until cancelled orders and stop-loss orders, must be pre-cleared each day until the transaction is effected). (1)
10. Employees shall not participate in investment clubs.



11. Employees may only transact in MWD stock during designated window periods. Also, such transactions must be pre-cleared with Compliance. Holdings and transactions in MWD stock are subject to the initial, quarterly and annual reporting requirements as well as the 30-day holding period restriction and the 60-day short swing profit restriction(2). The restrictions imposed by Morgan Stanley on Senior Management and other persons in connection with transactions in MWD stock are in addition to this Code, and must be observed to the extent applicable. Employees are required to read the Code of Conduct for a listing of specific restrictions and limitations relating to the purchase or sale of MWD stock. Employees receiving MWD stock or options through EICP and other plans may be subject to certain

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(1) In the case of trades in institutional markets where the market has already closed, transactions must be executed by the next close of trading in that market.

(2) In connection with the sale of MWD stock, periodic purchases through employee sponsored equity purchase plans shall not be counted when calculating the 30-day holding period restriction or the 60-day short swing profit restriction.

trading restrictions and exemptions. Employees should check Employment documents and consult with the Compliance Department to address any questions.

Important: Regardless of the limited applicability of Restrictions 7.a., 7.b., and 7.c. each Local Compliance Group monitors all transactions by Employees in all locations in order to ascertain any pattern of conduct that may evidence actual or potential conflicts with the principles and objectives of the Code, including a pattern of front-running. The Compliance Group of each Covered Company: (i) on a quarterly basis, will provide the Boards of Directors/Trustees of the Funds it manages with a written report that describes any issues that arose during the previous quarter under the Code and, if applicable, any Funds' Sub-Adviser' s Code of Ethics, including but not limited to, information about material violations and sanctions imposed in response to the material violations; and (ii) on an annual basis, will certify that each Covered Company has adopted procedures reasonably necessary to prevent its Employees from violating the Code. Also, as stated elsewhere in this Code, any violation of the foregoing restrictions may result in disgorgement of all profits from the transactions as well as other possible sanctions.

### C. Exempt Securities

1. The securities listed below are exempt from: (i) the holding period and other restrictions of this Section V., subsections B.1., B.2., B. 7a-d. and B.8.; (ii) the pre-clearance requirements; and (iii) the initial, quarterly and annual reporting requirements. Accordingly, it is not necessary to obtain pre-clearance for Personal Securities Transactions in any of the following securities, nor is it necessary to report such securities in the quarterly Transaction Reports or the Initial Holdings Report and Annual Compliance Certification:
  - (a) Direct obligations of the United States Government(3);
  - (b) Bank Certificates of Deposit;
  - (c) Bankers' Acceptances;
  - (d) Commercial Paper; and
  - (e) High Quality Short-Term Debt Instruments (which for these purposes are repurchase agreements and any instrument that has a maturity at issuance of fewer than 366 days that is rated in one of the two highest categories by a Nationally Recognized Statistical Rating Organization).

(3) Includes securities that carry full faith and credit of the U.S. Government for the timely payment of principal and interest, such as Ginnie Maes, U.S. Savings Bonds, and U.S. Treasuries. For international offices, the equivalent shares in fixed income securities issued by the government of their respective jurisdiction; however such securities are subject to the initial and annual reporting requirements of subsection D.

- (f) Shares held in money market funds.

- (g) Shares held in open-end Mutual Funds other than Affiliated Mutual Funds and Sub-advised Mutual Funds.
2. Transactions in redeemable Unit Investment Trusts are exempt from the restrictions contained in this Section V., sub-sections B.1. and B.7 and the pre-clearance requirement of Section V., sub-section A., but are subject to the reporting requirements of Section VI., sub-section A.
  3. Shares of Affiliated Mutual Funds are exempt from the pre-clearance requirement of Section V, sub-section A, but are subject to the account opening restrictions of Section V, sub-section E, initial, quarterly and annual reporting requirements of Section VI, and the holding period restrictions contained in Section V, sub-section B. Exchange Traded Funds (“ETFs”) and closed-end funds must be pre-cleared and are subject to all other reporting requirements.
  4. Shares of Sub-advised Mutual Funds are exempt from the pre-clearance requirement of Section V, sub-section A, but are subject to the account opening restrictions of Section V, sub-section E, and initial, quarterly and annual reporting requirements of Section VI.
  5. All Employees wishing to participate in an issuer’s direct stock purchase plan or automatic dividend reinvestment plans must submit a memorandum to the Local Compliance Group stating the name and the amount to be invested in the plan. Any sale transactions from an automatic dividend reinvestment plan must be pre-cleared. Purchases under an issuer’s direct stock purchase plan or automatic dividend reinvestment plan are exempt from the restrictions contained in this Section V, sub-sections B.1., B.7a-d. and B.8. and the pre-clearance requirement but are subject to the reporting requirements.
  6. Transactions in Affiliated Mutual Funds within the Morgan Stanley 401(k) Plan(4) are exempt from the pre-clearance requirement of Section V. sub-section A, but are subject to the initial, quarterly and annual reporting requirements of Section VI. and the holding period restrictions contained in Section V, sub-section B.
  7. Employees may maintain fully discretionary managed accounts provided that each of the following conditions are met: (i) the investment program is offered by Morgan Stanley; (ii) the portfolio manager’s strategy/investment discipline/investment program offered/utilized is the same for both Employee and non-Employee client accounts; (iii) written

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(4) This includes Morgan Stanley Retirement Plans that are equivalent to 401(k) Plans in jurisdictions outside the United States.

permission is obtained from the Director of Compliance and the Chief Investment Officer (or their designees) prior to opening a fully discretionary account; (iv) written certification is obtained stating that there will be no communication between the portfolio manager and the Employee with regard to investment decisions prior to execution; and (v) Employee accounts will be treated no differently from non-Employee accounts. The Employee must designate duplicate copies of trade confirmations and statements to be sent to the Compliance Department. To the extent that an Employee directs trades for tax purposes, that Employee shall obtain pre-clearance for each transaction from his/her Local Compliance Group.

D. Pre-Clearance Requirement

1. Personal Securities Transactions

(a) From Whom Obtained

All Employees are required to obtain pre-clearance of Personal Securities Transactions in Covered Securities. Employees must complete the required Form, as described below, and submit it to the Compliance Department for approval.

A copy of the Personal Securities Transaction Approval Form, which may be revised from time to time, is attached as **Exhibit B**.

(b) Personal Securities Transaction Approval Process

Pre-clearance must be obtained by completing and signing the Personal Securities Transaction Approval Form and obtaining the proper pre-clearance signatures. The Approval Form must also indicate, as applicable, the name of the individual's financial advisor, the branch office numbers, as well as other required information.

If an Employee has more than one Covered Account, the Employee must indicate for which Covered Account the trade is intended on the Personal Securities Transaction Approval Form. Employees are required to have duplicate copies of their trade confirmations and Covered Account statements (which can be electronically transmitted) sent to the Local Compliance Group for each Covered Account the Employee has, or as a result of the transaction acquires, any direct or indirect beneficial ownership (as defined in sub-section E.3. below).

Employees are required to: (i) confirm that no open orders exist in the same or related security with the appropriate trading desk(s) (as determined by the Local Compliance Group); and (ii) have the transaction approved by the Local Compliance Group.

Portfolio managers and research analysts (or persons reporting to portfolio managers or research analysts) of Investment Management seeking pre-clearance for a Personal Securities Transaction must obtain an additional signature from a designated Senior Portfolio Manager (prior to pre-clearance from the Local Compliance Group). Trading desk personnel at any Covered Company seeking pre-clearance for a Personal Securities Transaction must obtain an additional signature from their immediate supervisor prior to pre-clearance from the Local Compliance Group.

(c) Filing and Approval

After all required signatures are obtained, the Personal Securities Transaction Approval Form must be filed with the Local Compliance Group. The Employee should retain a copy for his/her records.

Compliance will act on the request and notify the Employee whether the request has been approved or denied. If pre-clearance of a request is approved, it is effective only for a transaction completed prior to the close of business on the day of approval. Any transaction not completed will require a new approval.

Each Local Compliance Group has implemented procedures reasonably designed to monitor purchases and sales effected pursuant to these pre-clearance procedures.

2. Factors Considered in Pre-Clearance of Personal Securities Transactions

In reviewing any Personal Securities Transaction for pre-clearance, the following factors, among others, will generally be considered:

Whether the amount or the nature of the transaction, or the Employee making it, is likely to affect the price or market of security that is held by a Fund or a Managed Account Client.

Fund or a Managed Account; or (ii) is being purchased or sold by a Fund or a Managed Account Client. Whether the individual making the proposed purchase or sale is likely to benefit from purchases or sales being made or considered on behalf of any Fund or a Managed Account Client.

Whether the transaction is non-volitional on the part of the Employee.

Whether the transaction is conducted in a manner that is consistent with the Code to avoid any appearance of impropriety.

In addition to the requirements set forth in the Code, the Local Compliance Group and/or, if applicable, designated Senior Portfolio Manager/immediate trading room supervisor (as appropriate), in keeping with the general principles and objectives of the Code, may refuse to grant pre-clearance of a Personal Securities Transaction in their sole discretion without being required to specify any reason for the refusal.

E. Permitted Brokerage Accounts and Accounts Holding Affiliated Mutual Funds and Sub-advised Mutual Funds

1. Brokerage Accounts

All securities transactions must be made through a Morgan Stanley brokerage account<sup>(5)</sup>. No other brokerage accounts, including mutual fund accounts with brokerage capabilities, are permitted unless special permission is obtained from the Local Compliance Group. If an Employee maintains an account(s) outside of Morgan Stanley, that Employee must transfer his/her account(s) to a Morgan Stanley brokerage account as soon as practical (generally within 30 days). Failure to do so will be considered a significant violation of the Code. In the event permission to maintain an outside brokerage account is granted by the Local Compliance Group, it is the responsibility of the Employee to pre-clear transactions as required by the Code and to arrange for duplicate confirmations of all securities transactions and brokerage statements to be sent to the Local Compliance Group.

Prior to opening a Morgan Stanley brokerage account, Employees must obtain approval from their Local Compliance Group. No Employee may open a brokerage account unless a completed and signed copy of a Morgan Stanley Employee Account Request Form attached as **Exhibit C** is submitted to the Local Compliance Group for approval. Employees are

(5) Morgan Stanley brokerage account shall mean an account with an affiliated Morgan Stanley broker in the Employee's local jurisdiction.

responsible for reporting their Morgan Stanley account number to the Local Compliance Group.

2. Accounts Holding Affiliated Mutual Funds or Sub-advised Mutual Funds

The opening of an account for purchase of Affiliated Mutual Funds (other than participation in the Morgan Stanley 401(k) Plan) or Sub-advised Mutual Funds must be pre-approved by the Local Compliance Group. Duplicate confirmations of all transactions and statements must be sent to the Local Compliance Group. (See **Exhibit C**).

3. Accounts Covered

An Employee must obtain pre-clearance for any Personal Securities Transaction if such Employee has, or as a result of the transaction acquires, any direct or indirect beneficial ownership in the security.

The term “beneficial ownership” shall be interpreted with reference to the definition contained in the provisions of Section 16 of the Securities Exchange Act of 1934. Generally, a person is regarded as having beneficial ownership of securities held in the name of:

- (a) the individual; or
- (b) a husband, wife or a minor child; or
- (c) a relative sharing the same house; or
- (d) other person if the Employee: (i) obtains benefits substantially equivalent to ownership of the securities; (ii) can obtain ownership of the securities immediately or at some future time; or (iii) can have investment discretion or otherwise can exercise control.

The following circumstances constitute Beneficial Ownership by an Employee of securities held by a trust:

- (a) Ownership of securities as a trustee where either the Employee or members of the Employee’s immediate family have a vested interest in the principal or income of the trust.
- (b) Estate or trust accounts in which the Employee has the power to effect investment decisions, unless a specific exemption is granted.

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- (c) Any Employee who is a settlor of a trust is required to comply with all the provisions of the Code, unless special exemption in advance is granted by the Local Compliance Group and: (i) the Employee does not have any direct or indirect beneficial interest in the trust; (ii) the Employee does not have the direct or indirect power to effect investment decisions for the trust, and (iii) the consent of all the beneficiaries is required in order for the Employee to revoke the trust.

It is the responsibility of the Employee to arrange for duplicate confirmations of all securities transactions and statements to be sent to the Local Compliance Group. The final determination of beneficial ownership is a question to be determined in light of the facts of each particular case. If there are any questions as to beneficial ownership, please contact your Local Compliance Group.

#### 4. Accounts Exempt from Pre-approval Requirement

Pre-approval is not required for any account where the Employee does not have direct or indirect beneficial ownership. In case of doubt as to whether an account is a Covered Account, Employees must consult with their Local Compliance Group.

## VI. Reporting Requirements

### A. Report of Transactions

Employees are subject to several reporting requirements including an Initial Listing of Securities Holdings and Accounts when an Employee commences employment with Investment Management, Quarterly Securities Transactions and New

Accounts Reports and an Annual Listing of Securities Holdings Report and Certification of Compliance. It is the responsibility of Employees to submit their reports to Compliance in a timely manner. Compliance will notify Employees of their Quarterly and Annual Reporting obligations under the Code.

1. Initial Listing of Securities Holdings and Brokerage and Mutual Fund Accounts Report

When an Employee begins employment with Investment Management or a person otherwise becomes an Access Person, he or she must provide an Initial Listing of Securities Holdings and Brokerage Accounts Report to their Local Compliance Group not later than 10 days after the person becomes an Access Person (which information must be current as of a date no more than 45 days prior to the date the person becomes an Access Person),

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disclosing: (i) all Covered Securities, including Affiliated Mutual Funds and Sub-advised Mutual Funds, and private placement securities beneficially owned by the Employee, listing the title and type of the security, and as applicable the exchange ticker symbol or CUSIP number, number of shares held, and principal amount of the security; (ii) the name of the broker, dealer, bank or financial institution where the Employee maintains a personal account; and (iii) the date the report is submitted by the Employee.

2. Quarterly Securities Transactions and New Brokerage and Mutual Fund Accounts Reports

Quarterly Securities Transactions and New Brokerage and Mutual Fund Accounts Reports must be submitted by Employees within 10 calendar days after the end of each calendar quarter. Any new brokerage account, any account opened for the purchase of Affiliated Mutual Funds, Sub-advised Mutual Funds, or any mutual fund account(s) with brokerage capabilities opened during the quarter without their Local Compliance Group's prior approval must also be reported within 10 calendar days after the end of each calendar quarter. (See **Exhibit E.**)

- (a) All Personal Securities Transactions in Covered Securities, and all securities transactions in Affiliated Mutual Funds and Sub-advised Mutual Funds must be reported in the next quarterly transaction report after the transaction is effected. Please note exceptions to this in sub-section (b) below. The quarterly report shall contain the following information:
- (i) The date of the transaction, the title and type of the security, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date (if applicable), number of shares and principal amount of each security involved;
  - (ii) The nature of the transaction (i.e., purchase, sale, or any other type of acquisition or disposition);
  - (iii) The price at which the purchase or sale was effected;
  - (iv) The name of the broker, dealer, bank or other financial institution with, or through which, the purchase or sale was effected; and

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- (v) The date the report was submitted to the Local Compliance Group by such person.

In addition, any new brokerage account, any account opened for the purchase of Affiliated Mutual Funds or Sub-advised Mutual Funds, or any mutual fund account with brokerage capabilities opened during the

quarter without approval from the Local Compliance Group must be reported. The report must contain the following information:

- (i) The name of the broker, dealer, bank or other financial institution with whom the account was established;
  - (ii) The date the account was established; and
  - (iii) The date the report is submitted by the Employee.
- (b) Exemption from Filing Quarterly Report - An Employee need not make a quarterly transaction report if he/she: (i) maintains only a Morgan Stanley brokerage account, direct account for the purchase of Affiliated Mutual Funds and/or Morgan Stanley 401(k) Plan and the report would duplicate information contained in the trade confirms, system generated reports or account statements received by the Local Compliance Group. In addition, the Employee must not have opened any new brokerage accounts or mutual fund accounts without obtaining approval from their Local Compliance Group during the quarter.

### 3. Annual Listing of Securities Holdings Reports and Certification of Compliance

The Annual Listing of Securities Holdings Report and Certification of Compliance requires all Employees to provide an annual listing of holdings of: (i) all Covered Securities beneficially owned including all Affiliated Mutual Funds and Sub-advised Mutual Funds (excluding money market accounts), listing the title and type of the security and as applicable the exchange ticker, symbol or CUSIP number, number of shares held, and principal amount of the security as of December 31 of the preceding year, (ii) the name of any broker, dealer, bank or financial institution where the account(s) in which these Covered Securities were maintained, as of December 31 of the preceding year; and (iii) the date the report is submitted. This report must be provided no later than 30 calendar days after December 31 each year. In the case of Employees maintaining a

Morgan Stanley brokerage account(s), direct account for the purchase of Affiliated Mutual Funds, and/or Morgan Stanley 401(k) Plan for which trade confirms, system generated reports or account statements are already received on a quarterly basis by the Local Compliance Group, an annual certification (Certification of Compliance) that the holdings information already provided to the Local Compliance Group accurately reflects all such holdings will satisfy the aforementioned requirement.

#### B. Form of Reporting

The Initial Listing of Securities Holdings and Brokerage Accounts Report, Quarterly Securities Transactions and New Brokerage Accounts Reports, and the Annual Listing of Securities Holdings Report and Certification of Compliance must be completed on the appropriate forms, attached as **Exhibits D, E, and F** respectively, which would be provided by each Local Compliance Group. By not submitting a quarterly transaction report form, an Employee will be deemed to have represented that such person has: (i) executed reportable transactions only in accounts listed with the Local Compliance Group; or (ii) only traded securities exempt from the reporting requirements. Copies of the Initial Listing of Securities Holdings Report and Brokerage and Mutual Fund Accounts Report, Quarterly Securities Transactions and New Brokerage and Mutual Fund Accounts Reports, and the Annual Listing of Securities Holdings Report and Certification of Compliance, which may be revised from time to time, are attached as **Exhibits D, E, and F**, respectively.

#### C. Responsibility to Report

The responsibility for reporting is imposed on each Employee required to make a report. Any effort by a Covered Company to facilitate the reporting process does not change or alter that individual's responsibility.

D. Leave of Absence

Employees on leave of absence may not be subject to the pre-clearance and reporting provisions of the Code, provided that, during their leave period, they: (i) do not participate in, obtain information with respect to, make recommendations as to, or make the purchase and sale of securities on behalf of a Fund or a Managed Account Client; and (ii) do not have access to information regarding the day-to-day investment activities of Investment Management.

E. Where to File Report

All reports must be filed by Employees with their Local Compliance Group.

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F. Responsibility to Review

Each Local Compliance Group will review all Initial Listing of Securities Holdings and Brokerage and Mutual Fund Accounts Reports, Quarterly Securities Transactions and New Brokerage and Mutual Fund Accounts Reports, and Annual Listing of Securities Holdings Reports and Certification of Compliance, filed by Employees, as well as broker confirmations, system generated reports, and account statements.

VII. Code of Ethics Review Committee

A Code of Ethics Review Committee, consisting of the President/Chief Operating Officer, Chief Investment Officer, Chief Legal Officer, Chief Compliance Officer and the Chief Administrative Officer - Investments, of Investment Management or their designees will review and consider any proper request of an Employee for relief or exemption from any restriction, limitation or procedure contained herein consistent with the principles and objectives outlined in this Code. The Committee shall meet on an ad hoc basis, as it deems necessary, upon written request by an Employee stating the basis for the requested relief. The Committee's decision is within its sole discretion.

VIII. Service as a Director and Outside Business Activities

A. Approval to Serve as a Director

No Employee may serve on the board of any company without prior approval of the Code of Ethics Review Committee. If such approval is granted, it will be subject to the implementation of information barrier procedures to isolate any such person from making investment decisions for Funds or Managed Accounts concerning the company in question.

B. Approval to Engage in Outside Business Activities

No Employee may engage in any outside business activities without prior approval of the Code of Ethics Review Committee. If such approval is granted, it is the responsibility of the Employee to notify Compliance immediately if any conflict or potential conflict of interest arises in the course of such activity.

C. Approval Process



IX. Gifts

No Employee shall accept directly or indirectly anything of value, including gifts and gratuities, in excess of \$100 per year from any person or entity that does business with any Fund or Managed Account, not including occasional meals or tickets to theater or sporting events or other similar entertainment. Client entertainment expenses generally are not considered gifts if: (i) Firm personnel are present; (ii) a Firm client is present; and (iii) the entertainment is not so regular or frequent that it creates the appearance of impropriety.

X. Sanctions

All violations of this Code will be reported promptly to the applicable Chief Compliance Officer. Investment Management may impose such sanctions as they deem appropriate, including a reprimand (orally or in writing), monetary fine, demotion, suspension or termination of employment and/or other possible sanctions. The President/Chief Operating Officer of Investment Management and the Chief Legal Officer or Chief Compliance Officer together, are authorized to determine the choice of sanctions to be imposed in specific cases, including termination of employment.

XI. Employee Training and Certification

All new Employees will receive training on the principles and procedures of this Code. New Employees are also required to sign a copy of this Code indicating their understanding of, and their agreement to abide by the terms of this Code.

In addition, Employees are required to certify annually that: (i) they have read and understand the terms of this Code and recognize the responsibilities and obligations incurred by their being subject to this Code; and (ii) they are in compliance with the requirements of this Code, including but not limited to the reporting of all brokerage accounts, and the pre-clearance of all non-exempt Personal Securities Transactions in accordance with this Code.

I have read and understand the terms of the above Code. I recognize the responsibilities and obligations, including but not limited to my quarterly transaction, annual listing of holdings, and initial holdings reporting obligations (as applicable), incurred by me as a result of my being subject to this Code. I hereby agree to abide by the above Code.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Print name)

To complete the acknowledgement process you must electronically acknowledge by clicking on your Brower' s Back button to reach the Acknowledgement Screen. You must also print the Acknowledgement Form [Link], sign and return it to your Local Compliance Group [Link] by XXXX XX, XXXX.

Dated: XXXX XX, XXXX

**SCHEDULE A**

**MORGAN STANLEY INVESTMENT ADVISORS INC.  
MORGAN STANLEY INVESTMENT MANAGEMENT INC.  
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED  
MORGAN STANLEY INVESTMENT MANAGEMENT COMPANY  
MORGAN STANLEY ASSET & INVESTMENT TRUST MANAGEMENT CO., LIMITED  
MORGAN STANLEY INVESTMENT MANAGEMENT PRIVATE LIMITED**

**MORGAN STANLEY AIP GP LP  
MORGAN STANLEY HEDGE FUND PARTNERS GP LP  
MORGAN STANLEY HEDGE FUND PARTNERS LP  
MORGAN STANLEY SERVICES COMPANY INC.  
MORGAN STANLEY DISTRIBUTORS INC.  
MORGAN STANLEY DISTRIBUTION INC.  
MORGAN STANLEY & CO. INCORPORATED  
VAN KAMPEN ASSET MANAGEMENT  
VAN KAMPEN ADVISORS INC.  
VAN KAMPEN INVESTMENTS, INC.  
VAN KAMPEN FUNDS INC.  
VAN KAMPEN TRUST COMPANY  
VAN KAMPEN INVESTOR SERVICES INC.**

## CODE OF ETHICS

### CITIGROUP ASSET MANAGEMENT-NORTH AMERICA AND CERTAIN REGISTERED INVESTMENT COMPANIES

As Amended April 1, 2005

Pursuant to Rule 17j-1 of the Investment Company Act of 1940, and  
Rule 204A-1 of the Investment Advisers Act of 1940

#### A Commitment to Integrity

- I. *Statement of Principles*** - This Code of Ethics (the “Code”) is applicable to Citigroup Asset Management (“CAM”)(1), and those U.S.-registered investment companies advised, managed or sponsored by CAM (the “Funds”) in order to establish rules of conduct for persons who are associated with CAM and the Funds. The Code is also applicable to any of CAM’ s U.S. domiciled registered investment advisers and any of their employees that offer or manage products that are not registered under the Investment Company Act of 1940. The Code’ s purpose is (i) to minimize conflicts and potential conflicts of interest between employees of CAM and CAM’ s clients (including the Funds), and between Fund directors or trustees and their Funds, (ii) to provide policies and procedures consistent with applicable law and regulation, including Rule 17j-1 under the Investment Company Act of 1940 and 204A-1 under the Investment Advisers Act of 1940, and other applicable provisions of the Federal securities laws and (iii) to prevent fraudulent or manipulative practices with respect to purchases or sales of securities held or to be acquired by client accounts. **All U.S. employees and certain immediate family members of CAM, including employees who serve as Fund officers, directors or trustees, and all directors or trustees (“directors”) of each Fund, are Covered Persons under this Code. The defined term “Covered Persons” is described in Section II below**

All CAM personnel owe a fiduciary duty to CAM’ s clients and must put the customer’ s interests first, must protect their confidentiality, must not take inappropriate advantage of their positions, must not act upon non-public information, and are required to fulfill their fiduciary obligations. Personal securities transactions by Covered Persons (including certain transactions in the firm’ s 401(k) plan) shall adhere to the requirements of this Code and shall be conducted in such a manner as to avoid any actual or potential conflict of interest, the appearance of such a conflict, or the abuse of the person’ s position of trust and responsibility. While the Code is designed to address both identified conflicts and potential conflicts, it cannot possibly be written broadly enough to cover all potential situations. In this regard, Covered Persons are expected to adhere not only to the letter, but also the spirit of the policies contained herein. All Fund directors owe a fiduciary duty to each Fund of which they are a director and to that Fund’ s shareholders when conducting their personal investment transactions. At all times and in all matters Fund directors shall place the interests of their Funds before their personal interests. The fundamental standard to be followed in personal securities transactions is that Covered Persons may not take inappropriate advantage of their positions.

As a matter of law and of this Code, no CAM employee must ever discuss (except for those individuals who already know about such information before the conversation), trade in a security, option, or commodity (including shares of a proprietary open-end or closed-end mutual fund, or unit investment trust (“UIT”)) or disseminate non-public information while in possession of

- (1) Investment advisory services provided by Salomon Brothers Asset Management Inc., Smith Barney Asset Management (a division of Citigroup Global Markets Inc.), Citibank Global Asset Management (a unit of Citibank N.A.) and affiliated advisory entities.

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material, non-public information about the issuer or the market for those securities or commodities, even if the employee has satisfied all other requirements of this Code. From time to time the Compliance Department may notify employees who are deemed to be in possession of material non-public information that they are restricted from trading certain securities, which may include mutual funds, for a period of time determined by the Compliance Department. Where such a restriction applies to a money market fund, the restriction would extend to check writing, where such a facility is available.

CAM employees are also subject to and must comply with the requirements of the Federal securities laws, certain provisions of which are addressed in other Citigroup policies including: Citigroup Code of Conduct; CAM Non-Public Information and Chinese Wall Policy; Information Barrier Policy; policies on insider trading; the purchase and sale of securities listed on any applicable Citigroup restricted list; the receipt or giving of gifts; Cash and Non-Cash Compensation; Disclosure of Open-End Mutual Fund Positions Policy; Market Timing Policy; and the Regulation FD Fair Disclosure Policy. These and other relevant CAM policies and procedures are available on CAM's Intranet WEB site.

The Code is very important to CAM, our clients, and our affiliated entities. The reputation of CAM and its employees for “best practices” and integrity is a priceless asset, and all employees have the duty and obligation to support and maintain it when conducting their personal securities transactions. If you should have any questions about the Code or any procedures hereunder, please contact the Compliance or Legal Departments.

**II. Covered Persons** - This Code applies to the following persons:

1. CAM U.S. Employees: Every permanent employee, including employees who serve as Fund officers, trustees or directors and, generally, temporary workers, independent contractors, and consultants (except as provided in Section IV) working in any CAM business unit, must comply with all of the provisions of the Code applicable to CAM employees unless otherwise indicated. Certain employees (i.e., portfolio managers, traders and research analysts (and each of their assistants) are subject to certain additional restrictions outlined in the Code.) All other employees of CAM are considered to be “Advisory Personnel.”

The policies, procedures, and restrictions referred to in this Code also apply to an employee's spouse, significant other and minor children. The Code also applies to any other account over which the employee is deemed to have *beneficial ownership* (This includes accounts of any immediate family members sharing the same household as the employee; accounts in which the employee otherwise has a pecuniary interest that allows the employee directly or indirectly to profit or share in any profit; a legal vehicle of which the employee is the controlling equity holder; and an entity in which the employee has an equity interest, provided the employee also has or shares investment control over the securities held by such entity); and any account over which the employee may otherwise be deemed to have control. For a more detailed description of *beneficial ownership*, see Exhibit A attached hereto.

2. Fund Directors: Independent Fund directors are only subject to the relevant parts contained in Sections I, II, III, V, IX, XVI, XVII, XVIII, XIX, XXII of this Code. However, a Fund director who is also a CAM employee is subject to all provisions of this Code. Independent directors should consult with independent counsel with regard to any questions concerning their responsibilities under the Code.

3. CAM Senior Executives: Certain CAM senior executives, in addition to this Code, are also Covered Persons under the Citigroup Personal Trading Policy (“CPTP”). Additional requirements of the CPTP are described in Sections VIII and XIII of this Code.

**III. Monitoring and Enforcement** - It is the responsibility of each Covered Person to act in accordance with a high standard of conduct and to comply with the policies and procedures set forth in this document, and to report any violations promptly to the Compliance Department. CAM takes seriously its obligation to monitor the personal investment activities of its employees, and to review the periodic reports of all Covered Persons. Any violation of this Code by employees will be considered serious, and may result in disciplinary action, which may include the unwinding of trades, disgorgement of profits, monetary fine or censure, and suspension or termination of employment. Any violation of this Code by a CAM employee will be reported by the Compliance Department to the person's supervisor, and to the Chief Compliance Officers of the Advisers and the Funds.

**IV. Opening and Maintaining Employee Accounts** - All employees' brokerage accounts, including accounts maintained by a spouse or significant other, for which the employee is deemed to have *beneficial ownership*, any other accounts over which the employee,

spouse and/or significant other exercises control, must be maintained either at Smith Barney (“SB”) or at Citicorp Investment Services (“CIS”). For spouses or other persons who, by reason of their employment or exceptional circumstances, are required to conduct their securities, commodities or other financial transactions outside of SB or CIS, employees may submit a written request for an exemption to the Compliance Department (See attached Exhibit B - Outside Brokerage Account Approval Request Form). If approval is granted, copies of trade confirmations and periodic (monthly or quarterly) statements must be sent to the Compliance Department. In addition, all other provisions of this Code will apply. The above policy also applies to temporary personnel, independent contractors, and consultants who have been or will be working in any CAM business unit for at least one year. It is each business unit’s responsibility to identify any temporary personnel, independent contractors, and consultants subject to this provision.

**V. *Accounts and Transactions Covered by this Code*** - The following types of securities are covered (“Covered Securities”) by this Code:

1. Stocks, notes, bonds, closed-end funds, off shore mutual funds, hedge funds, exchange traded funds (“ETFs”), debentures, and other evidences of indebtedness, including senior debt, subordinated debt, investment contracts, commodity contracts, futures and all derivative instruments such as options, warrants and indexed instruments, or, in general, any interest or instrument commonly known as a “security.” All provisions of this Code cover transactions in these securities.
2. Proprietary open-end U.S. mutual funds and open-end U.S. mutual funds sub-advised by CAM (with the exception of money market funds) are subject to the provisions of this Code as follows: (i) shares beneficially owned by CAM employees must be held in an account maintained at SB or CIS (in accordance with Section IV above); and (ii) shares beneficially owned by CAM employees must be held for a period of at least 90 calendar days (in accordance with Section VII below).

**VI. *Excluded Accounts and Transactions*** - The following types of accounts and investment activities need not be maintained at SB or CIS, nor are they subject to the other restrictions of this Code:

1. Open-end U.S. mutual funds that are not managed by CAM and are purchased directly from that fund company. *Note: transactions relating to closed-end funds are subject to the pre-clearance, blackout period and other restrictions of this Code;*

2. Estate or trust accounts of which an employee or related person has a *beneficial ownership*, but no power to affect investment decisions. There must be no communication between the account(s) and the employee with regard to investment decisions prior to execution. *The employee must direct the trustee/bank to furnish copies of confirmations and statements to the Compliance Department;*
3. Fully discretionary accounts managed by either an internal or external registered investment adviser are permitted and may be custodied away from SB and CIS if (i) the employee receives permission from the Regional Director of Compliance or designee and the relevant Chief Investment Officer (“CIO”), and (ii) there is no communication between the manager and the employee with regard to investment decisions prior to execution. The employee must designate that copies of trade confirmations and periodic (monthly or quarterly) statements be sent to the Compliance Department;
4. Employees may participate in direct investment programs that allow the purchase of securities directly from the issuer without the intermediation of a broker/dealer provided that the timing and size of the purchases are established by a pre-arranged, regularized schedule. Employees must pre-clear the transaction at the time that the dividend reinvestment program is being set up. (No provision in this Code requires a Covered Person to report or pre-clear a particular instance of dividend reinvestment once the applicable dividend reinvestment program has been properly pre-cleared); and

5. In addition to the foregoing, the following types of securities are exempted from pre-clearance, blackout periods, reporting and short-term trading requirements: proprietary money market funds; U.S.-registered non-proprietary open-end mutual funds for which CAM does not serve as a sub-adviser; unit investment trusts that invest in unaffiliated mutual funds; U.S. Treasury bills, bonds and notes; mortgage pass-throughs (e.g., Ginnie Maes) that are direct obligations of the U.S. government; bankers' acceptances; bank certificates of deposit; commercial paper; and high quality short-term debt instruments (meaning any instrument that has a maturity at issuance of less than 366 days and that is rated in one of the two highest rating categories by a nationally recognized statistical rating organization, such as S&P or Moody's), including repurchase agreements.

**VII. *Securities Holding Period/Short-Term Trading*** - Securities transactions by CAM employees must be for investment purposes rather than for speculation. Consequently, all CAM employees must adhere to the following:

1. Proprietary open-end U.S. mutual fund shares and open-end U.S. mutual funds sub-advised by CAM (with the exception of money market funds), including shares held in the firm's 401(k) Plan, may not be redeemed or exchanged within 90 calendar days of purchase or prior exchange. A redemption or exchange of shares in a fund cannot be made within 90 calendar days of the latest purchase of shares from that fund, and must be held for investment purposes and not for speculation. Please note, depending upon the circumstances, the sale or exchange of shares in a proprietary open-end mutual fund or an open-end mutual fund sub-advised by CAM, even beyond the 90 calendar days, and could raise "short-term" trading concerns. The following situations are not subject to the 90 calendar day holding period: (i) redemptions or exchanges from a systematic purchase plan; (ii) dividend reinvestments; and (iii) changes to investment fund options to prospective contributions into the firm's 401(k) Plan;
2. For all securities other than shares in proprietary open-end U.S. mutual funds and open-end U.S. mutual funds sub-advised by CAM, securities may not be sold within 60 calendar days, calculated on a First In, First Out ("FIFO") basis;

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3. Citigroup securities received as part of an employee's compensation are not subject to the 60 calendar day holding period; and
4. All profits from short-term trades, including exchanges of proprietary open-end mutual funds or open-end mutual funds sub-advised by CAM, are subject to disgorgement.

**VIII. *Pre-Clearance/Notification*** - All CAM employees and temporary workers must pre-clear all personal securities transactions as set out below (see Section VI for a listing of accounts, transactions and securities that do not require pre-clearance). See attached Exhibit C - *Employee Trade Pre-Approval/Notification Form* and Exhibit K - *Temporary Workers/Independent Contractors Pre-Trade Approval/Notification Form*. A copy of these forms and other relevant forms can be also be found by accessing [CAM's Intranet WEB site](#).

1. For all securities other than shares in proprietary open-end U.S. mutual funds or open-end U.S. mutual funds sub-advised by CAM, a transaction must not be executed until the employee has received the necessary approval from the Compliance Department. Pre-clearance is valid only on the day it is given. If a transaction is not executed on the day pre-clearance is granted, it is required that pre-clearance be sought again on a subsequent day (i.e., open orders, such as limit orders, good until cancelled orders and stop-loss orders, must be pre-cleared each day until the transaction is effected). In connection with obtaining approval for any personal securities transaction, employees must describe in detail any factors that might be relevant to an analysis of the possibility of a conflict of interest.
2. Purchases, redemptions and exchanges of proprietary open-end U.S. mutual funds or open-end U.S. mutual funds sub-advised by CAM must not be executed until a notification has been sent to and acknowledged by the Compliance Department. A notification is valid only on the day that it is sent.
3. Contributions, redemptions (subject to the 90 calendar day holding period) and exchanges of proprietary open-end U.S. mutual funds or open-end U.S. mutual funds sub-advised by CAM in the firm's 401(k) Plan are not subject to pre-clearance or notification requirements.

4. Any trade that violates the pre-clearance/notification process may be unwound at the employee's expense, and the employee will be required to absorb any resulting loss and to disgorge any resulting profit.
5. CAM employees are prohibited from engaging in more than 20 transactions (not including purchases, redemptions or exchanges of shares in proprietary or non-proprietary mutual funds) in any calendar month, except with prior written approval from their relevant CIO, or designee. The Compliance Department must receive prompt notification and a copy of any such written approval.
6. CAM employees subject to the CPTP (as referenced in Section II above) must obtain pre-clearance to make a charitable gift of securities (including a charitable gift of Citigroup securities).
7. All CAM employees must make a quarterly report to the Compliance Department within 10 calendar days after quarter-end if the CAM employee acquires any or disposes of any securities (from any account over which the employee exercises control) by gift. This report containing the details of the security, date of gift, number of shares or par value, donor/donee and account where held may be made by E-Mail to the Compliance Department.

8. In addition to the foregoing, the Senior Investment Officer for the Systematic Equity Platform, or designee, must approve all personal securities transactions for members of the CAM Research Department prior to pre-clearance from the Compliance Department as set forth in this section. Pre-approval by the Chief Investment Officer for the Systematic Equity Platform, or designee, is in addition to and does not replace the requirement for the pre-clearance of all personal securities transactions.

**IX. *Blackout Periods*** - No Covered Person shall purchase or sell, directly or indirectly, any security in which he/she has, or by reason of the transaction acquires, any direct or indirect *beneficial ownership* if he/she has knowledge at the time of such transaction that the security is being purchased or sold, or is being considered for purchase or sale, by a managed fund, UIT or client account or in the case of a Fund director, by the director's Fund. In addition, the following Blackout Periods apply to the categories of CAM employees listed below:

1. Portfolio Managers and Portfolio Manager Assistants - may not buy or sell any securities for personal accounts seven calendar days before or after managed funds or client accounts he/she manages trade in that security;
2. Traders and Trader Assistants - may not buy or sell any securities for personal accounts three calendar days before or seven calendar days after managed funds, UITs or client accounts he/she executes trades in that security;
3. Research Analysts and Research Assistants - may not buy or sell any securities for personal accounts: seven calendar days before or after the issuance of or a change in any recommendation; or seven calendar days before or after any managed fund, UIT or client account about which the employee is likely to have trading or portfolio information (as determined by the Compliance Department) trades in that security;
4. Advisory Personnel (see Section II for details) - may not buy or sell any securities for personal accounts on the same day that a managed fund, UIT or client account about which the employee is likely to have trading or portfolio information (as determined by the Compliance Department) trades in that security; and
5. UIT Personnel - all employees assigned to the Unit Trust Department are prohibited from transacting in any security when a CAM-sponsored UIT portfolio is buying the same (or a related) security, until seven business days after the later of the completion of the accumulation period or the public announcement of the trust portfolio. Similarly, all UIT employees are prohibited from transacting in any security held in a UIT (or a related security) seven business days prior to the liquidation period of the trust.

Employees in the above categories may also be considered Advisory Personnel for other accounts about which the employee is likely to have trading or portfolio information (as determined by the Compliance Department).

Blackout period requirements shall not apply to any purchase or sale, or series of related transactions involving the same or related securities, involving 500 or fewer shares in the aggregate if the issuer has a market capitalization (outstanding shares multiplied by the current price per share) greater than \$10 billion and is listed on a U.S. Stock Exchange or NASDAQ. *Note: Pre-clearance is still required.* Under certain circumstances, the Compliance Department may determine that an employee may not rely upon this “Large Cap/De Minimus” exemption. In such a case, the employee will be notified prior to or at the time the pre-clearance request is made.

**X. *Prohibited Transactions*** - The following transactions by CAM employees are prohibited without the prior written approval from the relevant CIO, or designee, and the Regional Compliance Director or designee:

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1. The purchase of private placements (See attached Exhibit D - Outside Investment Approval Request Form);
2. The acquisition of any securities in an initial public offering (new issues of municipal debt securities may be acquired subject to the other requirements of this Code (e.g., pre-clearance));
3. The commitment of capital including loans for investment or business purposes; and
4. A security appearing on various restricted lists applicable to CAM that prohibit employees from executing a transaction in the issuer’s equity, fixed income, option, equity derivatives, warrants, rights, or any other securities related to the issuer.

**XI. *Transactions in Options and Futures*** - CAM employees may buy or sell derivative instruments such as individual stock options, options and futures on indexes and options and futures on fixed-income securities, and may buy or sell physical commodities and futures and forwards on such commodities. These transactions must comply with all of the policies and restrictions described in this Code, including pre-clearance, blackout periods, transactions in Citigroup securities and the 60 calendar day holding period. However, the 60 calendar day holding period does not apply to individual stock options that are part of a hedged position where the underlying stock has been held for more than 60 calendar days and the entire position (including the underlying security) is closed out.

**XII. *Chief Investment Officer Oversight*** - The CIOs or their designees shall review on a periodic basis all CAM portfolio managers’ and analysts’ *beneficial ownership* of securities (excluding *beneficial ownership* through owning fund shares), and will compare the results of such ownership reviews with securities transactions recommended or executed by such portfolio managers and analysts during the review period on behalf of any mutual fund, UIT, off-shore fund, or client account.

**XIII. *Transactions in Citigroup Securities*** - Unless a CAM employee is subject to the provisions of the CPTP (as referenced in Section II above), or is otherwise notified to the contrary, the employee may trade in Citigroup securities without restriction (other than the pre-clearance and other requirements of this Code), subject to the limitations set forth below:

1. Employees whose jobs are such that they know about Citigroup’s quarterly earnings prior to release may not engage in any transactions in Citigroup securities during the “blackout periods” which begin on the first day of the last month of each calendar quarter and ends 24 hours after Citigroup earnings are released to the public. CAM employees subject to the CPTP (as referenced in Section II above), members of the CAM Management Committee and certain other Management Committee attendees are subject to these blackout periods. Charitable gifts of Citigroup securities are not subject to this blackout period, but must still be pre-cleared.
2. Stock option exercises are permitted during a blackout period (*but the simultaneous exercise of an option and sale of the underlying stock is prohibited unless pre-approved by the Compliance Department*). With regard to exchange-traded options, no transactions in Citigroup options are permitted except to close or roll an option position granted by Citigroup that expires during a blackout period. Charitable contributions of Citigroup securities may be made during the blackout period, but an individual’s private foundation may not sell donated Citigroup common stock during the



blackout period. “Good ‘til cancelled” orders on Citigroup stock must be cancelled before entering a blackout period and no such orders may be entered during a blackout period.

3. No employee may engage at any time in any personal transactions in Citigroup securities while in possession of material non-public information. Investments in Citigroup securities must be made with a long-term orientation rather than for

speculation or for the generation of short-term trading profits. In addition, please note that employees must not engage in the following transactions:

Short sales of Citigroup securities;

Purchases or sales of options (“puts” or “calls”) on Citigroup securities, except writing a covered call at a time when the securities could have been sold under this Code;

Purchases or sales of futures on Citigroup securities; or

Any transactions relating to Citigroup securities that might reasonably appear speculative.

4. The number of Citigroup shares an employee is entitled to in the Citigroup Stock Purchase Plan is not treated as a long stock position until such time as the employee has given instructions to purchase the shares of Citigroup. Thus, employees are not permitted to use options to hedge their financial interest in the Citigroup Stock Purchase Plan.
5. Contributions into the firm’s 401(k) Plan are not subject to the restrictions and prohibitions described in this section.

**XIV. *Outside Affiliations and Directorships*** - Employees must obtain written approval from the CAM Compliance Department before accepting or conducting outside employment (See attached Exhibit H - Outside Business Affiliations Form) or directorships (See attached Exhibit I - Outside Directorship Form). Approval of outside directorships, in addition to Compliance Department approval, is needed from the employee’s supervisor and, in certain cases, from the General Counsel’s office. For additional information and a copy of our policy and procedure for outside business activities, please refer to the CAM’s Intranet WEB site.

**XV. *Acknowledgement and Reporting Requirements - CAM Employees*** - All new CAM employees must certify that they have received a copy of this Code, and have read and understood its provisions. In addition, all CAM employees must:

1. Acknowledge receipt of the Code and any modifications thereof, which CAM shall provide to each person covered by the Code; in writing (See attached Exhibit E for the Acknowledgement of the Code of Ethics Form);
2. Within 10 days of becoming a CAM employee, disclose in writing all information with respect to all securities beneficially owned and any existing personal brokerage relationships (employees must also disclose any new brokerage relationships whenever established). The holdings report must be current as of a date not more than 45 days prior to the employee becoming a Covered Person. Such information should be provided on Exhibit F - Initial Report of Securities Holdings Form;
3. Direct their brokers to supply, on a timely basis, duplicate copies of confirmations of all personal securities transactions (*Note: this requirement may be satisfied through the transmission of automated feeds*);
4. Within 30 days after the end of each calendar quarter, provide information relating to securities transactions executed during the previous quarter for all securities accounts.(2)

- (2) CAM employees who are subject to the securities trading policies and procedures established by the Office of the Comptroller of the Currency (12 CFR 12.7) may comply with the quarterly reporting requirements hereunder by adhering to the policies set forth in this Code of Ethics, so long as all reportable information is delivered within 10 business days after the end of each quarter.

*(Note: this requirement may be satisfied through the transmission of automated feeds, or the regular receipt of brokerage statements);*

5. Submit an annual holdings report containing similar information that must be current as of a date no more than 45 days before the report is submitted, and confirm at least annually all brokerage relationships and any and all outside business affiliations. *The holdings report must be current as of a date no more than 45 days prior to the date of the report submitted;* and
6. Certify on an annual basis that he/she has read and understood the Code, complied with the requirements of the Code and that he/she has pre-cleared and disclosed or reported all personal securities transactions and securities accounts required to be disclosed or reported pursuant to the requirements of the Code. (See attached Exhibit G - Annual Certification Form)

**XVI. *Fund Directors*** - Fund directors must comply with the provisions set forth in Section XV.2 through XV.5 (in the case of Section XV.2, within 10 days of becoming a Fund director), except as described below:

1. A Fund director who is not an “interested person” of the Fund, within the meaning of Section 2(a)(19) of the Investment Company Act of 1940, and who would be required to make reports solely by reason of being a Fund director, is not required to make the initial and annual holdings reports required by Section XV.2 and Section XV.5 above.
2. A “non-interested” Fund director need not supply duplicate copies of confirmations of personal securities transactions required by Section XV.3 above, and need only make the quarterly transactions reports required by Section XV.4 above as to any Covered Security if at the time of a transaction by the director in that Covered Security he/she knew or, in the ordinary course of fulfilling his/her official duties as a director of a Fund, should have known that, during the 15-day period immediately before or after that transaction, that security is or was purchased or sold by a Fund of which he/she was a director or was being considered for purchase or sale by such a Fund.

**XVII. *Handling of Disgorged Profits*** - Any amounts that are paid/disgorged by an employee under this Code shall be donated by the employee to one or more charities as directed by CAM.

**XVIII. *Confidentiality*** - All information obtained from any Covered Person pursuant to this Code shall be kept in strict confidence, except that such information will be made available to the Securities and Exchange Commission or any other regulatory or self-regulatory organization or to the Fund Boards of Directors to the extent required by law, regulation or this Code.

**XIX. *Other Laws, Rules and Statements of Policy*** - Nothing contained in this Code shall be interpreted as relieving any person subject to the Code from acting in accordance with the provision of any applicable law, rule or regulation or, in the case of CAM employees, any statement of Code or procedure governing the conduct of such person adopted by Citigroup, its affiliates and subsidiaries.

**XX. *Retention of Records*** - All records relating to personal securities transactions hereunder and other records meeting the requirements of applicable law and regulation, including a copy of this Code and any other policies covering the subject matter hereof, shall be maintained in the manner and to the extent required by applicable law and regulation, including Rule 17j-1 under the 1940 Act, and Rule 204-2 under the Investment Advisers Act of 1940. The Compliance Department shall have the responsibility for maintaining records created under this Code.

**XXI. *Media Statements*** - All CAM personnel owe a fiduciary duty to CAM’ s clients. Any CAM employee, subject to other Citigroup policies and procedures, making any statements through any

media outlet (including internet online statements) must be sensitive regarding the securities being discussed. Any such statements should be consistent with the employee's professional and personal investing practices, and is subject to review by the Compliance Department.

- XXII. *Exceptions to the Code*** - Any exceptions to this Code must have the prior written approval of both the relevant CIO and the Regional Director of Compliance or designee. Any questions about this Code should be directed to the Compliance Department.
- XXIII. *Board Review*** - At least annually, a written report and certification meeting the requirements of Rule 17j-1 under the 1940 Act shall be prepared by the Chief Compliance Officer for the Funds and presented to the Funds' Boards of Directors.
- XXIV. *Other Codes of Ethics*** - To the extent that any officer of any Fund is not a Covered Person hereunder, or an investment sub adviser of, sponsor or principal underwriter for any Fund or UIT and their respective access persons (as defined in Rule 17j-1 and 204A-1) are not Covered Persons hereunder, those persons must be covered by separate Code of Ethics which are approved in accordance with applicable law and regulation.
- XXV. *Amendments*** - This Code may be amended as to CAM employees from time to time by the Compliance Department. Any material amendment of this Code shall be submitted to the Board of Directors of each Fund for approval in accordance with Rule 17j-1 of the Investment Company Act and Rule 204A-1 under the Investment Advisers Act. Any material amendment of this Code that applies to the directors of a Fund shall become effective as to the directors of that Fund only when the Fund's Board of Directors has approved the amendment in accordance with Rule 17j-1 or at such earlier date as may be required to comply with applicable law and regulation.

**TABLE OF EXHIBITS FOR CITIGROUP CODE OF ETHICS FORMS**

<b>EXHIBIT</b>	<b>TITLE</b>	<b>PAGE</b>
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**EXHIBIT A**

**EXPLANATION OF BENEFICIAL OWNERSHIP**

You are considered to have “Beneficial Ownership” of Securities if you have or share a direct or indirect “*Pecuniary Interest*” in the Securities.

You have a “Pecuniary Interest” in Securities if you have the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the Securities.

The following are examples of an indirect Pecuniary Interest in Securities:

1. Securities held by members of your *immediate family* sharing the same household; however, this presumption may be rebutted by convincing evidence that profits derived from transactions in these Securities will not provide you with any economic benefit.  
  
“Immediate family” means any child, stepchild, grandchild, parent, significant other, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and includes any adoptive relationship.
2. Your interest as a general partner in Securities held by a general or limited partnership.
3. Your interest as a manager-member in the Securities held by a limited liability company.
4. You are a member of an “investment club” or an organization that is formed for the purpose of investing a pool of monies in the types of securities mentioned in this Code Section V.

You do *not* have an indirect Pecuniary Interest in Securities held by a corporation, partnership, limited liability company or other entity in which you hold an equity interest, *unless* you are a controlling equity holder or you have or share investment control over the Securities held by the entity.

The following circumstances constitute Beneficial Ownership by you of Securities held by a trust:

1. Your ownership of Securities as a trustee where either you or members of your immediate family have a vested interest in the principal or income of the trust.
2. Your ownership of a vested interest in a trust.
3. Your status as a settlor of a trust, unless the consent of all of the beneficiaries is required in order for you to revoke the trust.

*The foregoing is a summary of the meaning of “beneficial ownership”. For purposes of the attached Code, “beneficial ownership” shall be interpreted in the same manner as it would be in determining whether a person is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations there under.*

**EXHIBIT B**

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA**  
**Outside Brokerage Account Approval Request Form**

Employee Name: \_\_\_\_\_

Tax Identification/Social Security Number: \_\_\_\_\_

The following information is provided in order to obtain Compliance approval to open and/or maintain a brokerage account outside Smith Barney or Citicorp Investment Services:

Outside Brokerage Firm Name: \_\_\_\_\_

Brokerage Firm Address:  
(Where letter should be sent) \_\_\_\_\_  
\_\_\_\_\_

Account Number: \_\_\_\_\_

Full Account Title: \_\_\_\_\_  
\_\_\_\_\_

Please indicate the reason why you are requesting to open and/or maintain a brokerage account outside of Smith Barney or Citicorp Investment Services:

- The account is a fully discretionary account managed by investment advisors, which are registered as such with the SEC (see investment advisor acknowledgment form, attached).
- The account is a joint account with my spouse who works for the brokerage firm where the account will be maintained. My title and position with CAM is \_\_\_\_\_, and my spouse's title and position with his/her firm is \_\_\_\_\_.
- Estate or trust accounts of which an employee or related person has a *beneficial ownership*, but no power to affect investment decisions. There must be no communication between the account(s) and the employee with regard to investment decisions prior to execution. Please refer to Exhibit A for a more detailed description of *beneficial ownership*.
- Other: \_\_\_\_\_

A copy of any relevant statement(s) and this completed form **must be provided** to Citigroup Asset Management - Compliance Department. Mailing address is 300 First Stamford Place, 4<sup>th</sup> Floor, Stamford CT, 06902.

\_\_\_\_\_  
[Employee Signature]

\_\_\_\_\_  
Compliance Department

\_\_\_\_\_  
[Supervisor Signature]

\_\_\_\_\_  
Chief Investment Officer

**CITIGROUP ASSET MANAGEMENT- NORTH AMERICA  
Employee Pre-Trade Approval/Notification Form  
(Page 1)**

**Instructions:**

All employees are required to submit this form to the Compliance Department prior to placing a trade. The Compliance Department will notify the employee as to whether or not pre-approval is granted. Pre-approval or acknowledgment of notification is effective only on the date granted. **This completed form should be faxed to (203) 890-7102.**

**Employee Information**

Employee Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_  
 Account Title: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Managed Account(s)/Mutual Fund(s) for which employee is a Covered Person: \_\_\_\_\_

**Security Information**

Security Name	Security Type-e.g., equity, mutual fund, debt, etc.	Ticker	IPO		Buy/Sell/ Redeem/Exchange	Private Placement		If Sale/Redemption /Exchange, Date First Acquired(3)	No. Shares/ Units	Large Cap Stock Exception?(4)
			<input type="checkbox"/> Yes	<input type="checkbox"/> No		<input type="checkbox"/> Yes	<input type="checkbox"/> No			

**Your position with the Firm:**

- (Please check one of the following)
- Portfolio Manager / Portfolio Manager Assistant
  - Research Analyst / Research Analyst Assistant
  - Trader / Trader Assistant
  - Unit Trust Personnel
  - Other (Advisory Personnel)

**NOTE:** All **Portfolio Managers** must complete page two of this form.  
 All **Fundamental Research Analysts** and **their Assistants** (Systematic Equity Platform) **must complete page three of this form.** and signed by **their Senior Investment Officer** or designees.

**Certification**

*I certify that I will not effect the transaction(s) described above unless and until pre-clearance approval is obtained from the Compliance Department, or when executing transactions in proprietary open-end U.S. mutual funds or open-end U.S. mutual funds for which CAM serves as a sub-adviser notification is acknowledged by the Compliance Department. I further certify that, except as described on an attached page, to the best of my knowledge, the proposed transaction(s) will not result in a conflict of interest with any account managed by CAM (including mutual funds managed by CAM). I further certify that, to the best of my knowledge, there are no pending orders for any security listed above*

or any related security for any Managed Accounts and/or Mutual Funds for which I am considered a Covered Person. The proposed transaction(s) are consistent with all firm policies regarding employee personal securities transactions.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**For Use By the Compliance Department**

Are Securities Restricted?  Yes  No Pre-approval  Yes  No Reason not granted:  
Granted/Notification  
Acknowledged?

Compliance Department Signature: \_\_\_\_\_

Date:

Time:

(3) All securities sold must have been held for at least 60 calendar days. All shares in proprietary open-end U.S. mutual fund or open-end U.S. mutual funds sub-advised by CAM redeemed or exchanged must have been held for at least 90 calendar days.

(4) For purposes of CAM's Code, a Large Cap Exemption applies to transactions involving 500 or fewer shares in aggregate and the stock is one that is listed on a U.S. stock exchange or NASDAQ and whose issuer has a market capitalization (outstanding shares multiplied by current price) of more than \$10 billion

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Employee Pre-Trade Approval/Notification Form  
(Page 2- PORTFOLIO MANAGER CERTIFICATION)**

All portfolio managers must answer the following questions in order to obtain pre-approval. All questions must be answered or the form will be returned. If a question is not applicable, please indicate "N/A".

1. Have your client accounts purchased or sold the securities (or related securities) in the past seven calendar days?  
Yes  No

2. Do you intend to purchase or sell the securities (or related securities) for any client accounts in the next seven calendar days?  
Yes  No

3. Do any of your client accounts currently own the securities (or related securities)?  
Yes  No

3a. If yes, and you are selling the securities for your personal account, please explain why the sale of the securities was rejected for client accounts but is appropriate for your personal account:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Have you, in the past 7 calendar days, *considered* purchasing the securities (or related securities) for your client accounts?  
Yes  No

4a. If yes, and you are purchasing securities for your personal account, please explain why the purchase of the securities is appropriate for your account but has been rejected for your client accounts:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4b. If no, and you are purchasing securities for your personal account, please explain why the purchase of the securities has not been considered for your client accounts:

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**Certification**

I certify that I will not effect the transaction(s) described above unless and until pre-clearance approval is obtained from the Compliance Department. I further certify that, except as described on an attached page, to the best of my knowledge, the proposed transaction(s) will not result in a conflict of interest with any account managed by CAM (including mutual funds managed by CAM). I further certify that, to the best of my knowledge, there are no pending orders for any security listed above or any related securities for any Managed Accounts and/or Mutual Funds (including mutual funds for which CAM serves as a sub-adviser) for which I am considered a Covered Person. The proposed transaction(s) are consistent with all firm policies regarding employee personal securities transactions.

\_\_\_\_\_  
**Signature** \_\_\_\_\_  
**Date**

*For Use By the Compliance Department*

**Are Securities Restricted?**       Yes     No      **Pre-approval Granted?**       Yes     No      Reason not granted:

*Compliance Department Signature:* \_\_\_\_\_      Date: \_\_\_\_\_      Time: \_\_\_\_\_

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Employee Pre-Trade Approval/Notification Form**

**(Page 3- Supplemental Personal Trade Pre-Approval Form for Research Personnel)**

**Trade Date:** \_\_\_\_\_

Buy or Sell	Security Name/Ticker	Shares/ Units	Client Account(5) (Y/N)	Recommended Security(6) (Y/N)	Conflict with Research Department(7) (Y/N)	Conflict with Managed Funds or Client Accounts(8) (Y/N)
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**Please read and check to acknowledge:**

- I agree that if an investment opportunity for a client in the same security presents itself within seven (7) calendar days of my personal trade, I will break my personal trade or immediately seek a waiver from Compliance.
- I have not executed more than twenty (20) transactions (including the transaction(s) I am seeking pre-approval for above) during the past calendar month.



Do you currently own in a personal account any securities that you cover?  Yes  No If "Yes", please supply the Name, Symbol and CUSIP number below:

**Certification:**

I certify that I will not effect the transaction(s) described above unless and until pre-clearance approval is obtained from the Compliance Department. I further certify that, except as described on an attached page, to the best of my knowledge, the proposed transaction(s) will not result in a conflict of interest with any account managed by CAM (including mutual funds managed by CAM). I further certify that, to the best of my knowledge, there are no pending orders for any security listed above or any related securities for any Managed Accounts and/or Mutual Funds (including mutual funds for which CAM serves as a sub-adviser) for which I am considered a Covered Person. The proposed transaction(s) are consistent with all firm policies regarding employee personal securities transactions.

\_\_\_\_\_  
**Signature**  
**Approved(9):**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

***For Use By the Compliance Department***

**Are Securities Restricted?**       Yes     No      **Pre-approval Granted?**       Yes     No      Reason not granted:

***Compliance Department Signature:*** \_\_\_\_\_      **Date:** \_\_\_\_\_      **Time:** \_\_\_\_\_

- (5) Is this security being purchased or sold for a client or being considered for purchase or sale for a client?
- (6) Is this security currently a recommended security?
- (7) If the security is a "recommended" security, will your personal trade occur seven (7) calendar days before or after the issuance of a change or recommendation?
- (8) Will your personal trade occur seven (7) calendar days before or after any managed fund or client account (for which you have trading or portfolio information) trade in that security?
- (9) Must be signed by one of the following individuals: Andrew Moloff or Mark Sonnenblick.

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
 Outside Investment Approval Request Form**

Citigroup Asset Management ("CAM") policy requires employees to obtain the *prior written approval* of the Chief Investment Officer and the Regional Compliance Director or designee *before* making an outside investment. Examples of "outside investments" include, but are not limited to, Private Placements, Limited Partnerships, and any investments in securities that cannot be made through a member company of Citigroup. If the investment is a private placement or limited partnership, you must provide a copy of the prospectus, offering statement, subscription agreement or other similar document. You may also be required to obtain a letter from the issuer's General Partner or other appropriate person stating that no member company of Citigroup will have a business relationship, nor will your status as an employee of CAM be utilized to solicit interest or investment from others.

Employees must not make an outside investment if such investment may present a potential conflict of interest.

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PRINT Name	Social Security Number	Date
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Title/Position	Office Telephone Number
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Branch/Department Name	Branch/P&L Number	Location
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Name of Investment	Anticipated Date of Investment	Amount of investment \$
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Type of Investment	<input type="checkbox"/> Private Placement Partnership	<input type="checkbox"/> Limited	<input type="checkbox"/> Other investment which cannot be made through a member company of Citigroup. (specify)
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Does this entity have, or is it anticipated to have, an account or investment banking relationship with a member company of Citigroup?	<input type="checkbox"/> No <input type="checkbox"/> Yes	If Yes, Specify Account Number or Describe Relationship
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Is your participation exclusively as a passive investor?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If No, Please explain any other involvement.
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Additional Remarks:

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**Employee Representations:**

I understand that CAM is not recommending, soliciting interest in, or in any way commenting on the advisability or suitability of the investment. My decision to invest was made in my individual capacity independent from Citigroup Asset Management.  
I have not, and will not, receive any selling compensation from anyone in connection with this investment.

**Send the completed form and all relevant documents to:**  
Compliance Department, 300 First Stamford Place, 4<sup>th</sup> Floor, Stamford CT, 06902.

<b>Employee Signature</b>	Employee' s Signature	Date
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<b>Supervisor Approval</b>	Print Name of Supervisor	Title of Supervisor	Signature of Supervisor	Date
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<b>Chief Investment Officer (CIO) Approval (if applicable)</b>	Print Name of CIO	Signature of CIO	Date
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<b>Compliance Department Review</b>	Print Name	Signature	Date
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**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA**  
**Acknowledgement of Code of Ethics Form**

*I acknowledge that I have received and read the Code of Ethics for Citigroup Asset Management - North America and Certain Registered Investment Companies dated January 28, 2005. I understand the provisions of the Code of Ethics as described therein and agree to abide by them.*

Employee Name (Print): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Tax I.D./Social  
Security Number:  
Job Function &  
Title:  
Location:  
Floor and/or Zone:

Date of Hire:

Supervisor:

Telephone  
Number:

**NASD Registered Employee** (Please check one)

Yes     No

If **registered**, list Registration \ License:

*This Acknowledgment form must be completed and returned within 10 days of employment to the Citigroup Asset Management Compliance Department - 300 First Stamford Place, 4th Floor, Stamford CT, 06902. **Original signature must be sent**; however a fax copy may be sent to (203) 890-7102 in order to meet the ten (10) day deadline.*

**Citigroup Asset Management-North America**  
**Initial Report of Securities Holdings Form**

*This report must be signed, dated and returned within 10 days of employment and the holdings report must be current as of a date not more than 45 days prior to the employee becoming a Covered Person. This report must be submitted to the Citigroup Asset Management Compliance Department, 300 First Stamford Place, 4th Floor, Stamford CT, 06902*

Employee Name: \_\_\_\_\_ Date of Employment: \_\_\_\_\_

**Brokerage Accounts:**

- I do not have a *beneficial ownership* of any account(s) with any financial services firm. Please refer to Exhibit "A" for definition of *beneficial ownership*.
- I maintain or have a *beneficial ownership* in the following account(s) with the financial services firm(s) listed below (attach additional information if necessary-e.g., a brokerage statement). Please include the information required below for any broker, dealer or bank where an account is maintained which holds securities for your direct or indirect benefit as of the date you began your employment.

Name of Financial Service(s) Firm and Address	Account Title	Account Number

**Securities Holdings:**

Complete the following (or attach a copy of your most recent statement(s)) listing all of the securities holdings in which you have a *beneficial ownership*, with the exception of non-proprietary U.S. registered open-ended mutual funds for which CAM does not serve as a sub-adviser and U.S Government securities if:

You own securities that are held by financial services firm(s) as described above. If you submit a copy of a statement, it must include all of the information set forth below. Please be sure to include any additional securities purchased since the date of the brokerage statement that is attached. Use additional sheets if necessary.

Your securities are not held with a financial service(s) firm (e.g., stock and dividend reinvestment programs and private placements, shares held in certificate form by you or for you or shares held at a transfer agent).

Title of Security	Ticker Symbol or CUSIP No.	Number of Shares	Principal Amount	Held Since	Financial Services Firm

- I have no securities holdings to report.

*I certify that I have received the CAM - North America Code of Ethics and Citigroup Code of Conduct dated April 2004 and have read them and understood their contents. I further certify that the above represents a complete and accurate description of my brokerage account(s) and securities holdings as of my date of employment.*

Signature: \_\_\_\_\_ Date of Signature: \_\_\_\_\_

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA**  
**Annual Compliance Certification Form**  
**(Page 1)**

Annually, Citigroup Asset Management employees must confirm details of brokerage, bank trust or other accounts used for personal securities transactions and details of outside business affiliations(10). Such affiliations include directorships, other business activities and investments in

securities that cannot ordinarily be made through a Citicorp brokerage account (i.e. a private placement or a limited partnership). **Please note that any open-end U.S. mutual funds sub-advised by CAM must to be transferred to either Smith Barney or Citicorp Investment Services.**

**I. Brokerage Accounts:**

- I do not have a *beneficial ownership* in any account(s) with any financial services firm. Please refer to Exhibit "A" for definition of *beneficial ownership*.
- I maintain or have a *beneficial ownership* in the following account(s) with the financial services firm(s) listed below. Please include the information required below for any broker, dealer or bank where an account is maintained which holds securities for your direct or indirect benefit as of December 31, 2004.

Name of Financial Service(s) Firm and Address	Account Title	Account Number

**II. Securities Holdings:**

- I have no securities holdings to report.
- I maintain or have a *beneficial ownership* in the following securities owned which may be held by a broker, dealer, transfer agent, or bank in an account *other than an approved* brokerage account or by an Access Person (or by another party on behalf of the Access Person) or in certificate form (e.g., a stock certificate placed in a safe deposit box) or in a stock purchase plan or dividend reinvestment plan. **You must include CAM proprietary mutual funds, mutual funds sub-advised by CAM (see attached list of sub-advisory U.S. mutual fund relationships), and off-shore (non-U.S.) mutual funds.**

Title of Security	Ticker Symbol	Number of Shares	Principal Amount	Held Since	Financial Services Firm

Please proceed to page 2

(10) Rule 17j-1 under the Investment Company Act of 1940, and Rule 204A-1 under the Investment Advisers Act of 1940.

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Annual Compliance Certification Form  
(Page 2)**

**III. Outside Business Affiliations:**

- I have no outside business affiliations to report.
- I maintain the following directorships, other business activities and investments in securities that cannot ordinarily be made through a Smith Barney or Citicorp Investment Services account. Include investments beneficially owned by (i) a spouse; or (ii) an immediate family member in the same household)

Firm Name/Investment (add additional lines, if necessary)	Position/Activity	Date Commenced

I certify that the above information is complete and accurate as of December 31, 2004.

I acknowledge that I have received and read the Code of Ethics for Citigroup Asset Management, North America, dated January 28, 2005 and Citigroup Code of Conduct dated April 2004, which is included in the E-Mail together with this document. I fully understand the provisions of the Codes-including the new provisions that bring any open-end U.S. mutual funds sub-advised by CAM and any off-shore mutual fund within the scope of this policy- as described therein and agree to abide by them. I also certify that I have complied with the requirements of the Code of Ethics and have pre-cleared and disclosed all securities transactions executed during calendar year 2004 pursuant to the requirements of the Code of Ethics.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Name (Print) \_\_\_\_\_

Department \_\_\_\_\_

If, during 2004, you failed to seek pre-clearance for a personal securities transaction or otherwise violated the Code of Ethics, you must make your certification subject to that disclosure. If so, please indicate if a member of the Compliance Department has addressed this issue with you and if you fully understand the nature of your violation. **Please return the completed and signed certification to the Compliance Department, located at 300 First Stamford Place, 4<sup>th</sup> Floor, Stamford CT, 06902, or fax to (203)-890-7102 by February 7, 2005. Any questions relating to the firm's policies, including the requirement to seek pre-approval for personal investments and outside business affiliations, should be directed to the following members of the Compliance Department: James Nocilla (203-890-7062) or Raymond Ottusch (212-559-1121).**

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Outside Business Affiliation Form**

Employees must obtain prior written approval for any outside employment or other business affiliation including self-employment, ownership of or active participation in a business, fiduciary appointments, and any other position for which the employee accepts compensation. **(Requests for approval of Outside Directorships must be submitted to the Compliance Department.)**

**COMPLETE ONE COPY OF THIS FORM FOR EACH APPLICABLE AFFILIATION.**

PRINT Name \_\_\_\_\_ Social Security Number \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_ Office Telephone Number \_\_\_\_\_

Branch/Department Name \_\_\_\_\_ Branch/P&L Number \_\_\_\_\_ Location \_\_\_\_\_

Name of Outside Entity \_\_\_\_\_

Not-for-Profit       Outside Employment       Fiduciary Appointment       Other (specify)

Nature of Business

Your Title or Function at Outside Entity	Date Association/Term Begins	Annual Compensation \$
Time Devoted DURING Business Hours per Month	Time Devoted AFTER Business Hours per Month	Total Amount of time

Description of Duties:

Does this entity or any principal have an account or other business relationship with CAM or affiliates?	<input type="checkbox"/> No <input type="checkbox"/> Yes	If Yes, Specify Account Number or Describe Relationship
--	--	---

**Employee Representations:**

I will not solicit others within the Firm or clients of the Firm to participate in, contribute to, or otherwise support the activities of the outside entity.

I will inform my supervisor of any material change in the nature of my affiliation with this outside entity or in the nature of the entity's activities.

I will inform my supervisor and the Compliance Department of any potential conflicts of interest between my outside affiliation and my position within the Firm.

<b>Employee Signature</b>	Employee's Signature			Date
<b>Supervisor Approval</b>	PRINT Name of Supervisor	Title of Supervisor	Signature of Supervisor	Date
<b>Compliance Department Review</b>	Print Name	Signature		Date

*Upon completion of this form, send it via inter-office mail to:  
Compliance Department, 300 First Stamford Place, 4<sup>th</sup> Floor, Stamford CT, 06902*

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Outside Directorship Form**

*Employees must obtain prior written approval from their supervisor (BOM, SVP or MD level) for any outside directorship position of a not-for-profit or charitable organization. If the entity is in the financial services industry (such as a Credit Union) or the employee will be serving on an investment committee or participating in investment related decisions, the employee must also obtain additional approvals. Consult the Compliance Department. Any request to serve as a director of a for-profit organization must be approved by the Compliance Department and one of the Chief Investment Officers of Citigroup Asset management (CAM). **Employees serving as outside directors are not entitled to indemnification or insurance coverage by CAM or affiliates unless service on the board is at the specific written request of CAM or affiliates.***

**COMPLETE ONE COPY OF THIS FORM FOR EACH APPLICABLE ENTITY.**

---

PRINT Name Social Security Number

---

Title Office Telephone Number

---

Branch/Department Name Branch/P&L Number Location

---

1. Name of Entity Date

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2.  Not-for-Profit  For-Profit 3.  Public  Privately Owned

---

4. Main Activity of the Entity

---

5. Your Title or Function Date Association/Term Begins Date Term Expires Annual Compensation  
\$

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6. Time Devoted During/After Business Hours Time Devoted After Close of Market Your Financial Interest in the Entity

---

7. Do any affiliates of CAM make a market in any securities issued by the entity?  No  Yes  Not Applicable

---

8. Is the Directorship requested by CAM or its affiliates?  No  Yes  Attach copy of Request Letter and other details.

---

9. Do you know of any significant adverse information about the entity or any actual or potential conflict of interest between the entity and CAM or its affiliates?  No  Yes  Attach detail and documents.

---

10. For *PUBLIC COMPANIES* attach the most recent "10-K", "10-Q", Latest Annual Report, "8-K" s", and Prospectus  10-K Attached  Ann. Rpt Attached  Prospectus Attached

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For *NON-PUBLIC ENTITIES* attach Audit Financial Statements  10-Q Attached  8-K' s Attached  Fin. Stmts. Attached

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11. Does the entity or any principal have an account or other business relationship with CAM or its affiliates?  No  Yes *If yes, specify Account No. or describe relationship*

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12. Additional Remarks

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**Employee Representations:**

I will not solicit others within the Firm or clients of the Firm to participate in, contribute to, or otherwise support the activities of the outside entity.

I will inform my supervisor of any material change in the nature of my affiliation with this outside entity or in the nature of the entity's activities.



I will inform my supervisor and the Compliance Department of any potential conflicts of interest between my outside affiliation and my position within the Firm.

<b>Employee Signature</b>	Employee' s Signature			Date
<b>Supervisor Approval</b>	PRINT Name of Supervisor	Title of Supervisor	Signature of Supervisor	Date
<b>Chief Investment Officer (CIO) Approval (if applicable)</b>	PRINT Name of CIO		Signature of CIO	Date
<b>Compliance Department Review</b>	Print Name		Signature	Date

*Upon completion of this form, send it via inter-office mail to:  
Compliance Department, 300 First Stamford Place, 4<sup>th</sup> Floor, Stamford, CT 06902*

**EXHIBIT J**

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Temporary Workers/Independent Contractors Outside Brokerage Account  
Approval Request Form (Work assignment greater than one year)**

Temporary Workers/Independent Contractor Name: \_\_\_\_\_

Tax Identification/Social Security Number: \_\_\_\_\_

The following information is provided in order to obtain Compliance approval to open and/or maintain a brokerage account outside Smith Barney or Citicorp Investment Services:

Outside Brokerage Firm Name: \_\_\_\_\_

Brokerage Firm Address: \_\_\_\_\_  
(Where letter should be sent) \_\_\_\_\_  
\_\_\_\_\_

Account Number: \_\_\_\_\_

Full Account Title: \_\_\_\_\_  
\_\_\_\_\_

Please indicate the reason why you are requesting to open and/or maintain a brokerage account outside of Smith Barney or Citicorp Investment Services:

- The account is a fully discretionary account managed by investment advisors, which are registered as such with the SEC (see investment advisor acknowledgment form, attached).

- The account is a joint account with my spouse who works for the brokerage firm where the account will be maintained. My title and position with CAM is \_\_\_\_\_, and my spouse's title and position with his/her firm is \_\_\_\_\_.
  
- Estate or trust accounts in which an employee or related person has a *beneficial ownership* (Please refer to Exhibit "A" for a definition of *beneficial ownership*.), but no power to affect investment decisions. There must be no communication between the account(s) and the employee with regard to investment decisions prior to execution.

A copy any relevant statement(s) and this completed form **must be provided** to Citigroup Asset Management - Compliance Department. Mailing address is 300 First Stamford Place, 4<sup>th</sup> Floor, Stamford CT, 06902.

\_\_\_\_\_  
[Employee Signature]

\_\_\_\_\_  
Compliance Department

\_\_\_\_\_  
[Supervisor Signature]

\_\_\_\_\_  
Chief Investment Officer

**NOT FOR USE BY CAM EMPLOYEES**

**EXHIBIT K**

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Temporary Workers/Independent Contractors  
Pre-Trade Approval/Notification Form**

**Instructions:**

*All temporary workers and independent contractors are required to submit this form to the Compliance Department prior to placing a trade. The Compliance Department will notify the temporary worker/independent contractor as to whether or not pre-approval is granted. Pre-approval or acknowledgment of notification is effective only on the date granted. This completed form should be faxed to (203) 890-7102.*

**Temporary Worker/Independent Contractor Information**

Temporary worker/independent contractor name:

Account Title:

Account Number:

Managed Account(s)/Mutual Fund(s) for which temporary worker/independent contractor is a

Covered Person:

**Security Information**

**IPO**     Yes     No    **Private Placement**     Yes     No

Security Name	Security Type-e.g., equity, mutual fund, debt, etc.	Ticker	Buy/Sell/ Redeem/Exchange	If Sale/Redemption /Exchange, Date First Acquired(11)	No. Shares/ Units	Large Cap Stock Exception?(12)
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Your assignment with the Firm: \_\_\_\_\_

**Certification**

*I certify that I will not effect the transaction(s) described above unless and until pre-clearance approval is obtained from the Compliance Department, or when executing transactions in proprietary open-end U.S. mutual funds or open-end U.S. mutual funds for which CAM serves as a sub-adviser notification is acknowledged by the Compliance Department. I further certify that to the best of my knowledge, the proposed transaction(s) will not result in a conflict of interest with any account managed by CAM (including mutual funds managed by CAM). I further certify that, to the best of my knowledge, there are no pending orders for any security listed above or any related security for any Managed Accounts and/or Mutual Funds for which I am considered a temporary Covered Person. The proposed transaction(s) are consistent with all firm policies regarding temporary worker/independent contractor personal securities transactions.*

Signature \_\_\_\_\_ Date \_\_\_\_\_

**For Use By the Compliance Department**

Are Securities Restricted?     Yes     No    Pre-approval Granted/Notification Acknowledged?     Yes     No    Reason not granted:

Compliance Department Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_

**NOT FOR USE BY CAM EMPLOYEES**

(11) All securities sold must have been held for at least 60 days. All shares in proprietary open-end mutual fund or open-end mutual funds sub-advised by CAM redeemed or exchanged must have been held for at least 90 calendar days.

(12) For purposes of CAM's personal trading policies, a Large Cap Exemption applies to transactions involving 500 or fewer shares in aggregate and the stock is one that is listed on a U.S. stock exchange or NASDAQ and whose issuer has a market capitalization (outstanding shares multiplied by current price) of more than \$10 billion.

**CITIGROUP ASSET MANAGEMENT-NORTH AMERICA  
Temporary Workers/Independent Contractors  
Acknowledgement of Code of Ethics Form**

*I acknowledge that I have received and read the Code of Ethics for Citigroup Asset Management-North America and Certain Registered Investment Companies dated January 28, 2005. I understand the provisions of the Code of Ethics as described therein and agree to abide by them.*

Temporary Workers/

Independent Contractors Name (Print): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Tax I.D./Social  
Security Number:

Date of  
Assignment:

Job Function &  
Title:

Supervisor:

Location:

Floor and/or Zone:

Telephone  
Number:

*This Acknowledgment form must be completed and returned within 10 days of assignment to the Citigroup Asset Management Compliance Department - 300 First Stamford Place 4th Floor, Stamford CT, 06902. **Original signature must be sent**; however a fax copy may be sent to (203) 890-7102 in order to meet the ten (10) day deadline.*

**NOT FOR USE BY CAM EMPLOYEES**

**MELLON**

**CODE OF CONDUCT**

**MAY 2005**

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Dear Employee:

Mellon has a long, proud history and a well-deserved reputation for doing business with integrity. Maintaining that reputation for honesty and accountability, and thereby serving all of our constituents well, is essential to achieving our goal of becoming the best performing financial services company. And it is the responsibility of every Mellon employee.

Guiding our day-to-day business dealings are our Shared Values of *Integrity, Teamwork* and *Excellence*, which underscore our commitment to a work environment that fosters respect for all employees and help us deliver on the Mellon Promise to customers around the world.

To help you make the right decisions when ethical situations arise in the normal course of business, Mellon offers a number of valuable resources for information and support. These include the *Code of Conduct, Securities Trading Policy, Senior Financial Officers Code of Ethics*, and various Corporate Policies and Procedures. These policies apply to all Mellon employees and provide guidance to you regarding the business conduct standards you are expected to follow. Additionally, you have a resource in Mellon's Ethics Office. Their mission is to help you when you need guidance applying these policies and to provide a confidential resource to help resolve business situations where there may be concerns over conduct consistent with our Shared Values.

Every employee is responsible for speaking up when they see something wrong. You can do so by calling the **Mellon Ethics Help Line** or the **EthicsPoint® Report Line**. Toll free lines are established in nearly every country around the world where Mellon has employees. The numbers are included in the *Code of Conduct* and posted on the Ethics Website. You can also e-mail the Ethics Office at [ethics@mellon.com](mailto:ethics@mellon.com) or visit [www.ethicspoint.com](http://www.ethicspoint.com) to report concerns. Calls can be anonymous and confidential. Our customers and shareholders expect Mellon and all of its employees to conduct business activities not only in full compliance with all laws and regulations, but also in accordance with the highest possible standards of ethical conduct. Together we can continue a tradition of excellence begun more than 130 years ago.

Martin G. McGuinn  
Chairman and Chief Executive Officer

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## INTRODUCTION

Today's financial services marketplace is filled with a host of new challenges, changes and opportunities. Amidst these changes, one constant guides Mellon Financial Corporation and all of its employees and will continue to be central to all that we do: the mandate for integrity.

Only by conducting ourselves and our business in accordance with the highest standards of legal, ethical and professional integrity can we achieve our vision of excellence and our goals for the future.

This *Code of Conduct* will familiarize you with the general guidelines of professional conduct expected from employees in their interactions with customers, prospective customers, competitors, suppliers, the communities we serve and one another. As Mellon employees, we can settle for nothing less than full adherence to the *Code*.

Please read the *Code* carefully and retain it for your records. From time to time, you may be asked to certify in writing that you have followed the *Code*, so be sure you understand it. Appropriate officers should periodically reinforce the importance of the *Code* to their employees, pointing out provisions of particular relevance.

The penalty for violating any provision of this *Code* may be disciplinary action up to and including dismissal. In addition, all violations of criminal laws applicable to Mellon's businesses are required to be and will be reported to the appropriate authorities for prosecution.

Although the *Code* provisions generally have worldwide applicability, some sections of the *Code* may conflict with the laws or customs of the countries in which Mellon operations are located. However, the *Code* may be amended only with the approval of the Ethics Office.

If you have any questions about this *Code*, ask your supervisor, contact the Ethics Office or consult the Legal Department. If you suspect a violation of the *Code of Conduct*, contact the General Counsel. You can also contact either the Manager of the Ethics Office by using the Mellon Ethics Help Line or EthicsPoint® Report Line. All communications can be handled in a confidential and anonymous manner (see page 2 to find out how to contact the Ethics Office or EthicsPoint®).

**Terms frequently used in the *Code* are defined as follows:**

**appropriate officer**—head of the affected group, department or subsidiary

**approval**—formal, written consent

**Bank**—any bank or savings and loan association subsidiary, direct or indirect, of Mellon Financial Corporation

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**Securities Trading Policy**—Mellon Financial Corporation's Securities Trading Policy

**Corporation**—Mellon Financial Corporation

**employee**—any employee of Mellon Financial Corporation or any of its subsidiaries

**General Counsel**—General Counsel of Mellon Financial Corporation

**Manager of the Ethics Office**—Manager of the Ethics Office of Mellon Financial Corporation

**Mellon**—Mellon Financial Corporation and all its wholly-or majority-owned subsidiaries and affiliates.

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## YOUR RESPONSIBILITIES

As an employee, your personal conduct should reflect the highest professional standards of behavior. You are obliged to monitor your personal and professional affairs so as not to discredit yourself or Mellon. You should treat all persons fairly. Everyone, including our competitors, has a right to expect you will act with complete honesty, integrity, and fairness. When, on behalf of Mellon, you purchase a product or service, you should do so on the basis of quality and price.

No code of conduct can anticipate every situation. Common sense and good judgment are required in responding to a situation that may not seem to be specifically covered by the *Code* and in recognizing when to seek advice regarding application of the *Code*. Your behavior at work reflects Mellon's ethics, so you are expected to:

obey all laws and regulations that apply to Mellon's business;

avoid activities that could create conflicts of interest or even the appearance of conflicts of interest with Mellon; and

respect the confidentiality of Mellon business information and information about those with whom Mellon has business relationships.

Details of the above obligations are presented in the remainder of this *Code of Conduct*. Remember, these standards and examples serve as guidelines.

Mellon wants to hear from you. If you have a question about the *Code of Conduct* or related Corporate Policies, or if you want to report a concern regarding ethical business conduct, please contact **Mellon's Ethics Help Line**. This line is answered by Mellon's Ethics Office staff and all contacts may be anonymous.

You can contact **Mellon's Ethics Help Line** by:

**Telephone:** Asia (except Japan): 001-800-710-63562  
Australia: 0011-800-710-63562  
Brazil: 0800-891-3813  
Europe: 00-800-710-63562  
Japan: appropriate international access code + 800-710-63562  
(Access codes are: 0061010, 001010, 0041010 or 0033010)  
United States and Canada: 1-888-MELLON2 (1-888-635-5662)  
All other locations: call collect to 412-236-7519

**Email:** ethics@mellon.com

**Mail:** P.O. Box 535026 Pittsburgh, PA 15253-5026 - USA

If, however you are uncomfortable contacting Mellon directly, you can contact EthicsPoint®, an independent hotline provider as an alternative channel to raise your concerns. All contacts can be anonymous.

You can contact the **EthicsPoint® Report Line** by:



**Telephone:** NOTE: Dial the AT&T Direct Access Number noted below assigned to your carrier (if one is needed). Then, at the voice prompt or AT&T Operator request, enter the toll free **EthicsPoint® Report Line number which is 866-294-4696**. There is no need to dial a “1” before the toll-free number outside the US and Canada.

AT&T Direct Access Numbers:

Australia: (carrier: Telstra) 1-800-881-011; (carrier: Optus) 1-800-551-155

Brazil: 0-800-890-0288

Canada: No Direct Access Code needed

Hong Kong: (carrier: Hong Kong Telephone) 800-96-1111; (carrier: New World Telephone) 800-93-2266

India: 000-117

Ireland: 1-800-550-000; (Universal International Freephone Number) 00-800-222-55288

Japan: (carrier: IDC) 00 665-5111; (carrier: JT) 00441-1111; (carrier: KDDI) 00 539-111

Singapore: (carrier: Sing Tel) 800-011-1111; (carrier: StarHub) 800-001-0001

United Kingdom: (carrier: British Telecom) 0-800-89-0011; (carrier: C&W) 0-500-89-0011; (carrier: NTL)0-800-013-0011

United States: No Direct Access Code needed

**Web:** File a Report online using **the EthicsPoint® Report Line** (this web page is hosted on EthicsPoint®'s secure servers and is not part of the Mellon web site or intranet).  
Visit EthicsPoint® at <http://www.ethicspoint.com>

**Mail:** EthicsPoint®, Inc, 13221 SW 68<sup>th</sup> Parkway, Suite 120 Portland, OR 97223 USA

## **OBEYING LAWS AND REGULATIONS**

Numerous national, state, provincial and local laws of the countries in which we do business apply to Mellon. As an employee, you are expected to conduct all business dealings according to these laws. Violating any of them could subject you and/or Mellon to criminal and civil penalties. If you have questions about these laws or how they apply to particular situations, ask your supervisor or consult the Legal Department.

Mellon management should be informed of matters which might adversely affect the reputation of Mellon, including investigations by any governmental agency. You must be completely candid and cooperative in dealing with Mellon attorneys and auditors.

### **Criminal Laws**

A number of criminal laws apply to Mellon employees. Examples of activities prohibited by these laws are:

corruptly accepting or soliciting anything of value (except your salary or other compensation paid by Mellon) intending to be influenced or rewarded in connection with Mellon's business or in return for confidential information (see page 8, *“Dealing With Customers and Suppliers”*);

intentionally failing to make currency transaction filings and other reports required by the Bank Secrecy Act, and other laws;

knowingly engaging in a financial transaction involving the proceeds of an illegal activity (i.e., money laundering);

stealing, embezzling or misapplying Mellon funds or assets;

using threats, physical force or other unauthorized means to collect money;

issuing unauthorized obligations (such as certificates of deposit, notes or mortgages) or recording false entries;

using Corporate funds or assets to finance campaigns for political office;

lending trust funds to a Mellon officer, director or employee;

certifying a check drawn on an account with insufficient funds;

making a loan or giving a gift to an examiner who has the authority to examine Mellon or its affiliates;

misusing federal records and documents;

using a computer to gain unauthorized access to Mellon records of a customer;

knowing that a criminal offense has been committed and helping the criminal avoid capture or punishment;

making false reports to government officials; and

using software in knowing violation of a licensing agreement.

If you are arrested, indicted, or convicted of any criminal offense involving theft, dishonesty, or breach of trust or other type of offense which may affect your employment status, you must notify your manager promptly.

### **Anticompetitive Activities**

The laws of many jurisdictions prohibit anticompetitive activities. For example, in the United States the Sherman Antitrust Act prohibits any combination, conspiracy or agreement among competitors to restrict or prevent competition. A specific violation of this Act could be a formal or informal agreement between you and a Mellon competitor to fix prices, allocate markets, allocate customers or refuse to deal with particular suppliers or customers.

If you are in contact with Mellon's competitors, you must avoid any agreements with them (or even circumstances that might give the appearance of such agreements) relating to how Mellon conducts its business. You should be especially careful at social or professional gatherings and at trade association meetings where discussions or exchanges of information relating to competitive matters could occur.

Mellon strongly encourages employees to promote the sale of all of the various Mellon products and services. "Cross-selling" of Mellon products and services is an extremely valuable tool for increasing Mellon's revenues. However, employees should be aware that the United States Federal Bank Holding Company Act Amendments of 1970 and antitrust laws prohibit Mellon from participating in certain "tying arrangements." A tying arrangement is one in which a seller places conditions on a sale, or the terms of a sale, of a product or service that obligates a buyer to purchase a separate product or service. For example, you may not extend credit conditioned on a customer's rental of a Bank safe deposit box. You must be sure that you do not require customers to participate in prohibited tying arrangements.

The prohibitions against tying arrangements in the Bank Holding Company Act do not apply to certain traditional banking practices such as requiring a compensating balance in connection with a loan.

Questions concerning tying arrangements or other antitrust laws should be directed to the Legal Department.

### **Illegal Use of Corporate Funds**

The purpose of any transaction that relates to Corporate funds or assets must be revealed and recorded at the time of the transaction. As an employee, you may not participate in any of the activities listed below.

You may not establish or maintain secret or unrecorded funds.

You may not engage in any transaction knowing that part of an anticipated payment is to be used for unlawful or improper purposes.

You may not record or participate in recording incorrect, fictitious or misleading entries in Mellon' s books or records.

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You may not use Corporate funds or assets for political contributions in connection with political elections. A number of jurisdictions (both national and local) have laws restricting the use of corporate funds or assets in connection with elections in those jurisdictions. Corporate assets include your time during regular working hours, Mellon equipment and supplies, office space, clerical help and advertising facilities.

You may not make any payment for an expressed purpose on Mellon' s behalf to any individual who you know intends to use the money for a different purpose.

You may not make Corporate or personal payments of cash or other items of value to political candidates, government officials or businesses that are designed to influence the judgment or actions of the recipients in connection with any Mellon activity. Indeed, many jurisdictions put stringent limitations on entertainment of government officials. It is not prohibited under U.S. law, however, to make payments to foreign government employees with essentially ministerial or clerical duties to induce an act or decision not involving discretion. Examples of such "facilitating" payments include payments to expedite shipments through customs, payments to obtain adequate police protection and payments to place transcontinental telephone calls.

Questions concerning the permissibility of any of the above kinds of payments, which may raise issues under applicable laws, should be directed to the Legal Department.

### **Equal Employment Opportunity Laws**

Various equal employment opportunity (EEO) laws (both national and local) apply to Mellon. Some prohibit certain kinds of discrimination in hiring, training, determining promotions, etc.; others require Affirmative Action (AA). All employment decisions are to be made in a manner consistent with applicable laws. Mellon strongly supports the principles of these laws, and you are expected to comply with them. You should address any questions concerning Mellon' s EEO policy, Mellon' s policy prohibiting sexual harassment or Mellon' s AA policy to the Legal Department or the Corporate EEO/AA Director in the Human Resources Department.

### **Drug Free Workplace**

The illegal possession, use, purchase, transfer or sale of narcotics or other controlled substances on Mellon owned or controlled property, in Mellon owned or leased vehicles, during performance of Mellon business or at Mellon sponsored events is strictly prohibited. Any of these activities are grounds for disciplinary action, up to and including termination of employment. Mellon will cooperate with the appropriate law enforcement agencies with respect to such acts. Employees are required to become thoroughly familiar with our *Drug and Alcohol Control Policy* (CPP-504-4).

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## **AVOIDING CONFLICTS OF INTEREST**

In business, a conflict of interest is generally defined as a single person or entity having two or more interests that are inconsistent. You should not cause Mellon or yourself to have a conflict of interest. You should be particularly sensitive to situations involving family or household members. In your case, a conflict of interest occurs when you allow any interest, activity or influence outside of Mellon to:

- influence your judgment when acting on behalf of Mellon;
- compete against Mellon in any business activity;
- divert business from Mellon;
- diminish the efficiency with which you perform your regular duties;
- harm or impair Mellon's financial or professional reputation; or
- benefit you at the expense of Mellon.

As an employee, you are not permitted to participate in any activity that causes a conflict of interest or gives the appearance of a conflict of interest. Areas frequently involved in conflicts of interest and examples of prohibited activities are described below.

If you believe that you have, or may be perceived to have, a conflict of interest, you must disclose that conflict to the Manager of the Ethics Office. The Manager of the Ethics Office must keep copies of all such disclosures.

Questions concerning conflicts of interest should be directed to the Ethics Office.

### **Investment Decisions**

Because your investments can lead to conflicts of interest, you must be familiar with, and comply with, the investment guidelines contained in the *Securities Trading Policy*, which contains restrictions and preclearance and reporting requirements for various types of securities transactions, including publicly traded securities. The *Securities Trading Policy* also contains special requirements for dealings in Mellon securities. In addition, certain types of investments must be reviewed individually.

#### *Investments That Require Approval*

In addition to the requirements contained in the *Securities Trading Policy*, you are required to obtain approval from the Manager of the Ethics Office:

- before you invest in a business enterprise if you have responsibilities for, or have decision-making responsibilities regarding, providing services to, or purchasing goods and services from, that business enterprise on behalf of Mellon; or

- to hold an investment in a business enterprise if you are assigned responsibility for, or have decision-making responsibilities regarding, providing services to, or purchasing goods or services from, that business enterprise on Mellon's behalf after you have made your investment.

### **Self-Dealing**

To further avoid conflicts of interest, you are restricted from becoming involved in certain business dealings with Mellon. As an employee, you are prohibited from:

directly or indirectly buying assets from (other than assets being offered to the public or employees generally), or selling assets to, Mellon or any account for which Mellon acts as a fiduciary unless you have prior consent from the appropriate officer or you have court or regulatory approval, as required;

representing Mellon in any activity (whether an internal Mellon activity or a transaction between Mellon and a third party) requiring your judgment or discretion which affects a person or organization in which you have a material interest, financial or otherwise. For example, you are prohibited from representing Mellon in lending money to a relative or close personal friend because it might impair or appear to impair your professional judgment or the performance of your duties, or from giving credit approval to loans made by an employee who is your spouse because it might impact your spouse's incentive compensation or performance appraisal; and

representing any non-Mellon company in any transaction with Mellon that involves the exercise of discretion by either party.

### **Monitoring Outside Activities**

As an employee, you are expected to avoid any outside interest or activity that will interfere with your duties. Generally, your outside interests or activities should not:

significantly encroach on time or attention you devote to your duties;

adversely affect the quality of your work;

compete with Mellon's activities;

involve any significant use of Mellon's equipment, facilities or supplies;

imply Mellon's sponsorship or support (for example, through the use of Mellon stationery for personal purposes); or

adversely affect the reputation of Mellon.

### *Limiting Outside Employment*

While an employee, you may not accept outside employment as a representative who prepares, audits or certifies statements or documents pertinent to Mellon's business.

In addition, you must obtain approval from the Manager of the Ethics Office before you accept employment as a broker, contractor or agent who engages in real estate transactions such as negotiating and selling mortgages for others, appraising property or collecting rents; or as an attorney, tax or investment counselor, or insurance broker or agent.

### *Purchasing Real Estate*

Because certain subsidiaries of the Corporation are engaged in real estate activities, any real estate transaction you make must be scrutinized to make certain it is not competitive with Mellon activities.

Unless you receive prior approval from the Manager of the Ethics Office, or the purchase is made in a public auction in which Mellon is not competing, you should not directly or indirectly:

purchase commercial real estate from, or sell it to, a current or known potential Mellon customer;

purchase any real estate with a mortgage on which Mellon is foreclosing or on which you know Mellon is planning to foreclose; or

bid on or purchase any real estate that you know Mellon is considering or is likely to consider purchasing.

### *Accepting Honoraria*

Neither you nor any member of your immediate family may accept cash honoraria for your public speaking or writing services on Mellon's behalf. If a cash honorarium is tendered, you should donate it to the Mellon Financial Corporation Fund, request that it be donated to a charity of your choice, or turn it over to the Finance Department. You may accept noncash honoraria of nominal value (In the U.S., nominal value means less than \$100. Contact the Ethics Office for assistance in determining nominal values in other locations.) You also may accept reimbursement of related expenses subject to the approval of the Manager of the Ethics Office. You should check with the Tax Group to ensure proper tax treatment.

### *Accepting Fiduciary Appointments*

A fiduciary appointment is an appointment as an administrator, executor, guardian, custodian for a minor, trustee or managing agent. Unless you are acting on behalf of a member of your family or you have obtained approval from the Manager of the Ethics Office, you may not accept a fiduciary or co-fiduciary appointment. You also may not

act as a deputy or co-tenant of a safe deposit box, or act as agent or attorney-in-fact (including signer or co-owner) on a customer's account.

Even if you are acting on behalf of a family member or receive approval to act as fiduciary or co-fiduciary, you are expected to follow these guidelines:

avoid any representations that you are performing (or have access to) the same professional services that are performed by a Bank;

do not accept a fee for acting as co-fiduciary with a Bank unless you receive approval from the board of directors of that Bank; and

do not permit your appointment to interfere with the time and attention you devote to your job responsibilities.

### *Participating in Civic Affairs*

You are encouraged to take part in charitable, educational, fraternal or other civic affairs, as long as such affairs do not interfere or conflict with your responsibilities at Mellon. However, you should review the requirements of "Serving as an Outside Director or Officer" (see below) as they may apply to your participation in civic affairs. You should not imply Mellon's sponsorship or support of any outside event or organization without the approval of the Chief Executive Officer of your entity or the Chief Executive Officer's delegate.

### *Serving as an Outside Director or Officer*

In view of the potential conflicts of interest and the possible liability for both you and Mellon, you are urged to be cautious when considering service as an officer, general partner or director of any non-Mellon entity. Before agreeing to such service, you should review and comply with the Corporate Policy on *Serving as a Director/Officer of an Outside Entity* (CPP-805-1), which requires approvals to hold certain outside

offices and directorships. Approvals granted under this Policy do not constitute requests by Mellon to serve, nor do they carry with them indemnification.

While you are serving as an officer, general partner or director of an outside entity, you should:

not attempt to influence or take part in any vote or decision that may lead to the use of a Mellon product or service by the outside entity, or result in the conferring of some specific benefit to Mellon by the outside entity, and see that the outside entity's records reflect your abstention;

relinquish any responsibility you may have for any Mellon relationship with the outside entity;

be satisfied that the outside entity conducts its affairs lawfully, ethically and in accordance with prudent management and financial practices; and

comply with the annual approval requirements in the Corporate Policy on *Serving as a Director/Officer of an Outside Entity* (CPP-805-1).

Any employee serving as a treasurer of a public organization—such as a school district, borough or other similar government entity—must consult the Legal Department for further guidelines.

#### *Participating in Political Activities*

Mellon encourages you to keep informed concerning political issues and candidates and to take an active interest in political affairs. If you do participate in any political activity, however, you may not act as a representative of Mellon unless you are specifically authorized in writing to do so by the Chief Executive Officer of the Corporation.

As explained in “Obeying Laws and Regulations” on page 4, Mellon employees are not permitted to use Corporate funds or assets in connection with political elections. In accordance with applicable laws, however, Mellon may establish political action committees for lawful participation in the political process. The use of Corporate funds or assets in connection with political elections may not be made without prior approval of the Legal Department.

Hospitality toward public officials should never be such that it could tend to compromise, or give the appearance of compromising, the honesty or integrity of the public official or Mellon. Hospitality should be extended with the expectation that it will become public knowledge and should be extended in compliance with all applicable laws and regulations.

#### **Dealing With Customers and Suppliers**

In your dealings with customers and suppliers, situations sometimes occur that may create a conflict of interest or the appearance of a conflict of interest. To avoid such conflicts, Corporate policies were developed in the areas listed below.

#### *Gifts and Entertainment*

You may not offer or accept gifts or other items of value under circumstances intended to influence you, a customer or supplier in conducting business. Items of value include money, securities, business opportunities, goods, services, discounts on goods or services, entertainment, food or drink (see page 3, “Obeying Laws and Regulations”). Employees should be aware that certain lines of businesses may have more restrictive policies. For example, in the United States employees of NASD members must adhere to NASD rules regarding gifts and entertainment.

Specifically, you may not:

solicit for yourself or for a third party (other than Mellon) anything of value from anyone in return for any Mellon business, service or confidential information;

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give cash gifts to, or accept cash gifts from, a customer, supplier or person to whom you refer business;

use your position at Mellon to obtain anything of value from a customer, supplier or person to whom you refer business;

accept gifts under a will or trust instrument of a customer unless you have the prior approval of the Manager of the Ethics Office; or

except as provided below, accept anything of value (other than earned salary, wages and fees) from anyone in connection with Mellon business.

The business practices listed below do not create the risk of corruption or breach of trust to Mellon and are permissible. Accordingly, you may accept:

gifts, gratuities, amenities or favors based on obvious family or personal relationships (such as those between an employee's parents, children, or spouse) where the circumstances make it clear that those relationships—rather than Mellon business—are the motivating factors;

meals, refreshments, travel arrangements or accommodations, or entertainment of reasonable value and in the course of a meeting or other occasion held for business discussions, provided that the expenses would be paid by Mellon as a reasonable business expense;

loans from other banks or financial institutions on customary terms to finance proper and usual employee activities (such as home mortgage loans), except where prohibited by law;

advertising or promotional material, such as pens, pencils, note pads, key chains, calendars and similar items having a nominal value. (In the U.S., nominal value means less than \$100. Contact the Ethics Office for assistance in determining nominal values in other locations.)

discounts or rebates on merchandise or services that do not exceed those available to other customers;

gifts that have a nominal value (see above for description of nominal value) and are related to commonly recognized events or occasions, such as a promotion, conference, sports outing, new job, wedding, retirement or holiday; or

civic, charitable, educational or religious organization awards for recognition of service and accomplishment.

If you receive or anticipate receiving something of value from a supplier, customer or person to whom you refer business in a situation that is not specifically permitted by the *Code*, you must notify the Manager of the Ethics Office in writing of the circumstances.

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You may not accept the item (or must return it if you have already received it) unless you receive approval from the Manager of the Ethics Office. The Manager of the Ethics Office will approve or deny requests based upon the reasonableness of the circumstances and whether the circumstances pose a threat to Mellon's integrity. The Manager of the Ethics Office will maintain copies or records of all requests and responses.



Entertainment, gifts or prizes given to customers or suppliers by employees should be appropriate for the circumstances and constitute necessary and incidental Mellon business expenses. If you seek reimbursement from Mellon for business expenses, it is your responsibility to see that your expense diary is accurate and reflects only appropriate business expenses. In dealing with employees of other banks or bank holding companies in the United States, you should be aware that gifts or prizes given to those employees are subject to the United States Bank Bribery Law, and that the United States Bank Bribery Law applies to both givers and recipients.

#### *Borrowing From Customers*

You are not permitted to borrow from, or lend your personal funds to, Mellon customers, brokers or suppliers. Credit transactions in customers' normal course of business and on regular terms (for example, transacting business with a recognized lending institution or charging items at a department store) are not included in this restriction.

#### *Giving Advice to Customers*

Unless your regular Corporate duties specifically permit, you may not give legal, tax or investment advice to customers.

*Legal Advice*—You may be asked by a customer to make a statement regarding the legal implications of a proposed transaction. You cannot give legal advice to customers. Be sure, therefore, that nothing you say might be interpreted as legal advice.

*Tax and Investment Advice*—You may not advise customers on matters concerning tax problems, tax return preparation or investment decisions.

*Recommending Professional Services* Customers and others may ask your help to find qualified professional people or firms. Unless you name several candidates without indicating favoritism, you may not recommend attorneys, accountants, insurance brokers or agents, stock brokers, real estate agents, etc., to customers, employees or others. Under no circumstances may you make a recommendation if you expect to benefit.

## **RESPECTING CONFIDENTIAL INFORMATION**

As an employee, you may have knowledge, reports or statements about Mellon's business or possess confidential information about the private or business affairs of Mellon's customers and suppliers. You should assume that all information about Mellon business or the private or business affairs of Mellon's customers (including applicants, former customers and employees/retirees of customers) or suppliers is confidential and you should treat that information as privileged and hold it in the strictest confidence.

Confidential information is to be used only for Mellon's Corporate purposes. Under no circumstances may you use such information for personal gain or pass it on to any person outside Mellon, including family or friends, or even to other employees who do not need such information to perform their jobs or to provide services to or for Mellon. All employees must comply with Mellon's Consumer Privacy Policies and applicable privacy laws and regulations.

### **Types of Confidential Information**

Although it is impossible to provide an exhaustive list of information that should remain confidential, the following are examples of the general types of confidential information that employees might receive in the ordinary course of carrying out their job responsibilities.

#### *Information Obtained From Business Relations*

You may possess confidential information about those with whom Mellon has business relations. If released, such information could have a significant effect on their operations, their business reputations or the market price of their securities. Disclosing such information could

expose both you and Mellon to liability for damages. Customer information should not be released to third parties without customer authorization except as approved by the Legal Department.

### *Mellon Financial Information*

Financial information about Mellon is confidential unless it has been published in reports to shareholders or has been made otherwise available to the public. It is the policy of the Corporation to disclose all material Corporate information to the public in such a manner that all those who are interested in the Corporation and its securities have equal access to such information.

Except as required by law or approved by the Finance Department, financial information is not to be released to any person or organization. If you have any questions about disclosing financial information, contact the head of the Finance Department.

### *Mellon Examination Information*

Virtually all Mellon entities are periodically reviewed by regulatory examiners. Certain reports made by those regulatory agencies are the property of those agencies and are strictly confidential. Giving information from those reports to anyone not officially connected with Mellon is a criminal offense.

Questions concerning examination information should be directed to the Legal Department.

### *Mellon Proprietary Information*

Certain no financial information developed by Mellon—such as business plans, customer lists, methods of doing business, computer software, source codes, databases and related documentation—is valuable information that is proprietary and confidential. You are not to disclose it to anyone outside Mellon or to anyone inside Mellon who does not have a need to know such information. This obligation extends beyond the period of your employment with Mellon. Employees are prohibited from using Corporate time, resources and assets (including Mellon proprietary information) for personal gain. Mellon has proprietary rights in any materials, products or services that you create which relates to your work at Mellon, that use Mellon resources (equipment, etc.) or that are created during your regular work hours. You must disclose any such materials, products or services to Mellon.

### *Electronic Information Systems*

E-mail (internal and external), voice mail and communications systems are intended for Mellon business use only. Messages and information contained on these systems are subject, at Mellon's sole discretion, to access, monitoring, review and/or disclosure by authorized Mellon personnel with or without notice, at any time. You should not expect messages sent on these systems to be treated as private or confidential. Employees may not use e-mail systems to (1) bypass financial transaction documentation requirements; (2) send inappropriate, harassing or offensive messages; (3) solicit; or (4) deliberately distribute any program or virus that could be destructive to hardware, software, or files on any computer. You should also limit the transmission of highly sensitive information on these systems.

Messages created in these systems should be in compliance with the Corporate Policy on the Records *Management Program* (CPP-109-03). For more detailed information on use of these systems, see the Corporate Policies on *Use of Mellon's E-Mail Network for Internal Communications* (CPP-111-04(A)); *Use of Mellon's E-Mail Network for External Communications* (CPP-111-04(B)); and *Access to Electronic Information* (CPP-111-4). Additionally, Mellon provides employees access to both the Internet and Intranet (Mellon's internal Internet system) as a resource to obtain Mellon organizational or business related information. Your use of the Internet and Intranet is subject, at Mellon's sole discretion, to access, monitoring, review and/or disclosure by authorized Mellon personnel with or without notice, at any time, and should not be viewed as private or confidential. For more detailed information on use of the Internet and Intranet, see the Corporate Policy on *Internet/Intranet Access* (CPP-118-1).

If you have access to Mellon information systems, you are responsible for taking precautions necessary to prohibit unauthorized entry to the system. You should safeguard your passwords or other means of entry.

### *Computer Software*

Computer software is to be used for Mellon business only and must be used in accordance with the terms of the licensing agreement. No copying of software is permitted except in accordance with the licensing agreement.

### *Inside Information*

Inside information is material nonpublic information relating to a company whose securities trade in a public market. Information is considered “material” if it is important enough to affect the judgment of investors about whether to buy, sell or hold securities of that company, or to influence the market price of those securities.

Courts have ruled that inside information must be made public before anyone possessing it can trade, or recommend the purchase or sale of, securities of the issuing company. Under various securities laws (at both the national and local level), you, Mellon and any person with whom you share the information could be held legally responsible for misusing inside information.

Obviously, inside information rules can be very difficult to apply in given circumstances. Employees must be extremely cautious in discussing Mellon information with any person outside of Mellon or in using information obtained at Mellon in making personal investment decisions. If you have any doubts about whether or not an item is inside information or whether or not it has been or should be revealed, consult the Legal Department.

## **RULES FOR PROTECTING CONFIDENTIAL INFORMATION**

The following are some basic rules to follow to protect confidential information.

### **Limited Communication to Outsiders**

Confidential information should not be communicated to anyone outside Mellon, except consistent with Mellon’s policies on communicating such information.

### **Corporate Use Only**

Confidential information should be used only for Mellon’s Corporate purposes. Under no circumstances may an employee use it, directly or indirectly, for personal gain or for the benefit of any outside party who is not entitled to such information.

### **Other Customers**

Where appropriate, customers should be made aware that employees will not disclose to them other customers’ confidential information or use the confidential information of one customer for the benefit of another.

## **Notification of Confidentiality**

When confidential information is communicated to any person, either inside or outside Mellon, they should be informed of the information's confidential nature and the limitations on its further communication.

## **Prevention of Eavesdropping**

Confidential matters should not be discussed in public or in places, such as in building lobbies, restaurants or elevators, where persons may overhear. Precautions, such as locking materials in desk drawers overnight, stamping material "Confidential" and delivering materials in sealed envelopes, should be taken with written materials to ensure they are not read by unauthorized persons.

## **Data Protection**

Data stored on personal computers and diskettes should be properly secured to ensure it is not accessed by unauthorized persons. Access to computer files should be granted only on a need-to-know basis. At a minimum, employees should comply with applicable Mellon policies on electronic data security. Data stored on paper should also be properly secured (locked as appropriate) to ensure that it is not accessed by unauthorized persons. All data should be retained based on the applicable data retention schedules in each line of business. For further information see the see the Corporate Policies on *Records Management Creation* (CPP-111-02) and *Records Retention* (CPP-111-03)

## **Confidentiality Agreements**

Confidentiality agreements to which Mellon is a party must be complied with in addition to, but not in lieu of, this Policy. Confidentiality agreements that deviate from commonly used forms should be reviewed in advance by the Legal Department.

## **Contact With the Public**

All contacts with institutional shareholders or securities analysts about Mellon must be made through the Investor Relations Division of the Finance Department. All contacts with the media and all speeches or other public statements made on behalf of Mellon or about Mellon's businesses must be cleared in advance by Corporate Affairs. All media inquiries should be directed to Corporate Affairs. In speeches and statements not made on behalf of Mellon, care should be taken to avoid any implication that Mellon endorses the views expressed.

## **Supplemental Procedures**

Mellon entities, departments, divisions and groups should establish their own supplemental procedures for protecting confidential information, as appropriate. These procedures may include:

establishing records retention and destruction policies;

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using code names;

limiting the staffing of confidential matters (for example, limiting the size of working groups and the use of temporary employees, messengers and work processors); and

requiring written confidentiality agreements for certain employees.

Any supplemental procedures should be used only to protect confidential information and not to circumvent appropriate report and record keeping requirements.

## **Securities Fire Wall Policy**

To facilitate compliance with the prohibition on trading in securities while in possession of insider information, diversified financial services organizations, including Mellon, have adopted securities fire wall policies, which separate the business units or employees likely to receive insider information from the business units or employees that trade securities or provide investment advice.

Mellon's policy on *Securities Firewalls(CPP-903-2(C))* establishes rules restricting the flow of information within Mellon to investment personnel; procedures to be used by investment personnel to obtain information from other departments or divisions of Mellon or from other Mellon subsidiaries; and procedures for reporting the receipt of material nonpublic information by investment personnel.

You must know this policy, particularly if you work in an area that handles investment decisions or if you supply or might be asked to supply information to employees in such areas. Under no circumstances should you receive or pass on information that may create a conflict of interest or interfere with a fiduciary obligation of Mellon.

### **TERMINATION OF EMPLOYMENT**

You must return all property of Mellon immediately before or upon termination of employment. This includes all forms of Mellon proprietary information; all hard-copy and computer files; customer lists; personal computer hardware and software; statistical analysis, product pricing, various formulas and models; identification cards; keys and access cards; and other confidential information. In addition, you may not retain copies of any such property. You must also return cellular or car phones, pagers, laptop computers and any other equipment that Mellon made available to facilitate the performance of your job.

### **RESTRICTIONS ON WAIVERS FOR EXECUTIVE OFFICERS**

No waiver of this *Code of Conduct* will be made for any executive officer of the Corporation unless the waiver is made by the Corporation's board of directors (or a committee thereof) and is promptly disclosed to shareholders. Individuals who are deemed to be "executive officers" of the Corporation will be notified of this fact.

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### **NOTES**

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## Securities Trading Policy

### General Edition

May 2005

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Dear Employee:

The highest standards of ethical business practices and unwavering loyalty to our customers have been the cornerstones of our culture since Mellon was founded in 1869. Our Shared Values - Integrity, Teamwork and Excellence - are our guiding principles and underscore our commitment to conduct Mellon's business honorably at all times.

Building a reputation of integrity in business takes the hard work of many people over many years. But reputations are fragile. As recent events in our industry have illustrated, we can never let down our guard. Every Mellon employee must accept personal responsibility for our good reputation and must work each day to maintain it.

One area of particular importance is the continued emphasis we place on ensuring that our personal investments are free from conflicts of interest and in full compliance with the laws and regulations of all jurisdictions in which Mellon does business. This matter is important to our clients, shareholders and the regulatory community, and it is fundamentally important to the maintenance of Mellon's reputation.

Mellon's role as an adviser and servicer in the investment industry carries with it special responsibilities for each of us to preserve the integrity and credibility of the industry in which we work. To respond to new regulations and satisfy our desire to demonstrate to all stakeholders our commitment to the highest ethical business standards, the Securities Trading Policy has recently been revised.

I urge you to take the time to fully understand the policy and consult it whenever you are unsure about appropriate activity regarding your investments. We are all responsible for following the procedures and respecting the limitations placed on our personal investments as described in the Securities Trading Policy.

The Securities Trading Policy and our Code of Conduct are designed to protect our hard earned reputation for integrity by requiring that we avoid even the appearance of impropriety in our business activities. Ensuring that our personal investments are free from conflict and as transparent as our Securities Trading Policy requires is an important step in protecting that reputation.

Sincerely yours,

Marty McGuinn  
Chairman and Chief Executive Officer

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## INTRODUCTION

The Securities Trading Policy (the “Policy”) is designed to reinforce Mellon Financial Corporation’s (“Mellon’s”) reputation for integrity by avoiding even the appearance of impropriety in the conduct of Mellon’s business. The Policy sets forth procedures and limitations which govern the personal securities transactions of every Mellon employee.

Mellon and its employees are subject to certain laws and regulations governing personal securities trading, including the securities laws of various jurisdictions. Mellon expects its employees to adhere to such laws and has developed this Policy to promote the highest standards of behavior and ensure compliance with applicable laws.

This Policy covers the personal trading activities of all employees in their own accounts and in accounts in which they have indirect ownership. While employees should consult the Glossary for a complete definition of the terms “security” and “indirect ownership”, in general they mean:

security - any investment that represents an ownership stake or debt stake in a company or government. While the Policy provides for exemptions for certain securities, if not expressly exempt in the Policy, all securities are covered (see Glossary for definition of Exempt securities)

indirect ownership - you are presumed to have indirect ownership of accounts held by members of your family with whom you share a household. This includes your spouse, your children, and any other family members in your home. Generally, you are deemed to be the indirect owner of securities if you have the opportunity to directly or indirectly share, at any time, in profits derived from transactions in such securities

Employees should be aware that they may be held personally liable for any improper or illegal acts committed during the course of their employment and that “ignorance of the law” is not a defense. Employees may be subject to civil penalties such as fines, regulatory sanctions including suspensions, as well as criminal penalties.

The provisions of the Policy have worldwide applicability and cover trading in any part of the world. Employees are also subject to applicable laws of jurisdictions in those countries in which they conduct business. To the extent any particular portion of the Policy is inconsistent with, or in particular less restrictive than such laws, employees should consult the General Counsel or the Manager of the Ethics Office.

The Policy may be amended and any provision waived or exempted only at the discretion of the Manager of the Ethics Office. Any such waiver or exemption will be evidenced in writing and maintained in the Ethics Office.

Employees must read the Policy and must comply with it - in this regard, employees should comply with the spirit of the Policy as well as the strict letter of its provisions. Failure to comply with the Policy may result in the imposition of serious sanctions, including but not limited to disgorgement of profits, cancellation of trades, selling of positions, dismissal, substantial personal liability and referral to law enforcement agencies or other regulatory agencies. Known violations of the Policy must be reported to the Ethics Office or to Ethics Point®, a 3rd party

hotline provider. Either the Mellon Ethics Help Line or the Ethics Point® Report Line (see page 2) may be used for this purpose. Any questions regarding the Policy should be referred to the Manager of the Ethics Office or his/her designee.

Employees must also comply with Mellon’s Code of Conduct, which addresses compliance with laws, conflicts of interest, respecting confidential information and other ethical issues.

Mellon will provide all employees with copies of the Policy and all amendments. This may be through on-line access. Periodically, you will be required to acknowledge your receipt of the Policy and any amendments. This may be through on-line certification.

Mellon wants to hear from you. If you have a question about the Policy, Code of Conduct or related Corporate Policies, or if you want to report a concern regarding ethical business conduct, please contact Mellon's Ethics Help Line. This line is answered by Mellon's Ethics Office staff and all contacts may be anonymous.

You can contact **Mellon's Ethics Help Line** by:

- Telephone:** Asia (except Japan): 001-800-710-63562  
Australia: 0011-800-710-63562  
Brazil: 0800-891-3813  
Europe: 00-800-710-63562  
Japan: appropriate international access code + 800-710-63562 (Access codes are: 0061010, 001010, 0041010 or 0033010)  
United States and Canada: 1-888-MELLON2 (1-888-635-5662)  
All other locations: call collect to 412-236-7519
- Email:** [ethics@mellon.com](mailto:ethics@mellon.com)
- Mail:** P.O. Box 535026 Pittsburgh, PA 15253-5026 - USA

If, however you are uncomfortable contacting Mellon directly, you can contact EthicsPoint®, an independent hotline provider as an alternative channel to raise your concerns. All contacts can be anonymous.

You can contact the **EthicsPoint® Report Line** by:

- Telephone:** NOTE: Dial the AT&T Direct Access Number noted below assigned to your carrier (if one is needed). Then, at the voice prompt or AT&T Operator request, enter the toll free EthicsPoint® Report Line number. There is no need to dial a "1" before the toll-free number outside the US and Canada.
- EthicsPoint® Report Line number: 866-294-4696
- AT&T Direct Access Numbers:  
Australia: (carrier: Telstra) 1-800-881-011; (carrier: Optus) 1-800-551-155

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Brazil: 0-800-890-0288  
Canada: No Direct Access Code needed  
Hong Kong: (carrier: Hong Kong Telephone) 800-96-1111; (carrier: New World Telephone) 800-93-2266  
India: 000-117  
Ireland: 1-800-550-000; (Universal International Freephone Number) 00-800-222-55288  
Japan: (carrier: IDC) 00 665-5111; (carrier: JT) 00441-1111; (carrier: KDDI) 00 539-111  
Singapore: (carrier: Sing Tel) 800-011-1111; (carrier: StarHub) 800-001-0001  
United Kingdom: (carrier: British Telecom) 0-800-89-0011; (carrier: C&W) 0-500-89-0011; (carrier: NTL) 0-800-013-0011  
United States: No Direct Access Code needed

- Web:** File a Report online using the EthicsPoint® Report Line (this web page is hosted on EthicsPoint®'s secure servers and is not part of the Mellon web site or intranet).  
Visit EthicsPoint® at <http://www.ethicspoint.com>

## CLASSIFICATION OF EMPLOYEES

The Policy is applicable to all employees of Mellon and all of its subsidiaries which are more than 50% owned by Mellon. This includes all full-time, part-time, benefited and non-benefited, exempt and non-exempt employees. In general, it does not include employees of subsidiaries which are 50% or less owned by Mellon. The Policy's applicability to consultants and contract or temporary employees will be determined on a case-by-case basis.

Employees are engaged in a wide variety of activities for Mellon. In light of the nature of their activities and the impact of various laws and regulations, the Policy imposes different requirements and limitations on employees based on the nature of their activities for Mellon. To assist employees in complying with the requirements and limitations imposed on them in light of their activities, employees are classified into one of four categories:

Insider Risk Employee

Investment Employee

Access Decision Maker

Other Employee

Appropriate requirements and limitations are specified in the Policy based upon an employee's classification.

### **Insider Risk Employee**

Business line management, in conjunction with the Manager of the Ethics Office, will determine the classification of each employee based on the following guidelines. Employees should confirm their classification with their Preclearance Compliance Officer or the Manager of the Ethics Office.

You are considered to be an Insider Risk Employee if, in the normal conduct of your Mellon responsibilities, you are likely to receive or be perceived to possess or receive, material nonpublic information concerning Mellon's customers. This will typically include certain employees in the Corporate & Institutional Services business group, certain members of Shared Services Departments, and all members of the Senior Management Committee who are not Investment Employees.

### **Investment Employee**

You are considered to be an Investment Employee if, in the normal conduct of your Mellon responsibilities, you:

have access (or are likely to be perceived to have access) to nonpublic information regarding any advisory client's purchase or sale of securities or nonpublic information regarding the portfolio holdings of any Proprietary Fund,

are involved in making securities recommendations to advisory clients or have access to such recommendations that are nonpublic.

This will typically include employees in the Asset Management business group, such as:

certain employees in fiduciary securities sales and trading, investment management and advisory services, investment research and various trust or fiduciary functions; an employee of a Mellon entity regulated by certain investment company laws. Examples are as follows:

in the US, includes employees who are “advisory persons” or “access persons” under Rule 17j-1 of the Investment Company Act of 1940 or “access persons” under Rule 204A-1 of the Investment Advisers Act of 1940

in the UK, includes employees in companies undertaking specified activities under the Financial Services and Markets Act 2000 (Regulated Activities), Order 2001 and therefore regulated by the Financial Services Authority

any member of Mellon’s Senior Management Committee who, as part of his/her usual duties, has management responsibility for fiduciary activities or routinely has access to information about advisory customers’ securities transactions.

### **Access Decision Maker (ADM)**

A person designated as such by the Investment Ethics Committee. Generally, these will be portfolio managers and research analysts who make recommendations or decisions regarding the purchase or sale of equity, convertible debt, and non-investment grade debt securities for mutual funds and other managed accounts. See further details in the Access Decision Maker edition of the Policy.

### **Other Employee**

You are considered to be an Other Employee if you are an employee of Mellon Financial Corporation or any of its direct or indirect subsidiaries who is not an Insider Risk Employee, Investment Employee, or an ADM.

### **Consultants, Independent Contractors and Temporary Employees**

Managers should inform consultants, independent contractors and temporary employees of the general provisions of the Policy (such as the prohibition on trading while in possession of material nonpublic information). Whether or not a consultant, independent contractor or temporary employee will be required to preclear trades or report their personal securities holdings will be determined on a case-by-case basis. If one of these persons would be considered an Insider Risk Employee, Investment Employee or Access Decision Maker if he/she were a Mellon employee, the person’s manager should advise the Manager of the Ethics Office

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who will determine whether such individual should be subject to the preclearance and reporting requirements of the Policy.

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## **SECTION ONE - APPLICABLE TO INSIDER RISK EMPLOYEES**

### **Quick Reference-Insider Risk Employees**

#### **Some Things You Must Do**

Duplicate Statements & Confirmations - Instruct your broker, trust account manager or other entity through which you have a securities trading account to send directly to the Preclearance Compliance Officer or his/her designee:

trade confirmations summarizing each transaction

periodic statements

Exhibit A can be used to notify your broker. Contact the Preclearance Compliance Officer for the correct address. This applies to all accounts in which you have direct or indirect ownership (see Glossary).

Preclearance - Before initiating a securities transaction, written preclearance must be obtained from the Preclearance Compliance Officer. Contact the Preclearance Compliance Officer for applicable approval procedures.

If preclearance approval is received, the trade must be executed before the end of the 3rd business day (with the date of approval being the 1st business day), at which time the preclearance approval will expire.

### **Special Approvals**

Private Placements - Acquisition of securities in a Private Placement must be precleared by the Mellon Senior Management Committee Member who represents the employee's line of business or department, the Manager of the Ethics Office and the Preclearance Compliance Officer. To initiate approval, contact the Ethics Office.

IPOs - Acquisition of securities through an allocation by the underwriter of an Initial Public Offering (IPO) is prohibited without the approval of the Manager of the Ethics Office. Approval can be given only when the allocation is the result of a direct family relationship.

### **Some Things You Must Not Do**

Mellon Securities - The following transactions in Mellon securities are prohibited for all Mellon employees:

short sales

purchasing and selling or selling and purchasing within 60 calendar days

margin purchases or options other than employee options

Non-Mellon Securities - New investments in financial services organizations are prohibited for certain employees only - see Page 17.

Other restrictions are detailed throughout Section One. Read the Policy!

### **Exemptions**

Preclearance is **NOT** required for:

transactions in Exempt Securities (see Glossary)

transactions in municipal bonds

transactions in shares of open-end investment companies and variable capital companies

transactions in non-financial commodities (such as agricultural futures, metals, oil, gas, etc.), currency futures, financial futures

transactions in index securities

transactions in approved accounts in which the employee has no direct or indirect influence or control over the investment decision making process  
involuntary transactions on the part of an employee (such as stock dividends or sales of fractional shares)  
changes in elections under Mellon' s 401(k) Retirement Savings Plan  
enrollment, changes in salary withholding percentages and sales of shares held in Mellon' s Employee Stock Purchase Plan (ESPP);  
sales of shares previously withdrawn from the ESPP do require preclearance  
receipt and exercise of an employee stock option administered through Human Resources  
transactions done pursuant to an automatic investment plan (see Glossary)  
sales pursuant to bona fide tender offers and sales or exercises of "rights" (see Page 10)

## Questions?

Contact Mellon' s Ethics Office at:

Securities Trading Policy Help Line: 412-234-1661

Mellon' s Ethics Help Line

Toll Free Telephone

Asia (except Japan): 001 -800-710-63562

Australia: 0011-800-710-63562

Brazil: 0800-891-3813

Europe: 00-800-710-63562

Japan: access code + 800-710-63562 (access codes are: 0061010, 001010, 0041010 or 0033010)

US and Canada: 1-888-MELLON2 (1-888-635-5662)

All other locations: call collect 412-236-7519 - Email: [ethics@mellon.com](mailto:ethics@mellon.com) - Postal Mail: P.O. Box 535026, Pittsburgh, PA 15253-5026 USA

This page is for reference purposes only. Employees are reminded they must read the Policy and comply with its provisions.

## STANDARDS OF CONDUCT FOR INSIDER RISK EMPLOYEES

Because of their unique responsibilities, Insider Risk Employees are subject to preclearance and personal securities reporting requirements, as discussed below.

Every Insider Risk Employee must follow these procedures or risk serious sanctions, including dismissal. If you have any questions about these procedures, you should consult the Ethics Office or your Preclearance Compliance Officer. Interpretive issues that arise under these procedures shall be decided by, and are subject to the discretion of, the Manager of the Ethics Office.

### **Conflict of Interest**

No employee may engage in or recommend any securities transaction that places, or appears to place, his or her own interests above those of any customer to whom financial services are rendered, including mutual funds and managed accounts, or above the interests of Mellon.

### **Material Nonpublic Information**

No employee may engage in or recommend a securities transaction, for his or her own benefit or for the benefit of others, including Mellon or its customers, while in possession of material nonpublic information regarding such securities or the issuer of such securities. No employee may communicate material nonpublic information to others unless it is properly within his or her job responsibilities to do so.

## **Personal Securities Transaction Reports**

*Statements and Confirmations* - All Insider Risk Employees are required to instruct their broker, trust account manager or other entity through which they have a securities trading account to submit directly to the Preclearance Compliance Officer or his/her designee, copies of all trade confirmations and statements relating to each account of which they are an owner (direct or indirect) regardless of what, if any, securities are maintained in such accounts. Thus, even if the account contains only mutual funds or Exempt Securities as that term is defined by the Policy, but the account has the capability to have reportable securities traded in it, the Insider Risk Employee must arrange for duplicate account statements and trade confirmations to be sent to the Preclearance Compliance Officer or his/her designee. An example of an instruction letter to such entities is contained in Exhibit A. Statements and confirmations need not be delivered for accounts that can hold items that are not securities (such as bank deposit accounts) or securities that are exempt from preclearance (such as mutual fund accounts).

*Other securities transactions* which were not completed through an account, such as gifts, inheritances, spin-offs from securities held outside accounts, or other transfers must be reported to the Preclearance Compliance Officer or his/her designee within 10 calendar days after the end of the calendar quarter in which the transaction occurs. These quarterly statements need not be filed for:

any transaction effected in a non-discretionary account (see Glossary),

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any transaction in Exempt Securities (see Glossary),

any transactions that is exempt from preclearance for Insider Risk Employees,

any transaction effected pursuant to an automatic investment plan (see Glossary), or

any transaction to the extent information on the transaction is already included in a brokerage confirmation or statement previously delivered to the Preclearance Compliance Officer in compliance with the above requirements.

## **Statement of Securities Accounts and Holdings**

Within 10 calendar days of becoming an Insider Risk Employee and on an annual basis thereafter, all Insider Risk Employees must submit to the Preclearance Compliance Officer or his/her designee:

a listing of all accounts that may trade securities (other than securities exempt from preclearance) in which the employee is a direct or indirect owner regardless of what, if any, securities are maintained in such accounts. Thus, for example, even if the account contains only mutual funds or Exempt Securities (see Glossary) but has the capability of holding reportable securities, the account must be disclosed

a listing of all securities held in the above accounts

a listing of all securities held outside of securities trading accounts in which the employee presently has any direct or indirect ownership other than Exempt Securities (see Glossary).

The information contained in the initial holding report must be current as of a date no more than 45 calendar days prior to becoming an Insider Risk Employee.

The annual statement must be completed upon the request of the Ethics Office, and the information submitted must be current within 45 calendar days of the date the statement is submitted. The annual statement contains an acknowledgment that the Insider Risk Employee has read and complied with the Policy.

Your Preclearance Compliance Officer may periodically ask for holding reports in addition to the initial and annual reports.

## **Preclearance for Personal Securities Transactions**

Insider Risk Employees must notify the Preclearance Compliance Officer in writing and receive preclearance before they engage in any purchase or sale of a security for their own accounts or in accounts in which they are an indirect owner. Insider Risk Employees should refer to the provisions under “Ownership” on Page 11, which are applicable to these provisions.

All requests for preclearance for a securities transaction shall be submitted by completing a Preclearance Request Form.

The Preclearance Compliance Officer will notify the Insider Risk Employee whether the request is approved or denied, without disclosing the reason for such approval or denial.

Notifications may be given in writing or orally by the Preclearance Compliance Officer to the Insider Risk Employee. A record of such notification will be maintained by the Preclearance Compliance Officer. However, it shall be the responsibility of the Insider Risk Employee to obtain a written record of the Preclearance Compliance Officers notification within 24 hours of such notification. The Insider Risk Employee should retain a copy of this written record for at least two years.

As there could be many reasons for preclearance being granted or denied, Insider Risk Employees should not infer from the preclearance response anything regarding the security for which preclearance was requested.

Although making a preclearance request does not obligate an Insider Risk Employee to do the transaction, it should be noted that:

preclearance requests should not be made for a transaction that the Insider Risk employee does not intend to make

preclearance authorization will expire at the end of the third business day after it is received. The day authorization is granted is considered the first business day

Insider Risk Employees should not discuss with anyone else, inside or outside Mellon, the response they received to a preclearance request. If the Insider Risk Employee is preclearing as an indirect owner of another's account, the response may be disclosed to the other owner

standard orders to trade at certain prices (sometimes called “limit”, “stop-loss”, “good-until-cancelled”, or “standing buy/sell” orders) must be precleared, and security transactions receiving preclearance authorization must be executed before the preclearance expires. At the end of the three-day preclearance authorization period, any unexecuted order must be canceled or a new preclearance authorization must be obtained

## **Exemptions from Requirement to Preclear**

Preclearance by Insider Risk Employees is not required for the following transactions:

purchases or sales of Exempt Securities (see Glossary)

purchases or sales of securities issued by open-end investment companies (i.e., mutual funds and variable capital companies), regardless of whether they are Proprietary Funds

purchases or sales of municipal bonds

purchase or sales of non-financial commodities (such as agricultural futures, metals, oil, gas, etc.), currency futures, financial futures



purchases or sales of index securities (sometimes referred to as exchange traded funds)

purchases or sales effected in accounts in which an employee has no direct or indirect influence or control over the investment decision making process (“non-discretionary accounts”). Non-discretionary accounts may only be exempted from preclearance procedures, when the Manager of the Ethics Office, after a thorough review, is satisfied that the account is truly non-discretionary to the employee (that is, the employee has given total investment discretion to an investment manager and retains no ability to influence specific trades). Standard broker accounts generally are not deemed to be non-discretionary to the employee, even if the broker is given some discretion to make investment decisions

transactions that are involuntary on the part of an employee (such as stock dividends or sales of fractional shares); however, sales initiated by brokers to satisfy margin calls are not considered involuntary and must be precleared

the sale of Mellon stock received upon the exercise of an employee stock option if the sale is part of a “netting of shares” or “cashless exercise” administered through the Human Resources Department

changes to elections in the Mellon 401(k) plan

enrollment, changes in salary withholding percentages and sales of shares held in the Mellon Employee Stock Purchase Plan (ESPP); sales of shares previously withdrawn from the ESPP do require preclearance

purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of securities, to the extent such rights were acquired from such issuer

sales of rights acquired from an issuer, as described above

sales effected pursuant to a bona fide tender offer

transactions effected pursuant to an automatic investment plan (see Glossary)

### **Gifts of Securities**

Insider Risk Employees desiring to make a bona fide gift of securities or who receive a bona fide gift, including an inheritance, of securities do not need to preclear the transaction. However, Insider Risk Employees must report such bona fide gifts to the Preclearance Compliance Officer or his/her designee. The report must be made within 10 calendar days of making or receiving the gift and must disclose the following information: the name of the person receiving (giving) the gift, the date of the transaction, and the name of the broker through which the transaction was effected. A bona fide gift is one where the donor does not receive anything of monetary value in return. An Insider Risk Employee who purchases a security with the intention of making a gift must preclear the purchase transaction.

### **Ownership**

The preclearance, reporting and other provisions of the Policy apply not only to securities held in the employee’s own name but also to all other securities indirectly owned by the employee (see Glossary for definition of indirect owner). Generally you are the indirect owner of securities if you have the opportunity, directly or indirectly, to share in any profits from a transaction in those securities. This could include:

securities held by members of your family who share the same household with you

securities held by a trust in which you are a settler, trustee, or beneficiary

securities held by a partnership in which you are a general partner

securities in which any contract, arrangement, understanding or relationship gives you direct or indirect economic interest

### **Non-Mellon Employee Benefit Plans**

The provisions discussed above do not apply to transactions in an employer's securities done under a bona fide employee benefit plan of an organization not affiliated with Mellon by an employee of that organization who is a member of your immediate family (see "Indirect Ownership - Family Members" in the Glossary for the definition of "immediate family"). This means if a Mellon employee's family member is employed at a non-Mellon company, the Mellon employee is not required to obtain approval for transactions in the employer's securities done by the family member as part of the family member's employee benefit plan.

In such situations, the family member's employer has primary responsibility for providing adequate supervision with respect to conflicts of interest and compliance with securities laws regarding trading in its own securities under its own employee benefit plans.

However, employee benefit plans which allow the employee to buy and sell securities other than those of their employer are subject to the Policy, including the preclearance and reporting provisions.

### **Investment Clubs and Private Investment Companies**

Certain organizations create a unique means of investing:

Investment Clubs - a membership organization where investors make joint decisions on which securities to buy or sell. The securities are generally held in the name of the investment club. Since each member of the investment club participates in the investment decision making process, each Insider Risk employee belonging to such a club must obtain approval from their Preclearance Compliance Officer before participating in any investment club and must thereafter preclear and report the securities transactions of the club.

Private Investment Company - an investment company (see Glossary) whose shares are not deemed to be publicly held (sometimes called "hedge funds"). Insider Risk employees investing in such a private investment company are not required to preclear any of the securities transactions made by the private investment company.

However, Insider Risk employees' investments in Private Investment Companies are considered to be private placements and approval must be received prior to investing. Employees should refer to the Private Placement provision of the Policy on Page 16 for approval requirements.

### **Restricted List**

The Preclearance Compliance Officer will maintain a list (the "Restricted List") of companies whose securities are deemed appropriate for implementation of trading restrictions for Insider Risk Employees. The Restricted List will not be distributed outside of the Preclearance Compliance Office. From time to time, such trading restrictions may be appropriate to protect Mellon and its Insider Risk Employees from potential violations, or the appearance of violations, of securities laws. The inclusion of a company on the Restricted List provides no indication of the advisability of an investment in the company's securities or the existence of material nonpublic information on the company. Nevertheless, the contents of the Restricted List will be treated as confidential information to avoid unwarranted inferences.

The Preclearance Compliance Officer will retain copies of the restricted lists for six years.

### **Confidential Treatment**

The Manager of the Ethics Office and/or the Preclearance Compliance Officer will use his or her best efforts to assure that requests for preclearance, personal securities transaction reports and reports of securities holdings are treated as "Personal and Confidential." However, Mellon is required by law to review, retain and, in certain circumstances, disclose such documents. Therefore, such documents will be available for inspection by appropriate regulatory agencies and by other parties within and outside Mellon as are necessary to evaluate compliance with or sanctions under the Policy or other requirements applicable to Mellon.

### **General Restrictions**

Insider Risk employees who engage in transactions involving Mellon securities should be aware of their unique responsibilities with respect to such transactions arising from the employment relationship and should be sensitive to even the appearance of impropriety.

The following restrictions apply to all transactions in Mellon's publicly traded securities occurring in the employee's own account and in all other accounts over which the employee has indirect ownership. These restrictions are to be followed in addition to any restrictions that apply to particular senior officers or directors of Mellon, such as restrictions under Section 16 of the Securities Exchange Act of 1934.

*Short Sales* - Short sales of Mellon securities by employees are prohibited.

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*Short-Term Trading* - Employees are prohibited from purchasing and selling, or from selling and purchasing, Mellon securities within any 60-calendar day period.

*Margin Transactions* - Purchases on margin of Mellon's publicly traded securities by employees is prohibited. Margining Mellon securities in connection with a cashless exercise of an employee stock option through the Human Resource Department is exempt from this restriction. Further, Mellon securities may be used to collateralize loans for non-securities purposes or for the acquisition of securities other than those issued by Mellon.

*Option Transactions* - Option transactions involving Mellon's publicly traded securities are prohibited. Transactions under Mellon's Long-Term Incentive Plan or other employee option plans are exempt from this restriction.

*Major Mellon Events* - Employees who have knowledge of major Mellon events that have not yet been announced are prohibited from buying or selling Mellon's publicly traded securities before such public announcements, even if the employee believes the event does not constitute material nonpublic information.

### **Mellon 401(k) Plan**

Actions regarding your interest in Mellon Stock under the Mellon 401(k) Plan are treated as follows:

*Elections regarding future contributions* to Mellon Stock are not deemed to be transactions in Mellon Stock and therefore are not subject to preclearance and reporting requirements or to the short-term trading prohibition.

*Payroll deduction contributions* to Mellon Stock are deemed to be done pursuant to an automatic investment plan. They are not subject to preclearance and reporting requirements or to the short-term trading prohibition.

*Movements of balances* into or out of Mellon Stock are not subject to preclearance but are deemed to be purchases or sales of Mellon Stock for purposes of the short-term trading prohibition. This means employees are prohibited from increasing their existing account balance allocation to Mellon Stock and then decreasing it within 60 calendar days. Similarly, employees are prohibited from decreasing their existing account balance allocation to Mellon Stock and then increasing it within 60 calendar days. However, changes to existing account balance allocations in the 401(k) plan will not be compared to transactions in Mellon securities outside the 401(k) for purposes of the short-term trading prohibition. (Note: This does not apply to members of the Executive Management Group, who should consult with the Legal Department.)

## **Mellon Employee Stock Options**

*Receipt or Exercise* of an employee stock option from Mellon is exempt from the reporting and preclearance requirements and does not constitute a purchase or sale for the purpose of the 60 calendar day prohibition.

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*Sales* - The sale of the Mellon securities that were received in the exercise of an employee stock option is treated like any other sale under the Policy (regardless of how little time has elapsed between the option exercise and the sale). Thus, such sales are subject to the preclearance and reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.

## **Mellon Employee Stock Purchase Plan (ESPP)**

*Enrollment and Changing Salary Withholding Percentages* in the ESPP are exempt from preclearance and reporting requirements and do not constitute a purchase for purposes of the 60 calendar day prohibition.

*Selling Shares Held in the ESPP* - Insider Risk employees are not required to preclear or report sales of stock held in the ESPP, including shares acquired upon reinvestment of dividends. However, sale of stock held in the ESPP is considered a sale for purposes of the 60 calendar day prohibition and will be compared to transactions in Mellon securities outside of the ESPP.

*Selling Shares Previously Withdrawn* - The sale of the Mellon securities that were received as a withdrawal from the ESPP is treated like any other sale under the Policy, regardless of how little time has elapsed between the withdrawal and the sale. Thus, such sales are subject to the preclearance and reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.

Purchases or sales by an employee of the securities of issuers with which Mellon does business, or other third-party issuers, could result in liability on the part of such employee. Employees should be sensitive to even the appearance of impropriety in connection with their personal securities transactions. Employees should refer to "Ownership" on Page 11, which is applicable to the following restrictions.

The Mellon *Code of Conduct* contains certain restrictions on investments in parties that do business with Mellon. Employees should refer to the Code of Conduct and comply with such restrictions in addition to the restrictions and reporting requirements set forth below.

The following restrictions apply to all securities transactions by Insider Risk Employees:

*Credit, Consulting or Advisory Relationship* - Employees may not buy, hold or trade securities of a company if they are considering granting, renewing, modifying or denying any credit facility to that company, acting as a benefits consultant to that company, or acting as an adviser to that company with respect to the company's own securities without the prior permission of the Ethics Office. In addition, lending employees who have assigned responsibilities in a specific industry group are not permitted to trade securities in that industry. This prohibition does not apply to transactions in open-end mutual funds.

*Customer Transactions* - Trading for customers and Mellon accounts should always take precedence over employees' transactions for their own or related accounts.

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*Excessive Trading, Naked Options* - Mellon discourages all employees from engaging in short-term or speculative trading, writing naked options, trading that could be deemed excessive or trading that could interfere with an employee's job responsibilities.

*Front Running* - Employees may not engage in "front running," that is, the purchase or sale of securities for their own or Mellon's accounts on the basis of their knowledge of Mellon's trading positions or plans or those of their customers.

*Initial Public Offerings* - Insider Risk Employees are prohibited from acquiring securities through an allocation by the underwriter of an Initial Public Offering (IPO) without the approval of the Manager of the Ethics Office. Approval can be given only when the allocation comes through an employee of the issuer who is a direct family relation of the Insider Risk Employee. Due to certain laws and regulations (for example, NASD rules in the US), this approval may not be available to employees of registered broker-dealers.

*Material Nonpublic Information* - Employees possessing material nonpublic information regarding any issuer of securities must refrain from purchasing or selling securities of that issuer until the information becomes public or is no longer considered material.

*Private Placements* - Insider Risk Employees are prohibited from acquiring any security in a private placement unless they obtain the prior written approval of the Manager of the Ethics Office, the Preclearance Compliance Officer and the Mellon Senior Management Committee Member representing the employee's line of business or department. Employees should contact the Ethics Office to initiate approval. Approval must be given by all three persons for the acquisition to be considered approved.

Private placements include certain co-operative investments in real estate, commingled investment vehicles such as hedge funds, and investments in family owned businesses. For purposes of the Policy, time-shares and cooperative investments in real estate used as a primary or secondary residence are not considered to be private placements.

After receipt of the necessary approvals and the acquisition, Insider Risk employees are required to disclose that investment if they participate in any subsequent consideration of credit for the issuer, or of an investment in the issuer for an advised account. Final decision to acquire such securities for an advised account will be subject to independent review.

*Short-Term Trading* -All employees are discouraged from purchasing and selling, or from selling and purchasing, the same (or equivalent) securities within any 60 calendar day period.

*Mutual Funds* - No employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of the fund's disclosure documents.

*Spread Betting* - Employees may not engage in "spread betting" (essentially taking bets on securities pricing to reflect market movements) or similar activities as a mechanism

for avoiding the restrictions on personal securities trading arising under the provisions of the Policy. Such transactions themselves constitute transactions in securities for the purposes of the Policy and are subject to all of the provisions applicable to other non-exempted transactions.

### **Prohibition on Investments in Securities of Financial Services Organizations**

You are prohibited from acquiring any security issued by a financial services organization if you are:

a member of the Mellon Senior Management Committee

employed in any of the following departments: - Corporate Strategy & Development - Legal (Mellon headquarters only) - Finance (Mellon headquarters only)

an employee specifically designated by the Manager of the Ethics Office and informed that this prohibition is applicable to you

*Financial Services Organizations* - The phrase "security issued by a financial services organization" includes any security issued by:

Commercial Banks other than Mellon

Financial Holding Companies (or Bank Holding Companies) other than Mellon  
Insurance Companies  
Investment Advisers  
Shareholder Servicing Companies  
Thrifts  
Savings and Loan Associations  
Broker-Dealers  
Transfer Agents  
Other Depository Institutions

The phrase “securities issued by a financial services organization” does not include Exempt Securities (see Glossary). Further, for purposes of determining whether a company is a financial services organization, subsidiaries and parent companies are treated as separate issuers.

*Effective Date* - Securities of financial services organizations properly acquired before the employee is subject to this prohibition may be maintained or disposed of at the owner’s discretion consistent with the Policy.

Any acquisition of financial service organization securities that is exempt from preclearance pursuant to the express provision of the Policy is also exempt from this prohibition. This includes (assuming full compliance with the applicable preclearance exemption):

Exempt Securities (see Glossary)  
acquisition in a non-discretionary account  
involuntary acquisitions

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securities received as gifts  
transactions effected pursuant to an automatic investment plan (see Glossary)  
acquisitions through a non-Mellon employee benefit plan

Within 30 calendar days of becoming subject to this prohibition, all holdings of securities of financial services organizations must be disclosed in writing to the Manager of the Ethics Office.

### **Protecting Confidential Information**

As an employee you may receive information about Mellon, its customers and other parties that, for various reasons, should be treated as confidential. All employees are expected to strictly comply with measures necessary to preserve the confidentiality of information. Employees should refer to the Mellon Code of Conduct.

### **Insider Trading and Tipping Legal Prohibitions**

Securities laws generally prohibit the trading of securities while in possession of “material nonpublic” information regarding the issuer of those securities (insider trading). Any person who passes along material nonpublic information upon which a trade is based (tipping) may also be liable.

Information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, sell or hold securities. Obviously, information that would affect the market price of a security (price sensitive information) would be material. Examples of information that might be material include:

a proposal or agreement for a merger, acquisition or divestiture, or for the sale or purchase of substantial assets

tender offers, which are often material for the party making the tender offer as well as for the issuer of the securities for which the tender offer is made

dividend declarations or changes

extraordinary borrowings or liquidity problems

defaults under agreements or actions by creditors, customers or suppliers relating to a company' s credit standing

earnings and other financial information, such as significant restatements, large or unusual write-offs, write-downs, profits or losses

pending discoveries or developments, such as new products, sources of materials, patents, processes, inventions or discoveries of mineral deposits

a proposal or agreement concerning a financial restructuring

a proposal to issue or redeem securities, or a development with respect to a pending issuance or redemption of securities

a significant expansion or contraction of operations

information about major contracts or increases or decreases in orders

the institution of, or a development in, litigation or a regulatory proceeding

developments regarding a company' s senior management

information about a company received from a director of that company

information regarding a company' s possible noncompliance with environmental protection laws

with respect to mutual funds, a change in a fund' s investment objective, investment adviser, sub adviser, or portfolio manager (unless the portfolio manager is for a money market fund, an index fund or a model-driven fund)

This list is not exhaustive. All relevant circumstances must be considered when determining whether an item of information is material.

“Nonpublic” - Information about an issuer is nonpublic if it is not generally available to the investing public. Information received under circumstances indicating that it is not yet in general circulation and which may be attributable, directly or indirectly, to the issuer or its insiders is likely to be deemed nonpublic information.

If you obtain material nonpublic information, you may not trade related securities until you can refer to some public source to show that the information is generally available (that is, available from sources other than inside sources) and that enough time has passed to allow wide dissemination of the information. While information appearing in widely accessible sources—such as in newspapers or on the internet – becomes public very soon after publication, information appearing in less accessible sources—such as regulatory filings, may take up to several days to be deemed public. Similarly, highly complex information might take longer to become public than would information that is easily understood by the average investor.

### **Mellon' s Policy**

Employees who possess material nonpublic information about an issuer of securities—whether that issuer is Mellon, another Mellon entity, a Mellon customer or supplier, a fund (whether or not it is a Proprietary Fund) or other issuer—may not trade in that issuer’s securities, either for their own accounts or for any account over which they exercise investment discretion. In addition, employees may not recommend trading in those securities and may not pass the information along to others, except to employees who need to know the information in order to perform their job responsibilities with Mellon. These prohibitions remain in effect until the information has become public.

Employees who have investment responsibilities should take appropriate steps to avoid receiving material nonpublic information. Receiving such information could create severe limitations on their ability to carry out their responsibilities to Mellon’s fiduciary customers.

Employees managing the work of consultants and temporary employees who have access to the types of confidential information described in the Policy are responsible for ensuring that consultants and temporary employees are aware of Mellon’s policy and the consequences of noncompliance.

Questions regarding Mellon’s policy on material nonpublic information, or specific information that might be subject to it, should be referred to the General Counsel.

### **Restrictions on the Flow of Information Within Mellon (“Securities Fire Walls”)**

As a diversified financial services organization, Mellon faces unique challenges in complying with the prohibitions on insider trading and tipping of material nonpublic information, and misuse of confidential information. This is because one Mellon unit might have material nonpublic information about an issuer while other Mellon units may have a desire, or even a fiduciary duty, to buy or sell that issuer’s securities or recommend such purchases or sales to customers. To engage in such broad-ranging financial services activities without violating laws or breaching Mellon’s fiduciary duties, Mellon has established a “Securities Fire Wall” policy applicable to all employees. The “Securities Fire Wall” separates the Mellon units or individuals that are likely to receive material nonpublic information (potential Insider Risk functions) from the Mellon units or individuals that either trade in securities, for Mellon’s account or for the accounts of others, or provide investment advice (Investment functions). Employees should refer to CPP 903-2(C) Securities Fire Walls.

## **SECTION TWO - APPLICABLE TO INVESTMENT EMPLOYEES**

### **Quick Reference-Investment Employees**

#### **Some Things You Must Do**

Statement of Accounts and Holdings - Provide to the Preclearance Compliance Officer or his/her designee a statement of all securities and Proprietary Fund accounts and holdings within 10 calendar days of becoming an Investment Employee and again annually on request.

Duplicate Statements & Confirmations - Instruct your broker, trust account manager or other entity through which you have a securities or Proprietary Fund trading account to send directly to the Preclearance Compliance Officer or his/her designee:

- trade confirmations summarizing each transaction
- periodic statements



Exhibit A can be used to notify such entities. Contact the Preclearance Compliance Officer for the correct address. This applies to all accounts in which you have direct or indirect ownership (see Glossary).

Quarterly Transaction Statements - Provide to the Preclearance Compliance Officer or his/her designee within 10 calendar days after the end of each quarter a statement of securities or Proprietary Fund transactions not covered by filed confirmations from brokers or other entities.

Preclearance - Before initiating a transaction in securities or Proprietary Funds, written preclearance must be obtained from the Preclearance Compliance Officer. Contact the Preclearance Compliance Officer for applicable approval procedures.

If preclearance approval is received, the trade must be communicated to the broker or other entity on the same day and executed before the end of the next business day, at which time the preclearance approval will expire.

Proprietary Funds - Trading a Proprietary Fund within 60 calendar days of a previous trade in the opposite direction is prohibited without prior approval of the Preclearance Compliance Officer.

Private Placements - Acquisition of securities in a Private Placement must be precleared by the Mellon Senior Management Committee Member who represents the employee's line of business or department, the Manager of the Ethics Office and the Preclearance Compliance Officer. To initiate approval, contact the Ethics Office.

IPOs - Acquisition of securities through an allocation by the underwriter of an Initial Public Offering (IPO) is prohibited without the approval of the Manager of the Ethics Office. Approval can be given only when the allocation is the result of a direct family relationship.

This page is for reference purposes only. Employees are reminded they must read the Policy and comply with its provisions

**Other restrictions are detailed in Section Two. Read the Policy!**

### **Some Things You Must Not Do**

Mellon Securities - The following transactions in Mellon securities are prohibited for all Mellon employees:

- short sales
- purchasing and selling or selling and purchasing within 60 calendar days
- margin purchases or options other than employee options

### Non-Mellon Securities

purchasing and selling or selling and purchasing the same or equivalent security within 60 calendar days is discouraged, and any profits must be disgorged

new investments in financial services organizations are prohibited for certain employees - see Page 37

### **Exemptions**

Preclearance is **NOT** required for:

transactions in Exempt Securities (see Glossary)

transactions in non-financial commodities (such as agricultural futures, metals, oil, gas, etc.), currency futures, financial futures

transactions in index securities (this does not include Proprietary Funds)

transactions in approved accounts over which the employee has no direct or indirect influence or control over the investment decision making process

involuntary transactions on the part of an employee (such as stock dividends or sales of fractional shares)

enrollment, changes in salary withholding percentages and sales of shares held in Mellon's Employee Stock Purchase Plan (ESPP); sales of shares previously withdrawn from the ESPP do require preclearance

receipt and exercise of an employee stock option administered through Human Resources

transactions done pursuant to an automatic investment plan (see Glossary)

sales pursuant to bona fide tender offers and sales or exercises of "rights" (see Page 27)

## Questions?

Contact Mellon's Ethics Office at:

Securities Trading Policy Help Line: 412-234-1661

Mellon's Ethics Help Line

Toll Free Telephone

Asia (except Japan): 001 -800-710-63562

Australia: 0011-800-710-63562

Brazil: 0800-891-3813

Europe: 00-800-710-63562

Japan: access code + 800-710-63562 (access codes are: 0061010, 001010, 0041010 or 0033010)

US and Canada: 1-888-MELLON2 (1-888-635-5662)

All other locations: call collect 412-236-7519 - Email: [ethics@mellon.com](mailto:ethics@mellon.com) - Postal Mail: P.O. Box 535026, Pittsburgh, PA 15253-5026 USA

## STANDARDS OF CONDUCT FOR INVESTMENT EMPLOYEES

Because of their unique responsibilities, Investment Employees are subject to preclearance and personal securities reporting requirements, as discussed below.

Every Investment Employee must follow these procedures or risk serious sanctions, including dismissal. If you have any questions about these procedures, you should consult the Ethics Office or the Preclearance Compliance Officer. Interpretive issues that arise under these procedures shall be decided by, and are subject to the discretion of, the Manager of the Ethics Office.

## Conflict of Interest

No employee may engage in or recommend any securities transaction that places, or appears to place, his or her own interests above those of any customer to whom financial services are rendered, including mutual funds and managed accounts, or above the interests of Mellon.

### **Material Nonpublic Information**

No employee may divulge the current portfolio positions, or current or anticipated portfolio transactions, programs or studies, of Mellon or any Mellon customer to anyone unless it is properly within his or her job responsibilities to do so.

No employee may engage in or recommend a securities transaction, for his or her own benefit or for the benefit of others, including Mellon or its customers, while in possession of material nonpublic information regarding such securities or the issuer of such securities. No employee may communicate material nonpublic information to others unless it is properly within his or her job responsibilities to do so.

### **Fiduciary Duties**

Mellon and its employees owe fiduciary duties to certain clients. Every Investment Employee must be mindful of these fiduciary duties, must use his or her best efforts to fulfill them and must promptly report to their Preclearance Compliance Officer any failure by any Mellon employee to fulfill them.

### **Legal Compliance**

In carrying out their job responsibilities, Investment Employees must, at a minimum, comply with all applicable legal requirements, including applicable securities laws.

### **Personal Securities Transaction Reports**

Statements & Confirmations - All Investment Employees are required to instruct their broker, trust account manager or other entity through which they have a securities or Proprietary Fund account to submit directly to the Preclearance Compliance Officer or his/her designee, copies of all trade confirmations and statements relating to each account of which they are an owner (direct or indirect) regardless of what, if any, securities are maintained in such accounts. Thus,

even if the account contains only non-proprietary funds or other Exempt Securities as that term is defined by the Policy, but the account has the capability to have reportable securities traded in it, the Investment Employee must arrange for duplicate account statements and trade confirmations to be sent to the Preclearance Compliance Officer or his/her designee. Exhibit A is an example of an instruction letter to such entities. Duplicate confirmations and statements need not be submitted for non-discretionary accounts (see Glossary).

Other securities transactions which were not completed through an account, such as gifts, inheritances, spin-offs from securities held in outside accounts, transactions through employee benefit plans or transactions through variable annuities, must be reported to the Preclearance Compliance Officer or his/her designee within 10 calendar days after the end of the calendar quarter in which the transaction occurs.

These quarterly statements need not be filed for:

any transaction effected in a non-discretionary account (see Glossary),

any transaction in Exempt Securities (see Glossary),

any transaction effected pursuant to an automatic investment plan (see Glossary), or

any transaction to the extent information on the transaction is already included in a brokerage confirmation or statement previously delivered to the Preclearance Compliance Officer or his/her designee in compliance with the above requirements.

See *Proprietary Funds* - For more information regarding the reporting requirements for Proprietary Funds, see section titled "Restrictions on Transactions in Fund Shares".

### **Statement of Securities Accounts and Holdings**

Within 10 calendar days of becoming an Investment Employee and on a quarterly basis thereafter, all Investment Employees must submit to the Preclearance Compliance Officer or his/her designee:

a listing of all accounts that may trade reportable securities in which the employee is a direct or indirect owner regardless of what, if any, securities are maintained in such accounts. Thus, for example, even if the account contains only non-proprietary funds or other Exempt securities (see Glossary) but has the capability of holding reportable securities, the account must be disclosed

a listing of all securities held in the above accounts

a listing of all securities held outside of securities accounts in which the employee presently has any direct or indirect ownership other than Exempt securities (see Glossary).

The information contained in the initial holding report must be current as of a date no more than 45 calendar days prior to becoming an Investment Employee.

The quarterly statement must be completed upon the request of the Ethics Office, and the information submitted must be current within 45 calendar days of the date the statement is submitted. The quarterly statement contains an acknowledgment that the Investment Employee has read and complied with the Policy.

Your Preclearance Compliance Officer may periodically ask for holding reports in addition to the initial and quarterly reports.

See "Restrictions on Transactions in Fund Shares" for more information regarding the reporting requirements for Proprietary Funds.

### **Exemption from Requirement to File Statement of Securities Accounts and Holdings**

Statements of accounts (initial or quarterly) need not include non-discretionary accounts, and statements of holdings (initial or quarterly) need not include securities held in non-discretionary accounts (see Glossary).

### **Preclearance for Personal Securities Transactions**

All Investment Employees must notify the Preclearance Compliance Officer in writing and receive preclearance before they engage in any purchase or sale of a security for their own accounts or in accounts in which they are an indirect owner. Investment Employees should refer to the provisions under "Ownership" on Page 28, which are applicable to these provisions.

See "Restrictions on Transactions in Fund Shares" for more information regarding the preclearance requirements for Proprietary Funds.

All requests for preclearance for a securities transaction shall be submitted by completing a Preclearance Request Form. The Preclearance Compliance Officer or his/her designee will notify the Investment Employee whether the request is approved or denied, without disclosing the reason for such approval or denial.

Notifications may be given in writing or orally by the Preclearance Compliance Officer to the Investment Employee. A record of such notification will be maintained by the Preclearance Compliance Officer. However, it shall be the responsibility of the Investment Employee to obtain a written record of the Preclearance Compliance Officer's notification within 24 hours of such notification. The Investment Employee should retain a copy of this written record for at least two years.

As there could be many reasons for preclearance being granted or denied, Investment Employees should not infer from the preclearance response anything regarding the security for which preclearance was requested.

Although making a preclearance request does not obligate an Investment Employee to do the transaction, it should be noted that:

preclearance requests should not be made for a transaction that the Investment Employee does not intend to make

the order for a transaction must be placed with the broker or other entity on the same day that preclearance authorization is received. The broker or other entity must execute the trade by the close of business on the next business day, at which time the preclearance authorization will expire

Investment Employees should not discuss with anyone else, inside or outside Mellon, the response they received to a preclearance request. If the Investment Employee is preclearing as an indirect owner of another's account, the response may be disclosed to the other owner

standard orders to trade at certain prices (sometimes called "limit", "stop-loss", "good-until-cancelled", or "standing buy/sell" orders) must be precleared, and security transactions receiving preclearance authorization must be executed before the preclearance expires. At the end of the preclearance authorization period, any unexecuted order must be canceled or a new preclearance authorization must be obtained

### **Special Standards For Preclearance of De Minimis Transactions**

Investment Employees will generally not be given clearance to execute a transaction in any security that is on the restricted list maintained by the Preclearance Compliance Officer, or for which there is a pending buy or sell order for an affiliated account (other than an index fund). The Preclearance Compliance Officer may approve certain de minimus transactions even when the firm is trading such securities. However, de minimus transactions require preclearance approval. The following transaction limits are available for this exception:

In the US,

purchase or sale of up to \$50,000 of securities of:  
the top 200 issuers on the Russell list of largest publicly traded companies  
other companies with a market capitalization of \$20 billion or higher  
purchase or sale of up to the greater of 100 shares or \$10,000 of securities:  
ranked 201 to 500 on the Russell list of largest publicly traded companies  
other companies with a market capitalization of \$5 billion or higher

In the UK,

purchase or sale of up to £30,000 of securities of:  
top 100 companies on the FTSE All Share Index  
other companies with a market capitalization of £10 billion or higher  
purchase or sale of up to the greater of 100 shares or £6 thousand of securities of:  
companies ranked 101 to 250 on the FTSE All Share Index

other companies with a market capitalization of £3 billion or higher

In Japan,

purchase or sale of up to ¥5 million of securities of:  
the top 100 companies on the TOPIX

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other companies with a market capitalization of ¥2 trillion or higher  
purchase or sale of up to \$1 million of securities:  
companies ranked 100 to 250 on the TOPIX - other companies with a market capitalization of ¥500 billion or higher

The following restrictions or conditions are imposed upon the above described transactions:

employees must cooperate with the Preclearance Compliance Officer's request to document market capitalization amounts  
approval is limited to two such trades in the securities of any one issuer in any calendar month  
short-term profit disgorgement is not waived for such transactions  
preclearance is required prior to executing the transaction

#### **Exemptions from Requirement to Preclear**

Preclearance under this section by Investment Employees is not required for the following transactions:

purchases or sales of Exempt Securities (see Glossary)  
purchase or sales of non-financial commodities (such as agricultural futures, metals, oil, gas, etc.), currency futures, financial futures  
purchases or sales of index securities (sometimes referred to as exchange traded funds), unless they are Proprietary Funds  
purchases or sales effected in accounts in which an employee has no direct or indirect influence or control over the investment decision making process ("non-discretionary accounts"). Non-discretionary accounts may only be exempted from preclearance procedures, when the Manager of the Ethics Office, after a thorough review, is satisfied that the account is truly non-discretionary to the employee (that is, the employee has given total investment discretion to an investment manager and retains no ability to influence specific trades). Standard broker accounts generally are not deemed to be non-discretionary to the employee, even if the broker is given some discretion to make investment decisions  
transactions that are involuntary on the part of an employee, such as stock dividends or sales of fractional shares; however, sales initiated by brokers to satisfy margin calls are not considered involuntary and must be precleared  
the sale of Mellon stock received upon the exercise of an employee stock option if the sale is part of a "netting of shares" or "cashless exercise" administered through the Human Resources Department

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enrollment, changes in salary withholding percentages and sales of shares held in the Mellon Employee Stock Purchase Plan (ESPP); sales of shares previously withdrawn from the ESPP do require preclearance

purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of securities, to the extent such rights were acquired from such issuer

sales of rights acquired from an issuer, as described above

sales effected pursuant to a bona fide tender offer

transactions effected pursuant to an automatic investment plan (see Glossary)

### **Gifting of Securities**

Investment Employees desiring to make a bona fide gift of securities or who receive a bona fide gift of securities, including an inheritance, do not need to preclear the transaction. However, Investment Employees must report such bona fide gifts to the Preclearance Compliance Officer or his/her designee. The report must be made within 10 calendar days of making or receiving the gift and must disclose the following information: the name of the person receiving (giving) the gift, the date of the transaction, and the name of the broker through which the transaction was effected. A bona fide gift is one where the donor does not receive anything of monetary value in return. An Investment Employee who purchases a security with the intention of making a gift must preclear the purchase transaction.

### **Ownership**

The preclearance, reporting and other provisions of the Policy apply not only to securities held in the employee's own name but also to all other securities indirectly owned by the employee (see Glossary for the definition of indirect owner). Generally you are the indirect owner of securities if you have the opportunity, directly or indirectly, to share in any profits from a transaction in those securities. This could include:

securities held by members of your family who share the same household with you

securities held by a trust in which you are a settler, trustee, or beneficiary

securities held by a partnership in which you are a general partner

securities in which any contract, arrangement, understanding or relationship gives you direct or indirect economic interest

### **Non-Mellon Employee Benefit Plans**

The provisions discussed above do not apply to transactions in an employer's securities done under a bona fide employee benefit plan of an organization not affiliated with Mellon by an employee of that organization who is a member of your immediate family (see "Indirect Ownership - Family Members" in the Glossary for the definition of "immediate family"). This

means if a Mellon employee's family member is employed at a non-Mellon company, the Mellon employee is not required to obtain approval for transactions in the employer's securities done by the family member as part of the family member's employee benefit plan.

In such situations, the family member's employer has primary responsibility for providing adequate supervision with respect to conflicts of interest and compliance with securities laws regarding trading in its own securities under its own employee benefit plans.

However, employee benefit plans that allow the employee to buy or sell securities other than those of their employer are subject to the Policy, including the preclearance and reporting provisions. Employee benefit plans that include Proprietary Funds as investment options are subject to the requirements in "Restrictions on Transactions in Fund Shares".

## **Investment Clubs and Private Investment Companies**

Certain organizations create a unique means of investing:

Investment Clubs - a membership organization where investors make joint decisions on which securities to buy or sell. The securities are generally held in the name of the investment club. Since each member of the investment club participates in the investment decision making process, each Investment Employee must obtain approval from their Preclearance Compliance Officer before participating in any investment club and must thereafter preclear and report securities transactions of the club.

Private Investment Company - an investment company (see Glossary) whose shares are not deemed to be publicly held (sometimes called "hedge funds"). Investment Employees investing in such a private investment company are not required to preclear any of the securities transactions made by the private investment company.

However, Investment Employees' investments in Private Investment Companies are considered to be private placements and approval must be received prior to investing. Employees should refer to the Private Placement provision of the Policy on Page 35 for approval requirements.

## **Restricted List**

The Preclearance Compliance Officer will maintain a list (the "Restricted List") of companies whose securities are deemed appropriate for implementation of trading restrictions for Investment Employees in his/her area. From time to time, such trading restrictions may be appropriate to protect Mellon and its Investment Employees from potential violations, or the appearance of violations, of securities laws. The inclusion of a company on the Restricted List provides no indication of the advisability of an investment in the company's securities or the existence of material nonpublic information on the company. Nevertheless, the contents of the Restricted List will be treated as confidential information to avoid unwarranted inferences.

The Preclearance Compliance Officer will retain copies of the restricted lists for six years.

## **Confidential Treatment**

The Manager of the Ethics Office and/or Preclearance Compliance Officer will use his or her best efforts to assure that requests for preclearance, personal securities transaction reports and reports of securities holdings are treated as "Personal and Confidential." However, Mellon is required by law to review, retain and, in certain circumstances, disclose such documents. Therefore, such documents will be available for inspection by appropriate regulatory agencies and by other parties within and outside Mellon as are necessary to evaluate compliance with or sanctions under the Policy or other requirements applicable to Mellon. Documents received from Investment Employees are also available for inspection by the boards of directors, trustees or managing general partners of any Mellon entity regulated by investment company laws.

## **General Restrictions**

Investment Employees who engage in transactions involving Mellon securities should be aware of their unique responsibilities with respect to such transactions arising from the employment relationship and should be sensitive to even the appearance of impropriety.

The following restrictions apply to all transactions in Mellon's publicly traded securities occurring in the employee's own account and in all other accounts over which the employee has indirect ownership. These restrictions are to be followed in addition to any restrictions that apply to particular senior officers or directors of Mellon such as restrictions under Section 16 of the Securities Exchange Act of 1934.

*Short Sales* - Short sales of Mellon securities by employees are prohibited.



*Short-Term Trading* - Investment Employees are prohibited from purchasing and selling, or from selling and purchasing Mellon securities within any 60 calendar day period. In addition to any other sanction, any profits realized on such short-term trades must be disgorged in accordance with procedures established by senior management.

*Margin Transactions* - Purchases on margin of Mellon's publicly traded securities by employees is prohibited. Margining Mellon securities in connection with a cashless exercise of an employee stock option through the Human Resource Department is exempt from this restriction. Further, Mellon securities may be used to collateralize loans for non-securities purposes or for the acquisition of securities other than those issued by Mellon.

*Option Transactions* - Option transactions involving Mellon's publicly traded securities are prohibited. Transactions under Mellon's Long-Term Incentive Plan or other employee option plans are exempt from this restriction.

*Major Mellon Events* - Employees who have knowledge of major Mellon events that have not yet been announced are prohibited from buying or selling Mellon's publicly traded securities before such public announcements, even if the employee believes the event does not constitute material nonpublic information.

### **Mellon 401(k) Plan**

Actions regarding your interest in Mellon Stock under the Mellon 401(k) Plan are treated as follows:

Elections regarding future contributions to Mellon Stock are not deemed to be transactions in Mellon Stock and therefore are not subject to preclearance and reporting requirements or to the short-term trading prohibition.

Payroll deduction contributions to Mellon Stock are deemed to be done pursuant to an automatic investment plan. They are not subject to preclearance and reporting requirements or to the short-term trading prohibition.

Movements of balances into or out of Mellon Stock are not subject to preclearance but are deemed to be purchases or sales of Mellon Stock for purposes of the short-term trading prohibition. This means employees are prohibited from increasing their existing account balance allocation to Mellon Stock and then decreasing it within 60 calendar days. Similarly, employees are prohibited from decreasing their existing account balance allocation to Mellon Stock and then increasing it within 60 calendar days. However:

any profits realized on short-term changes in Mellon Stock in the 401(k) will not have to be disgorged; and

changes to existing account balance allocations in the 401(k) plan will not be compared to transactions in Mellon securities outside the 401(k) for purposes of the short-term trading prohibition. (Note: This does not apply to members of the Executive Management Group, who should consult with the Legal Department.)

For the treatment of actions regarding Proprietary Funds under the Mellon 401(k) Plan, see "Restrictions on Transactions in Fund Shares - Mellon 401(k) Plan".

### **Mellon Employee Stock Options**

*Receipt or Exercise* of an employee stock option from Mellon is exempt from the reporting and preclearance requirements and does not constitute a purchase or sale for the purpose of the 60 calendar day prohibition.

*Sales* - The sale of the Mellon securities that were received in the exercise of an employee stock option is treated like any other sale under the Policy, regardless of how little time has elapsed between the option exercise and the sale. Thus, such sales are subject to the preclearance and reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.

### **Mellon Employee Stock Purchase Plan (ESPP)**

*Enrollment and Changing Salary Withholding Percentages* in the ESPP are exempt from preclearance and reporting requirements and do not constitute a purchase for purposes of the 60 calendar day prohibition.

*Selling Shares Held in the ESPP* - Investment employees are not required to preclear or report sales of stock held in the ESPP, including shares acquired upon reinvestment of dividends. However, sale of stock held in the ESPP is considered a sale for purposes of the 60 calendar day prohibition and will be compared to transactions in Mellon securities outside of the ESPP.

*Selling Shares Previously Withdrawn* - The sale of the Mellon securities that were received as a withdrawal from the ESPP is treated like any other sale under the Policy, regardless of how little time has elapsed between the withdrawal and the sale. Thus, such sales are subject to the preclearance and reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.

## **RESTRICTIONS ON TRANSACTIONS IN FUND SHARES**

Mellon's role as an adviser and servicer to investment funds imposes upon it special duties to preserve the integrity and credibility of the fund industry. The restrictions below apply to Investment Employees with respect to their transactions in fund shares.

### **All Funds**

Investment Employees should not knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of the fund's disclosure documents.

### **Proprietary Funds**

The following restrictions apply to transactions and holdings in investment companies or collective funds for which a Mellon subsidiary serves as an investment adviser, sub-adviser or principal underwriter (a "Proprietary Fund"). Money market funds are deemed not to be Proprietary Funds. From time to time, Mellon will publish a list of the Proprietary Funds. Employees should rely on the latest version of this list, rather than attempt to determine for themselves the identity of the Proprietary Funds.

The requirements below regarding Proprietary Funds are in addition to other requirements of this Policy and are not affected by the fact that Proprietary Funds may be exempt from those other requirements.

*Reporting* - Investment Employees must file the following reports regarding holdings and transactions in shares of Proprietary Funds:

Initial statement of holdings of Proprietary Funds. This is to be filed with the Preclearance Compliance Officer within 10 calendar days of becoming an Investment Employee, and the information in it must be current as of a date no more than 45 calendar days prior to becoming an Investment Employee. It must identify all shares of Proprietary Funds owned directly or indirectly by the Investment Employee and the accounts through which those shares are held.

Quarterly and annual statements of holdings of Proprietary Funds. These must be completed upon the request of the Ethics Office or its designee, and the information in

them must be current as of a date no more than 45 calendar days before the date the statement is submitted. They must identify all shares of Proprietary Funds owned directly or indirectly by the Investment Employee and the accounts through which those shares are held.

Quarterly statements of transactions in Proprietary Funds. These must be submitted to the Preclearance Compliance Officer no later than 10 calendar days after the end of each calendar quarter and must describe all transactions during the quarter in shares of Proprietary Funds owned directly or indirectly by the Investment Employee at any time during the quarter.

Initial and annual holdings statements need not include:

any information on holdings in non-discretionary accounts (see Glossary), or

any information included in the corresponding initial or annual holdings statement filed under the “Statement of Securities Accounts and Holdings” section of this Policy. (In other words, if you include all information on Proprietary Fund holdings in your Statement of Securities Accounts and Holdings, you need not file a separate report.)

Quarterly transactions statements need not include:

any information on transactions in non-discretionary accounts (see Glossary),

any information on transactions effected pursuant to an automatic investment plan (see Glossary),

any information included in a trade confirmation, account statement or report previously delivered to the Preclearance Compliance Officer under the “Personal Securities Transactions Reports” section of this Policy.

*Preclearance* - Investment Employees must notify their Preclearance Compliance Officer in writing and receive preclearance before they engage in any purchase or redemption of shares of Proprietary Funds for their own accounts or accounts over which they have indirect ownership (see Glossary). Preclearance is not required for:

transactions in non-discretionary accounts (see Glossary), or

transactions effected pursuant to an automatic investment plan (see Glossary).

*Holding Period* - Investment Employees’ holdings in Proprietary Funds are expected to be long-term investments, rather than the result of trading for short-term profit. Therefore, Investment Employees must not purchase and redeem, or redeem and purchase, shares of an individual Proprietary Fund within any 60 calendar day period, unless they have the prior approval of the Preclearance Compliance Officer or his/her designee. The following transactions will not be deemed to be purchases or redemptions for purposes of the 60 calendar day holding period:

transactions within non-discretionary accounts (see Glossary), or

transactions pursuant to an automatic investment plan (see Glossary).

*Material Nonpublic Information* - Investment Employees who possess material nonpublic information regarding a Proprietary Fund must not trade in shares of that Proprietary Fund or pass the information along to others, except to employees who need to know the information in order to carry out their job responsibilities with Mellon. Examples of information that could be material nonpublic information regarding a Proprietary Fund would include a change in that Proprietary Fund’s investment objective, investment adviser, sub adviser or portfolio manager (unless the portfolio manager is for a money market fund, an index fund or a model-driven fund). For general guidance on the handling of material nonpublic information, see “Protecting Confidential Information” on pages 38 - 39.

### **Mellon 401(k) Plan (Non Self-Directed Accounts)**

Investment Employees should not participate in or facilitate market timing or any other activity with respect to funds in the Mellon 401(k) Plan in violation of applicable law or the provisions of the fund's disclosure documents. In addition, Investment Employees should comply with all requirements of the 401(k) Plan regarding the timing of purchases and redemptions in certain Proprietary Funds.

Specific actions regarding Proprietary Funds under the Mellon 401(k) Plan are treated as follows:

*Elections regarding future contributions* to Proprietary Funds are not deemed to be transactions and are therefore exempt from reporting (transaction and holdings), preclearance and holding period requirements.

*Payroll deduction contributions* to Proprietary Funds are deemed to be done pursuant to an automatic investment plan. They are therefore exempt from preclearance, transaction reporting and holding period requirements but must be included in holdings reports.

*Movements of balances* into or out of Proprietary Funds are deemed to be purchases or redemptions of those Proprietary Funds for purposes of the holding period requirement but are exempt from the general preclearance requirement. (In other words, you do not need to preclear every such movement but must get prior approval from the Preclearance Compliance Officer or his/her designee if the movement is within 60 calendar days of an opposite transaction in shares of the same fund.) In lieu of transaction reporting, employees are deemed to consent to Mellon obtaining transaction information from Plan records. Such movements must be reflected in holdings reports.

For the treatment of actions regarding your Mellon Common Stock account under the Mellon 401(k) Plan, see "Restrictions on Transactions in Mellon Securities - Mellon 401(k) Plan" on page 31.

### **Mellon 401(k) Plan (Self-Directed Accounts)**

Holdings and transactions of Proprietary Funds within a Self-Directed Account in the Mellon 401(k) Plan are treated like any other Proprietary Fund. This means that the reporting,

preclearance and holding period requirements apply. For further guidance on the treatment of Proprietary Funds in a Self-Directed Account of the Mellon 401(k) Plan, refer to pages 32-33.

### **Indirect Ownership of Proprietary Funds**

Indirect interests in Proprietary Funds (such as through a spouse's 401(k) plan or other retirement plan) are subject to the preclearance, reporting (transaction and holdings) and holding period requirements. Please note that Proprietary Funds are a common investment vehicle in employee benefit plans in which your family members may participate.

## **RESTRICTIONS ON TRANSACTIONS IN OTHER SECURITIES**

Purchases or sales by an employee of the securities of issuers with which Mellon does business, or other third-party issuers, could result in liability on the part of such employee. Employees should be sensitive to even the appearance of impropriety in connection with their personal securities transactions. Employees should refer to "Ownership" on Page 28 which is applicable to the following restrictions.

The Mellon *Code of Conduct* contains certain restrictions on investments in parties that do business with Mellon. Employees should refer to the Code of Conduct and comply with such restrictions in addition to the restrictions and reporting requirements set forth below.

The following restrictions apply to all securities transactions by Investment Employees:

*Customer Transactions* - Trading for customers and Mellon accounts should always take precedence over employees' transactions for their own or related accounts.

*Excessive Trading, Naked Options* - Mellon discourages all employees from engaging in short-term or speculative trading, writing naked options, trading that could be deemed excessive or trading that could interfere with an employee's job responsibilities.

*Front Running* - Employees may not engage in "front running," that is, the purchase or sale of securities for their own or Mellon's accounts on the basis of their knowledge of Mellon's trading positions or plans or those of their customers.

*Initial Public Offerings* - Investment Employees are prohibited from acquiring securities through an allocation by the underwriter of an Initial Public Offering (IPO) without the approval of the Manager of the Ethics Office. Approval can be given only when the allocation comes through an employee of the issuer who is a direct family relation of the Investment Employee. Due to certain laws and regulations (for example, NASD rules in the US), this approval may not be available to employees of registered broker-dealers.

*Material Nonpublic Information* - Employees possessing material nonpublic information regarding any issuer of securities must refrain from purchasing or selling securities of that issuer until the information becomes public or is no longer considered material.

*Private Placements* - Investment Employees are prohibited from acquiring any security in a private placement unless they obtain the prior written approval of the Manager of the

Ethics Office, the Preclearance Compliance Officer and the Mellon Senior Management Committee Member representing the employee's line of business or department. Employees should contact the Ethics Office to initiate approval. Approval must be given by all three persons for the acquisition to be considered approved.

Private placements include certain co-operative investments in real estate, commingled investment vehicles such as hedge funds, and investments in family owned businesses. For purposes of the Policy, time-shares and cooperative investments in real estate used as a primary or secondary residence are not considered to be private placements.

After receipt of the necessary approvals and the acquisition, Investment Employees are required to disclose that investment if they participate in any subsequent consideration of credit for the issuer or of an investment in the issuer for an advised account. Final decision to acquire such securities for an advised account will be subject to independent review.

*Scalping* - Employees may not engage in "scalping", that is, the purchase or sale of securities for their clients for the purpose of affecting the value of a security owned or to be acquired by the employee or Mellon.

*Short-Term Trading* - All Investment Employees are discouraged from purchasing and selling, or from selling and purchasing, the same (or equivalent) securities within any 60 calendar day period. Any profits realized on such short-term trades must be disgorged in accordance with procedures established by senior management. Transactions that are exempt from preclearance and transactions in Proprietary Funds will not be considered purchases or sales for purposes of profit disgorgement (see "Restrictions on Transactions in Fund Shares" for a description of the separate holding period requirement for Proprietary Funds.) Investment Employees should be aware that for purposes of profit disgorgement, trading in derivatives (such as options) is deemed to be trading in the underlying security. (See Page 55 in the Glossary for an explanation of option transactions.) Therefore, certain investment strategies may be difficult to implement without being subject to profit disgorgement. Furthermore, Investment Employees should also be aware that profit disgorgement from 60 calendar day trading may be greater than the economic profit or greater than the profit reported for purposes of income tax reporting.

*Spread Betting* - Employees may not engage in "spread betting" (essentially taking bets on securities pricing to reflect market movements) or similar activities as a mechanism for avoiding the restrictions on personal securities trading arising under the provisions of the Policy. Such transactions themselves constitute transactions in securities for the purposes of the Policy and are subject to all of the provisions applicable to other non-exempted transactions.

## Prohibition on Investments in Securities of Financial Services Organizations

You are prohibited from acquiring any security issued by a financial services organization Investments in if you are:

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a member of the Mellon Senior Management Committee

employed in any of the following departments:

Corporate Strategy & Development

Legal (Mellon headquarters only)

Finance (Mellon headquarters only)

an employee specifically designated by the Manager of the Ethics Office and informed that this prohibition is applicable to you

Financial Services Organizations - The phrase “security issued by a financial services organization” includes any security issued by:

Commercial Banks other than Mellon

Financial Holding Companies (or Bank Holding Companies) other than Mellon

Insurance Companies

Investment Advisers

Shareholder Servicing Companies

Thrifts

Savings and Loan Associations

Broker-Dealers

Transfer Agents

Other Depository Institutions

The phrase “securities issued by a financial services organization” does not include Exempt Securities (see Glossary). Further, for purposes of determining whether a company is a financial services organization, subsidiaries and parent companies are treated as separate issuers.

*Effective Date* - Securities of financial services organizations properly acquired before the employee was subject to this prohibition may be maintained or disposed of at the owner’s discretion consistent with the Policy.

Any acquisition of financial service organization securities that is exempt from preclearance pursuant to the express provision of the Policy is also exempt from this prohibition. This includes (assuming full compliance with the applicable preclearance exemption):

Exempt Securities (see Glossary)

acquisition in a non-discretionary account

involuntary acquisitions

securities received as gifts

transactions effected pursuant to an automatic investment plan (see Glossary)

acquisitions through a non-Mellon employee benefit plan

Within 30 calendar days of becoming subject to this prohibition, all holdings of securities of financial services organizations must be disclosed in writing to the Ethics Office.

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## PROTECTING CONFIDENTIAL INFORMATION

As an employee you may receive information about Mellon, its customers and other parties that, for various reasons, should be treated as confidential. All employees are expected to strictly comply with measures necessary to preserve the confidentiality of information. Employees should refer to the Mellon *Code of Conduct*.

### **Insider Trading and Tipping Legal Prohibitions**

Securities laws generally prohibit the trading of securities while in possession of “material nonpublic” information regarding the issuer of those securities (insider trading). Any person who passes along material nonpublic information upon which a trade is based (tipping) may also be liable.

Information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, sell or hold securities. Obviously, information that would affect the market price of a security (price sensitive information) would be material. Examples of information that might be material include:

a proposal or agreement for a merger, acquisition or divestiture, or for the sale or purchase of substantial assets

tender offers, which are often material for the party making the tender offer as well as for the issuer of the securities for which the tender offer is made

dividend declarations or changes

extraordinary borrowings or liquidity problems

defaults under agreements or actions by creditors, customers or suppliers relating to a company’ s credit standing

earnings and other financial information, such as significant restatements, large or unusual write-offs, write-downs, profits or losses

pending discoveries or developments, such as new products, sources of materials, patents, processes, inventions or discoveries of mineral deposits

a proposal or agreement concerning a financial restructuring

a proposal to issue or redeem securities, or a development with respect to a pending issuance or redemption of securities

a significant expansion or contraction of operations

information about major contracts or increases or decreases in orders

the institution of, or a development in, litigation or a regulatory proceeding

developments regarding a company’ s senior management

information about a company received from a director of that company

information regarding a company's possible noncompliance with environmental protection laws

with respect to mutual funds, a change in a fund's investment objective, investment adviser, sub adviser, or portfolio manager (unless the portfolio manager is for a money market fund, an index fund or a model-driven fund)

This list is not exhaustive. All relevant circumstances must be considered when determining whether an item of information is material.

“Nonpublic” - Information about an issuer is nonpublic if it is not generally available to the investing public. Information received under circumstances indicating that it is not yet in general circulation and which may be attributable, directly or indirectly, to the issuer or its insiders is likely to be deemed nonpublic information.

If you obtain material nonpublic information, you may not trade related securities until you can refer to some public source to show that the information is generally available (that is, available from sources other than inside sources) and that enough time has passed to allow wide dissemination of the information. While information appearing in widely accessible sources—such as in newspapers or on the internet—becomes public very soon after publication, information appearing in less accessible sources—such as regulatory filings, may take up to several days to be deemed public. Similarly, highly complex information might take longer to become public than would information that is easily understood by the average investor.

### **Mellon's Policy**

Employees who possess material nonpublic information about an issuer of securities—whether that issuer is Mellon, another Mellon entity, a Mellon customer or supplier, a fund (whether or not it is a Proprietary Fund) or other issuer—may not trade in that issuer's securities, either for their own accounts or for any account over which they exercise investment discretion. In addition, employees may not recommend trading in those securities and may not pass the information along to others, except to employees who need to know the information in order to perform their job responsibilities with Mellon. These prohibitions remain in effect until the information has become public. For specific requirements regarding material nonpublic information relating to Proprietary Funds, see “Restrictions on Transactions in Fund Shares - Mellon Proprietary Funds - Material Nonpublic Information” on page 33.

Employees who have investment responsibilities should take appropriate steps to avoid receiving material nonpublic information. Receiving such information could create severe limitations on their ability to carry out their responsibilities to Mellon's fiduciary customers.

Employees managing the work of consultants and temporary employees who have access to the types of confidential information described in the Policy are responsible for ensuring that

consultants and temporary employees are aware of Mellon's policy and the consequences of noncompliance.

Questions regarding Mellon's policy on material nonpublic information, or specific information that might be subject to it, should be referred to the General Counsel.

### **Restrictions on the Flow of Information Within Mellon (“Securities Fire Walls”)**

As a diversified financial services organization, Mellon faces unique challenges in complying with the prohibitions on insider trading and tipping of material nonpublic information, and misuse of confidential information. This is because one Mellon unit might have material nonpublic information about an issuer while other Mellon units may have a desire, or even a fiduciary duty, to buy or sell that issuer's securities or recommend such purchases or sales to customers. To engage in such broad ranging financial services activities without violating laws or breaching Mellon's fiduciary duties, Mellon has established a “Securities Fire Wall” policy applicable to all employees. The



“Securities Fire Wall” separates the Mellon units or individuals that are likely to receive material nonpublic information (potential Insider Risk functions) from the Mellon units or individuals that either trade in securities, for Mellon’s account or for the accounts of others, or provide investment advice (Investment functions). Employees should refer to CPP 903-2(C) Securities Fire Walls.

## SPECIAL PROCEDURES FOR ACCESS DECISION MAKERS

Certain Portfolio Managers and Research Analysts in the fiduciary businesses have been designated as Access Decision Makers and are subject to additional procedures which are discussed in a separate edition of the Securities Trading Policy. If you have reason to believe that you may be an Access Decision Maker, contact your supervisor, Preclearance Compliance Officer or the Ethics Office.

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## SECTION THREE - APPLICABLE TO OTHER EMPLOYEES

### Quick Reference-Other Employees

#### **Some Things You Must Do**

If you buy or sell Mellon Financial Corporation securities you must provide a report of the trade and a copy of the trade confirmation within 10 calendar days of transaction to the Ethics Office or to your Compliance Officer. This does not apply to changes in elections under Mellon’s 401(k) Retirement Savings Plan, transactions in Mellon’s Employee Stock Purchase Plan (ESPP) or the exercise of Mellon’s employee stock options. However, the reporting provisions do apply to sales of Mellon stock previously acquired through the exercise of employee stock options or the ESPP.

Due to certain laws and regulations (for example, NASD rules in the US) there may be additional reporting requirements for Other Employees who are employees of registered broker-dealers. Check with the Manager of the Ethics Office or your Compliance Officer to determine if this impacts you.

For employees who are subject to the prohibition on new investments in financial services organizations (certain employees only - see Pages 48-49), you must instruct your broker, trust account manager or other entity where you have a securities trading account to send directly to the Manager of the Ethics Office:

trade confirmations summarizing each transaction

periodic statements

Exhibit A can be used to notify your broker or account manager.

#### **Special Approvals**

Private Placements - Acquisition of securities in a Private Placement must be approved by the Mellon Senior Management Committee Member who represents your line of business or department, the Compliance Officer and the Manager of the Ethics Office. Contact the Manager of the Ethics Office to initiate approval.

IPOs - Acquisition of securities through an allocation by the underwriter of an Initial Public Offering (IPO) is prohibited without the approval of the Manager of the Ethics Office. Approval can be given only when the allocation is the result of a direct family relationship.

## Some Things You Must Not Do

Mellon Securities - The following transactions in Mellon securities are prohibited for all Mellon employees:

short sales

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purchasing and selling or selling and purchasing within 60 calendar days  
margin purchases or options other than employee options.

### Non-Mellon Securities

new investments in financial services organizations (certain employees only - see Pages 48-49)

Other restrictions are detailed throughout Section Three. **Read the Policy!**

### **Questions?**

Contact Mellon's Ethics Office at:

Securities Trading Policy Help Line: 412-234-1661

Mellon's Ethics Help Line

Toll Free Telephone

Asia (except Japan): 001 -800-710-63562

Australia: 0011-800-710-63562

Brazil: 0800-891-3813

Europe: 00-800-710-63562

Japan: access code + 800-710-63562 (access codes are: 0061010, 001010, 0041010 or 0033010)

US and Canada: 1-888-MELLON2 (1-888-635-5662)

All other locations: call collect 412-236-7519 - Email: [ethics@mellon.com](mailto:ethics@mellon.com) - Postal Mail: P.O. Box 535026, Pittsburgh, PA 15253-5026 USA

*This page is for reference purposes only. Employees are reminded they must read the Policy and comply with its provisions.*

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## STANDARDS OF CONDUCT FOR OTHER EMPLOYEES

Every "Other Employee" must follow these procedures or risk serious sanctions, including dismissal. If you have any questions about these procedures, you should consult the Ethics Office. Interpretive issues that arise under these procedures shall be decided by, and are subject to the discretion of, the Manager of the Ethics Office.

### **Conflict of Interest**

No employee may engage in or recommend any securities transaction that places, or appears to place, his or her own interests above those of any customer to whom financial services are rendered, including mutual funds and managed accounts, or above the interests of Mellon.

## **Material Nonpublic Information**

No employee may engage in or recommend a securities transaction, for his or her own benefit or for the benefit of others, including Mellon or its customers, while in possession of material nonpublic information regarding such securities or the issuer of such securities. No employee may communicate material nonpublic information to others unless it is properly within his or her job responsibilities to do so.

## **Personal Securities Transaction Reports**

“Other Employees” must report in writing to the Ethics Office or the Compliance Officer within 10 calendar days of the transaction whenever they purchase or sell Mellon securities. Purchases and sales include optional cash purchases under Mellon’s Dividend Reinvestment and Common Stock Purchase Plan (the “Mellon DRIP”). Due to certain laws and regulations (for example, NASD rules in the US), there may be additional reporting requirements for “Other Employees” who are employees of registered broker-dealers. Contact the Manager of the Ethics Office or your Compliance Officer for guidance.

It should be noted that the reinvestment of dividends under the DRIP, changes in elections under Mellon’s 401(k) Retirement Savings Plan, the receipt of stock under Mellon’s Restricted Stock Award Plan, transactions under Mellon’s Employee Stock Purchase Plan and the receipt or exercise of options under Mellon’s employee stock option plans are not considered purchases or sales for the purpose of this reporting requirement.

## **Account Statements**

Certain “Other Employees” are subject to the restriction on investments in financial services organizations and are required to instruct their brokers and/or securities account managers to send statements directly to the Ethics Office. See Pages 48 - 49.

An example of an instruction letter to a broker or account manager is contained in Exhibit A.

## **Ownership**

The provisions of the Policy apply not only to securities held in the employee’s own name but also to all other securities indirectly owned by the employee (see Glossary for definition of indirect ownership). Generally you are the indirect owner of securities if you have the opportunity, directly or indirectly, to share in any profits from a transaction in those securities. This could include:

securities held by members of your family who share the same household with you

securities held by a trust in which you are a settler, trustee, or beneficiary

securities held by a partnership in which you are a general partner

securities in which any contract, arrangement, understanding or relationship gives you direct or indirect economic interest

## **Confidential Treatment**

The Manager of the Ethics Office and the Compliance Officer will use his or her best efforts to assure that personal securities transaction reports and reports of securities holdings are treated as “Personal and Confidential.” However, Mellon is required by law to review, retain and, in certain circumstances, disclose such documents. Therefore, such documents will be available for inspection by appropriate regulatory agencies and by other parties within and outside Mellon as are necessary to evaluate compliance with or sanctions under the Policy or other requirements applicable to Mellon.

## RESTRICTIONS ON TRANSACTIONS IN MELLON SECURITIES

### General Restrictions

Employees who engage in transactions involving Mellon securities should be aware of their unique responsibilities with respect to such transactions arising from the employment relationship and should be sensitive to even the appearance of impropriety.

The following restrictions apply to all transactions in Mellon's publicly traded securities occurring in the employee's own account and in all other accounts over which the employee has indirect ownership. These restrictions are to be followed in addition to any restrictions that apply to particular senior officers or directors of Mellon such as restrictions under Section 16 of the Securities Exchange Act of 1934.

*Short Sales* - Short sales of Mellon securities by employees are prohibited.

*Short-Term Trading* - Employees are prohibited from purchasing and selling, or from selling and purchasing, Mellon securities within any 60 calendar day period.

*Margin Transactions* - Purchases on margin of Mellon's publicly traded securities by employees is prohibited. Margining Mellon securities in connection with a cashless

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exercise of an employee stock option through the Human Resource Department is exempt from this restriction. Further, Mellon securities may be used to collateralize loans for non-securities purposes or for the acquisition of securities other than those issued by Mellon.

*Option Transactions* - Option transactions involving Mellon's publicly traded securities are prohibited. Transactions under Mellon's Long-Term Incentive Plan or other employee option plans are exempt from this restriction.

*Major Mellon Events* - Employees who have knowledge of major Mellon events that have not yet been announced are prohibited from buying or selling Mellon's publicly traded securities before such public announcements, even if the employee believes the event does not constitute material nonpublic information.

### Mellon 401(k) Plan

Actions regarding your interest in Mellon Stock under the Mellon 401(k) Plan are treated as follows:

*Elections regarding future contributions* to Mellon Stock are not deemed to be transactions in Mellon Stock and therefore are not subject to the short-term trading prohibition.

*Payroll deduction contributions* to Mellon Stock are deemed to be done pursuant to an automatic investment plan and therefore are not subject to the short-term trading prohibition.

*Movements of balances* into or out of Mellon Stock are deemed to be purchases or sales of Mellon Stock for purposes of the short-term trading prohibition. This means employees are prohibited from increasing their existing account balance allocation to Mellon Stock and then decreasing it within 60 calendar days. Similarly, employees are prohibited from decreasing their existing account balance allocation to Mellon Stock and then increasing it within 60 calendar days. However, changes to existing account balance allocations in the 401(k) plan will not be compared to transactions in Mellon securities outside the 401(k) for purposes of the short-term trading prohibition. (Note: This does not apply to members of the Executive Management Group, who should consult with the Legal Department.)

## **Mellon Employee Stock Options**

*Receipt and Exercise* of an employee stock option from Mellon is exempt from reporting requirements and does not constitute a purchase for purposes of the 60 calendar day prohibition.

*Sales* - The sale of the Mellon securities that were received in the exercise of an employee stock option is treated like any other sale under the Policy (regardless of how little time has elapsed between the option exercise and the sale). Thus, such sales are subject to the reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.

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## **Mellon Employee Stock Purchase Plan (ESPP)**

*Enrollment and Changing Salary Withholding Percentages* in the ESPP are exempt from reporting requirements and do not constitute a purchase for purposes of the 60 calendar day prohibition.

*Selling Shares Held in the ESPP* - Sales of stock held in the ESPP, including shares acquired upon reinvestment of dividends, are exempt from the reporting requirements. However, sale of stock held in the ESPP is considered a sale for purposes of the 60 calendar day prohibition and will be compared to transactions in Mellon securities outside of the ESPP.

*Selling Shares Previously Withdrawn* - The sale of the Mellon securities that were received as a withdrawal from the ESPP is treated like any other sale under the Policy, regardless of how little time has elapsed between the withdrawal and the sale. Thus, such sales are subject to the reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.

## **RESTRICTIONS ON TRANSACTIONS IN OTHER SECURITIES**

Purchases or sales by an employee of the securities of issuers with which Mellon does business, or other third-party issuers, could result in liability on the part of such employee. Employees should be sensitive to even the appearance of impropriety in connection with their personal securities transactions. Employees should refer to "Ownership" on Page 43, which is applicable to the following restrictions.

The Mellon *Code of Conduct* contains certain restrictions on investments in parties that do business with Mellon. Employees should refer to the Code of Conduct and comply with such restrictions in addition to the restrictions and reporting requirements set forth below.

The following restrictions apply to all securities transactions by employees:

*Credit, Consulting or Advisory Relationship* - Employees may not buy, hold or trade securities of a company if they are considering granting, renewing, modifying or denying any credit facility to that company, acting as a benefits consultant to that company, or acting as an adviser to that company with respect to the company's own securities without the prior permission of the Ethics Office. In addition, lending employees who have assigned responsibilities in a specific industry group are not permitted to trade securities in that industry. This prohibition does not apply to transactions in open-end mutual funds.

*Customer Transactions* - Trading for customers and Mellon accounts should always take precedence over employees' transactions for their own or related accounts.

*Excessive Trading, Naked Options* - Mellon discourages all employees from engaging in short-term or speculative trading, writing naked options, trading that could be deemed excessive or trading that could interfere with an employee's job responsibilities.

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*Front Running* - Employees may not engage in “front running,” that is, the purchase or sale of securities for their own or Mellon’s accounts on the basis of their knowledge of Mellon’s trading positions or plans or those of their customers.

*Initial Public Offerings* - Other Employees are prohibited from acquiring securities through an allocation by the underwriter of an Initial Public Offering (IPO) without the approval of the Manager of the Ethics Office. Approval can be given only when the allocation comes through an employee of the issuer who is a direct family relation of the Other Employee. Due to certain laws and regulations (for example, NASD rules in the US), this approval may not be available to employees of registered brokers-dealers.

*Material Nonpublic Information* - Employees possessing material nonpublic information regarding any issuer of securities must refrain from purchasing or selling securities of that issuer until the information becomes public or is no longer considered material.

*Private Placements* - Other Employees are prohibited from acquiring any security in a private placement unless they obtain the prior written approval of the Manager of the Ethics Office, the Compliance Officer and the Mellon Senior Management Committee Member representing the employee’s line of business or department. Employees should contact the Ethics Office to initiate approval. Approval must be given by all three persons for the acquisition to be considered approved.

Private placements include certain co-operative investments in real estate, commingled investment vehicles such as hedge funds, and investments in family owned businesses. For purposes of the Policy, time-shares and cooperative investments in real estate used as a primary or secondary residence are not considered to be private placements.

After receipt of the necessary approvals and the acquisition, “Other Employees” are required to disclose that investment if they participate in any subsequent consideration of credit for the issuer or of an investment in the issuer for an advised account. Final decision to acquire such securities for an advised account will be subject to independent review.

*Short-Term Trading* - Employees are discouraged from purchasing and selling, or from selling and purchasing, the same (or equivalent) securities within any 60 calendar day period.

*Mutual Funds* - No employee should knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of the fund’s disclosure documents.

*Spread Betting* - Employees may not engage in “spread betting” (essentially taking bets on securities pricing to reflect market movements) or similar activities as a mechanism for avoiding the restrictions on personal securities trading arising under the provisions of the Policy. Such transactions themselves constitute transactions in securities for the purposes of the Policy and are subject to all of the provisions applicable to other non-exempted transactions.

### **Prohibition on Investments in Securities of Financial Services Organizations**

You are prohibited from acquiring any security issued by a financial services organization if you are:

a member of the Mellon Senior Management Committee

employed in any of the following departments:

Corporate Strategy & Development

Legal (Mellon headquarters only)

Finance (Mellon headquarters only)

an employee specifically designated by the Manager of the Ethics Office and informed that this prohibition is applicable to you

*Securities Accounts* - All employees subject to this restriction on investments in financial services organizations are required to instruct their broker, trust account manager or other entity through which they have a securities account to submit directly to the Ethics Office copies of all

trade confirmations and statements relating to each account of which they are an owner, direct or indirect, regardless of what, if any, securities are maintained in such accounts. Thus, even if the account contains only mutual funds or other exempt securities as that term is defined by the Policy but the account has the capability to have reportable securities traded in it, the employee must arrange for duplicate account statements and trade confirmations to be sent to the Ethics Office. An example of an instruction letter to the broker is contained in Exhibit A.

*Financial Services Organizations* - The phrase “security issued by a financial services organization” includes any security issued by:

- Commercial Banks other than Mellon
- Financial Holding Companies (or Bank Holding Companies) other than Mellon
- Insurance Companies
- Investment Advisers
- Shareholder Servicing Companies
- Thrifts
- Savings and Loan Associations
- Brokers-Dealers
- Transfer Agents
- Other Depository Institutions

The phrase “securities issued by a financial services organization” does not include Exempt Securities (see Glossary). Further, for purposes of determining whether a company is a financial services organization, subsidiaries and parent companies are treated as separate issuers.

Effective Date - Securities of financial services organizations properly acquired before the employee is subject to this prohibition may be maintained or disposed of at the owner’ s discretion consistent with the Policy.

The acquisition of financial service organization securities through any of the following means is exempt from this prohibition:

- Exempt Securities (see Glossary)
- acquisition in a non-discretionary account
- involuntary acquisitions
- securities received as gifts
- transactions effected pursuant to an automatic investment plan (see Glossary)
- acquisitions through a non-Mellon employee benefit plan

Within 30 calendar days of becoming subject to this prohibition, all holdings of securities of financial services organizations must be disclosed in writing to the Manager of the Ethics Office.

## **PROTECTING CONFIDENTIAL INFORMATION**

As an employee you may receive information about Mellon, its customers and other parties that, for various reasons, should be treated as confidential. All employees are expected to strictly comply with measures necessary to preserve the confidentiality of information. Employees should refer to the Mellon Code of Conduct.

### **Insider Trading and Tipping Legal Prohibitions**

Securities laws generally prohibit the trading of securities while in possession of “material nonpublic” information regarding the issuer of those securities (insider trading). Any person who passes along material nonpublic information upon which a trade is based (tipping) may also be liable.

Information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, sell or hold securities. Obviously, information that would affect the market price (price sensitive information) of a security would be material. Examples of information that might be material include:

a proposal or agreement for a merger, acquisition or divestiture, or for the sale or purchase of substantial assets

tender offers, which are often material for the party making the tender offer as well as for the issuer of the securities for which the tender offer is made

dividend declarations or changes

extraordinary borrowings or liquidity problems

defaults under agreements or actions by creditors, customers or suppliers relating to a company’ s credit standing

earnings and other financial information, such as significant restatements, large or unusual write-offs, write-downs, profits or losses

pending discoveries or developments, such as new products, sources of materials, patents, processes, inventions or discoveries of mineral deposits

a proposal or agreement concerning a financial restructuring

a proposal to issue or redeem securities, or a development with respect to a pending issuance or redemption of securities

a significant expansion or contraction of operations

information about major contracts or increases or decreases in orders

the institution of, or a development in, litigation or a regulatory proceeding

developments regarding a company’ s senior management

information about a company received from a director of that company

information regarding a company’ s possible noncompliance with environmental protection laws

with respect to mutual funds, a change in a fund’ s investment objective, investment adviser, sub adviser, or portfolio manager (unless the portfolio manager is for a money market fund, an index fund or a model-driven fund)

This list is not exhaustive. All relevant circumstances must be considered when determining whether an item of information is material.

“Nonpublic” - Information about an issuer is nonpublic if it is not generally available to the investing public. Information received under circumstances indicating that it is not yet in general circulation and which may be attributable, directly or indirectly, to the issuer or its insiders is likely to be deemed nonpublic information.



If you obtain material nonpublic information, you may not trade related securities until you can refer to some public source to show that the information is generally available (that is, available from sources other than inside sources) and that enough time has passed to allow wide dissemination of the information. While information appearing in widely accessible sources—such as in newspapers or on the internet—becomes public very soon after publication, information appearing in less accessible sources—such as regulatory filings, may take up to several days to be deemed public. Similarly, highly complex information might take longer to become public than would information that is easily understood by the average investor.

### **Mellon's Policy**

Employees who possess material nonpublic information about an issuer of securities—whether that issuer is Mellon, another Mellon entity, a Mellon customer or supplier, a fund (whether or not it is a Proprietary Fund) or other issuer—may not trade in that issuer's securities, either for their own accounts or for any account over which they exercise investment discretion. In

addition, employees may not recommend trading in those securities and may not pass the information along to others, except to employees who need to know the information in order to perform their job responsibilities with Mellon. These prohibitions remain in effect until the information has become public.

Employees who have investment responsibilities should take appropriate steps to avoid receiving material nonpublic information. Receiving such information could create severe limitations on their ability to carry out their responsibilities to Mellon's fiduciary customers.

Employees managing the work of consultants and temporary employees who have access to the types of confidential information described in the Policy are responsible for ensuring that consultants and temporary employees are aware of Mellon's policy and the consequences of noncompliance.

Questions regarding Mellon's policy on material nonpublic information, or specific information that might be subject to it, should be referred to the General Counsel.

### **Restrictions on the Flow of Information Within Mellon ("Securities Fire Walls")**

As a diversified financial services organization, Mellon faces unique challenges in complying with the prohibitions on insider trading and tipping of material nonpublic information, and misuse of confidential information. This is because one Mellon unit might have material nonpublic information about an issuer while other Mellon units may have a desire, or even a fiduciary duty, to buy or sell that issuer's securities or recommend such purchases or sales to customers. To engage in such broad-ranging financial services activities without violating laws or breaching Mellon's fiduciary duties, Mellon has established a "Securities Fire Wall" policy applicable to all employees. The "Securities Fire Wall" separates the Mellon units or individuals that are likely to receive material nonpublic information (potential Insider Risk functions) from the Mellon units or individuals that either trade in securities, for Mellon's account or for the accounts of others, or provide investment advice (Investment functions). Employees should refer to CPP 903-2(C) Securities Fire Walls.

### **Glossary - Definitions**

**access decision maker** - A person designated as such by the Investment Ethics Committee. Generally, this will be portfolio managers and research analysts who make recommendations or decisions regarding the purchase or sale of equity, convertible debt, and non-investment grade debt securities for investment companies and other managed accounts. See further details in the Access Decision Maker edition of the Policy.

**approval** - written consent or written notice of non-objection.

**automatic investment plan** - a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. Applications to specific situations are as follows:

Dividend Reinvestment Plans (DRIPs). The automatic investment of dividends under a DRIP is deemed to be pursuant to an automatic investment plan. Optional cash purchases (that is, the right to buy additional shares through the DRIP) are not deemed to be pursuant to an automatic investment plan unless they are by payroll deduction, automatic drafting to a checking account or other means specifically included in this definition.

Payroll deductions. Deductions from payroll (Mellon or otherwise) directly into an investment account are deemed to be done pursuant to an automatic investment plan. This would include payroll deductions for contributions to 401(k) plans and other employee benefit plans.

Bank Account Drafts or Deposits. Automatic drafts from a checking or savings account directly to an investment account or automatic deposits directly from an investment account into a checking or savings account, are deemed to be made pursuant to an automatic investment plan, provided that, in either case:

there is documentation with the investment account indicating the drafts or deposits are to be executed according to an express schedule, and

at least two drafts or deposits were executed according to the schedule.

Automatic mutual fund exchange programs. Automatic exchanges of a fixed dollar amount out of one mutual fund to purchase shares of another mutual fund are deemed to be made pursuant to an automatic investment plan.

Automatic mutual fund withdrawal programs. Automatic withdrawals of a fixed dollar amount out of a mutual fund are deemed to be made pursuant to an automatic investment plan.

Asset-allocation accounts. Asset allocation accounts are investment accounts in which the investor chooses among predetermined asset-allocation models consisting of percentages of a portfolio allocated to fund categories (such as large-cap, mid-cap and small-cap equity funds, tax-free bond funds, international funds, etc). Once a model is chosen, new money is automatically invested according to the model, and the portfolio is automatically rebalanced periodically to keep it in line with the model. For purposes of this Policy, both the investment of new money into, and periodic rebalancings within, an asset-allocation account are deemed to be done pursuant to an automatic investment plan. An Investment Advisory Service account at Mellon Private Wealth Advisers is an asset-allocation account. Brokerage accounts, in which the investor has the continuing ability to direct transactions in specific securities or funds, are not asset-allocation accounts.

College Savings Plans. Many jurisdictions have college savings plans (for example, in the US these plans are referred to as "529" plans) that provide a tax-advantaged means of investing for future college expenses. These plans vary and the features of the specific plan must be analyzed to determine if it qualifies as an automatic investment plan. For example, a college savings plan could qualify as an automatic investment plan if it meets

the requirements for an asset-allocation account, bank account draft or a payroll deduction (see above).

**direct family relation** - employee's spouse, children (including stepchildren, foster children, sons-in-law and daughters-in-law), grandchildren, parents (including step-parents, mothers-in-law and fathers-in-law) grandparents, and siblings (including brothers-in-law, sisters-in-law and step brothers and sisters). Also includes adoptive relationships.

**employee** - an individual employed by Mellon Financial Corporation or its more-than-50%-owned direct or indirect subsidiaries; includes all full-time, part-time, benefited and non-benefited, exempt and non-exempt employees in all world-wide locations; generally, for purposes of the Policy, does not include consultants and contract or temporary employees.

**Ethics Office** - the group within the Audit & Risk Review Department of Mellon which is responsible for administering the ethics program at Mellon, including the Securities Trading Policy.

**Exempt Securities** - defined as:

direct obligations of the sovereign governments of the United States (US employees only) and the United Kingdom (for UK employees only). Obligations of other instrumentalities of the US and UK governments or quasi-government agencies are not exempt.

commercial paper

high-quality, short-term debt instruments having a maturity of less than 366 days at issuance and rated in one of the two highest rating categories by a nationally recognized statistical rating organization or which is unrated but of comparable quality

bankers' acceptances

bank certificates of deposit and time deposits

repurchase agreements

securities issued by open-end investment companies (i.e., mutual funds and variable capital companies) that are not Proprietary Funds

shares of money market funds (regardless of affiliation with Mellon)

fixed annuities

shares of unit trusts (provided they are invested exclusively in funds that are not Proprietary Funds)

Note: The following are not Exempt Securities (whether proprietary or not):

shares of hedge funds

shares of closed-end funds

shares of funds not registered in the US (for US employees only)

**family relation** - see direct family relation.

**General Counsel** - General Counsel of Mellon or any person to whom relevant authority is delegated by the General Counsel.

**index fund** - an investment company or managed portfolio which contains securities of an index in proportions designed to replicate the return of the index.

**indirect ownership** - The securities laws of most jurisdictions attribute ownership of securities to someone in certain circumstances, even though the securities are not held in that person's name. For example, US federal securities laws contain a concept of "beneficial ownership", and UK securities laws contain a concept of securities held by "associates" (this term includes business or domestic relationships giving rise to a "community of interest"). The definition of "indirect ownership" that follows is used to determine whether securities held other than in your name are subject to the preclearance and other provisions of the Policy. It was

designed to be consistent with various securities laws; however, there can be no assurance that attempted adherence to this definition will provide a defense under any particular law. Moreover, a determination of indirect ownership requires a detailed analysis of personal and/or financial circumstances that are subject to change. It is the responsibility of each employee to apply the definition below to his/her own circumstances. If the employee determines that he/she is not an indirect owner of an account and the Ethics Office becomes aware of the account, the employee will be responsible for justifying his/her determination. Any such determination should be based upon objective evidence (such as written documents), rather than subjective or intangible factors.

General Standard. Generally, you are the indirect owner of securities (and preclearance and other provisions of the Policy will therefore apply to those securities) if, through any contract, arrangement, understanding, relationship or otherwise, you have the opportunity, directly or indirectly, to share at any time in any profit derived from a transaction in them (a “pecuniary interest”). The following is guidance on the application of this definition to some common situations.

Family Members. You are presumed to be an indirect owner of securities held by members of your immediate family who share the same household with you. “Immediate family” means your spouse, your children (including stepchildren, foster children, sons-in-law and daughters-in-law), your grandchildren, your parents (including stepparents, mothers-in-law and fathers-in-law), your grandparents and your siblings (including

brothers-in-law, sisters-in-law and step brothers and sisters) and includes adoptive relationships. This presumption of ownership may be rebutted, but it will be difficult to do so if, with respect to the other person, you commingle any assets or share any expenses, you provide or receive any financial support, you influence investment decisions, you include them as a dependent for tax purposes or as a beneficiary under an employee benefit plan, or you are in any way financially codependent. Any attempt to disclaim indirect ownership with respect to family members who share your household must be based upon countervailing facts that you can prove in writing.

Partnerships. If you are a general partner in a general or limited partnership, you are deemed to own your proportionate share of the securities owned by the partnership. Your “proportionate share” is the greater of your share of profits or your share of capital, as evidenced by the partnership agreement. Limited partners are not deemed to be owners of partnership securities absent unusual circumstances, such as influence over investment decisions.

Shareholders of Corporations. You are not deemed to own the securities held by a corporation in which you are a shareholder unless you are a controlling shareholder or you have or share investment control over the corporation’s portfolio.

Trusts. Generally, parties to a trust will be deemed indirect owners of securities in the trust only if they have both a pecuniary interest in the trust and investment control over the trust. “Investment control” is the power to direct the disposition of the securities in the trust. Specific applications are as follows:

*Trustees:* A trustee is deemed to have investment control over the trust unless there are at least three trustees and a majority is required for action. A trustee has a pecuniary interest in the trust if (i) the trustee is also a trust beneficiary, (ii) an immediate family member of the trustee (whether or not they share the same household) is a beneficiary, or (iii) the trustee receives certain types of performance-based fees.

*Settlors:* If you are the settlor of a trust (that is, the person who puts the assets into the trust), you are an indirect owner of the trust’s assets if you have a pecuniary interest in the trust and you have or share investment control over the trust. You are deemed to have a pecuniary interest in the trust if you have the power to revoke the trust without anyone else’s consent or if members of your immediate family who share your household are beneficiaries of the trust.

*Beneficiaries.* If you or a member of your immediate family who shares your household is a beneficiary of a trust, you are deemed to have a pecuniary interest in the trust and will therefore be deemed an indirect owner of the trust’s assets if you have or share investment control over the trust.

Remainder Interests. Remainder interests are those that do not take effect until after some event that is beyond your control, such as the death of another person. Remainder interests are typically created by wills or trust instruments. You are not deemed to be an

indirect owner of securities in which you only have a remainder interest provided you have no power, directly or indirectly, to exercise or share investment control or any other interest.

*Derivative Securities.* You are the indirect owner of any security you have the right to acquire through the exercise or conversion of any option, warrant, convertible security or other derivative security, whether or not presently exercisable.

**initial public offering (IPO)** - the first offering of a company's securities to the public through an allocation by the underwriter.

**investment company** - a company that issues securities that represent an undivided interest in the net assets held by the company. Mutual funds are open-end investment companies that issue and sell redeemable securities representing an undivided interest in the net assets of the company.

**Investment Ethics Committee** - committee that has oversight responsibility for issues related to personal securities trading and investment activity by Access Decision Makers. The committee is composed of investment, legal, risk management, audit and ethics management representatives of Mellon and its affiliates. The members of the Investment Ethics Committee are determined by the Corporate Ethics Officer.

**Manager of the Ethics Office** - individual appointed by the Corporate Ethics Officer to manage the Ethics Office.

**Mellon** - Mellon Financial Corporation.

**non-discretionary account** - an account for which the employee has no direct or indirect control over the investment decision making process. Non-discretionary accounts may be exempted from preclearance and reporting procedures only if the Manager of the Ethics Office, after a thorough review, is satisfied that the account is truly non-discretionary to the employee (that is, the employee has given total investment discretion to an investment manager and retains no ability to influence specific trades). Standard broker accounts generally are not deemed to be non-discretionary to the employee, even if the broker is given some discretion to make investment decisions.

**option** - a security which gives the investor the right, but not the obligation, to buy or sell a specific security at a specified price within a specified time frame. For purposes of compliance with the Policy, any Mellon employee who buys/sells an option, is deemed to have purchased/sold the underlying security when the option was purchased/sold. Four combinations are possible as described below.

#### Call Options

If a Mellon employee buys a call option, the employee is considered to have purchased the underlying security on the date the option was purchased.

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If a Mellon employee sells a call option, the employee is considered to have sold the underlying security on the date the option was sold.

#### Put Options

If a Mellon employee buys a put option, the employee is considered to have sold the underlying security on the date the option was purchased.

If a Mellon employee sells a put option, the employee is considered to have bought the underlying security on the date the option was sold.

Below is a table describing the above:

Option Type	Transaction Type	
	Buy	Sale

Put	Sale of Underlying Security	Purchase of Underlying Security
Call	Purchase of Underlying Security	Sale of Underlying Security

**Preclearance Compliance Officer** - a person designated by the Manager of the Ethics Office and/or the Investment Ethics Committee to administer, among other things, employees' preclearance requests for a specific business unit.

**private placement** - an offering of securities that is exempt from registration under various laws and rules, such as the Securities Act of 1933 in the US and the Listing Rules in the UK. Such offerings are exempt from registration because they do not constitute a public offering. Private placements can include limited partnerships.

**Proprietary Fund** - An investment company or collective fund for which a Mellon subsidiary serves as an investment adviser, sub-adviser or principal underwriter. From time-to-time, Mellon will publish a list of the Proprietary Funds. Employees should rely on the latest version of this list rather than attempt to determine for themselves the identity of the Proprietary Funds.

**security** - any investment that represents an ownership stake or debt stake in a company, partnership, governmental unit, business or other enterprise. It includes stocks, bonds, notes, evidences of indebtedness, certificates of participation in any profit-sharing agreement, collateral trust certificates and certificates of deposit for securities. It also includes many types of puts, calls, straddles and options on any security or group of securities; fractional undivided interests in oil, gas, or other mineral rights; and investment contracts, variable life insurance policies and variable annuities whose cash values or benefits are tied to the performance of an investment account. It does not include currencies. Unless expressly exempt, all securities transactions are covered under the provisions of the Policy (see definition of Exempt securities).

**securities fire wall** - procedures designed to restrict the flow of information within Mellon from units or individuals who are likely to receive material nonpublic information to units or individuals who trade in securities or provide investment advice.

**Senior Management Committee** - the Senior Management Committee of Mellon Financial Corporation.

**short sale** - the sale of a security that is not owned by the seller at the time of the trade.

**Exhibit A - Sample Instruction Letter to Broker**

Date

Broker ABC

Street Address

City, State ZIP

Re: John Smith

Account No. xxxxxxxxxxxx

To whom it may concern:

In connection with my existing brokerage account(s) with your firm, please be advised that my employer should be noted as an "Interested Party" with respect to my account(s). They should, therefore, be sent copies of all trade confirmations and account statements relating to my account on a regular basis.

Please send the requested documentation ensuring the account holder' s name appears on all correspondence to:

Manager of the Ethics Office  
Mellon Financial Corporation  
PO Box 3130  
Pittsburgh, PA 15230-3130

Thank you for your cooperation in this request.

Sincerely yours,

Employee

cc: Manager of the Ethics Office (153-3300)

**Securities Trading Policy****Access Decision Maker Edition****May 2005**

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Dear Employee:

The highest standards of ethical business practices and unwavering loyalty to our customers have been the cornerstones of our culture since Mellon was founded in 1869. Our Shared Values - Integrity, Teamwork and Excellence - are our guiding principles and underscore our commitment to conduct Mellon's business honorably at all times.

Building a reputation of integrity in business takes the hard work of many people over many years. But reputations are fragile. As recent events in our industry have illustrated, we can never let down our guard. Every Mellon employee must accept personal responsibility for our good reputation and must work each day to maintain it.

One area of particular importance is the continued emphasis we place on ensuring that our personal investments are free from conflicts of interest and in full compliance with the laws and regulations of all jurisdictions in which Mellon does business. This matter is important to our clients, shareholders and the regulatory community, and it is fundamentally important to the maintenance of Mellon's reputation.

Mellon's role as an adviser and servicer in the investment industry carries with it special responsibilities for each of us to preserve the integrity and credibility of the industry in which we work. To respond to new regulations and satisfy our desire to demonstrate to all stakeholders our commitment to the highest ethical business standards, the Securities Trading Policy has recently been revised.

I urge you to take the time to fully understand the policy and consult it whenever you are unsure about appropriate activity regarding your investments. We are all responsible for following the procedures and respecting the limitations placed on our personal investments as described in the Securities Trading Policy.

The Securities Trading Policy and our Code of Conduct are designed to protect our hard earned reputation for integrity by requiring that we avoid even the appearance of impropriety in our business activities. Ensuring that our personal investments are free from conflict and as transparent as our Securities Trading Policy requires is an important step in protecting that reputation.

Sincerely yours,

Marry McGuinn  
Chairman and Chief Executive Officer

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***Quick Reference - Access Decision Makers*****Some Things You Must Do**

Statement of Accounts and Holdings - Provide to the Preclearance Compliance Officer or his/her designee a statement of all securities and Proprietary Fund accounts and holdings within 10 calendar days of becoming an ADM and again annually on request. In addition, provide to



the Preclearance Compliance Officer or his/her designee within 30 calendar days after every quarter-end thereafter a report for requested securities holdings.

Duplicate Statements & Confirmations - Instruct your broker, trust account manager or other entity through which you have a securities or Proprietary Fund trading account to send directly to the Preclearance Compliance Officer or his/her designee:

trade confirmations summarizing each transaction

periodic statements

Exhibit A can be used to notify such entities. Contact the Preclearance Compliance Officer for the correct address. This applies to all accounts in which you have direct or indirect ownership (see Glossary).

Quarterly Transaction Statements - Provide to the Preclearance Compliance Officer or his/her designee within 10 calendar days after the end of each quarter a statement of securities or Proprietary Funds transactions not covered by filed confirmations from brokers or other entities.

Preclearance - Before initiating a transaction in securities or Proprietary Funds, written preclearance must be obtained from the Preclearance Compliance Officer. Contact the Preclearance Compliance Officer for applicable approval procedures.

If preclearance approval is received, the trade must be communicated to the broker or other entity on the same day and executed before the end of the next business day, at which time the preclearance approval will expire.

Proprietary Funds - Trading a Proprietary Fund within 60 calendar days of a previous trade in the opposite direction is prohibited without prior approval of the Preclearance Compliance Officer.

Private Placements - Acquisition of securities in a Private Placement must be precleared by the IEC. Prior holdings must be approved by the IEC within 90 calendar days of becoming an ADM. To initiate preclearance or approval, contact the Ethics Office.

IPOs - Acquisition of securities through an allocation by the underwriter of an Initial Public Offering (IPO) is prohibited without the approval of the Manager of the Ethics Office. Approval can be given only when the allocation is the result of a direct family relationship.

Contemporaneous Disclosure - ADMs must obtain written authorization from the ADM's Chief Investment Officer (CIO) or other Investment Ethics Committee (IEC) designee prior to making or acting upon a portfolio recommendation in a security which they own directly or indirectly. Contact the Preclearance Compliance Officer for available forms.

ADM Quarterly Report - Provide to the Preclearance

Compliance Officer or his/her designee within 30 calendar days of each quarter end the ADM Quarterly Report which includes information on:

personal holdings that you recommend for client portfolios

private placements

micro-cap holdings

Micro-Cap Securities - Unless approved by the IEC, Micro-Cap ADMs (MCADMs) are prohibited from purchasing any security of an issuer with low common equity market capitalization (at the time of acquisition). Securities with the following market caps are subject to this prohibition:

in the US, \$100 million or less

in the UK, £ 60 million or less

in Japan, ¥10 billion or less

Prior holding of such securities must be approved by the CIO.

MCADMs must obtain, on their Preclearance Request Form, the written authorization of their immediate supervisor and their CIO prior to trading any security of an issuer with low common equity market capitalization. Securities with the following market caps are subject to this requirement:

in the US, more than \$100 million but less than or equal to \$250 million

in the UK, more than £60 million but less than or equal to £150 million

in Japan, more than ¥10 billion but less than or equal to ¥20 billion

### **Some Things You Must Not Do**

Mellon Securities - The following transactions in Mellon securities are prohibited for all Mellon employees:

short sales

purchasing and selling or selling and purchasing within 60 calendar days

margin purchases or options other than employee options

### **Non-Mellon Securities**

portfolio Managers are prohibited from purchasing or selling the same or equivalent security 7 calendar days before or after a fund or other advised account transaction

for all ADMs, purchasing and selling or selling and purchasing the same or equivalent security within 60 calendar days is discouraged, and any profits must be disgorged

new investments in financial services organizations are prohibited for certain employees- see Page 22

### **Exemptions**

Preclearance is NOT required for:

transactions in Exempt Securities (see Glossary)

transactions in non-financial commodities (such as agricultural futures, metals, oil, gas, etc.), currency futures, financial futures

transactions in index securities (does not include Proprietary Funds)

transactions in approved accounts in which the employee has no direct or indirect influence or control over the investment decision making process

involuntary transactions on the part of an employee (such as stock dividends or sales of fractional shares)

enrollment, changes in salary withholding percentages and sales of shares held in Mellon' s Employee Stock Purchase Plan (ESPP); sales of shares previously withdrawn from the ESPP do require preclearance

receipt and exercise of an employee stock option administered through Human Resources

transactions done pursuant to an automatic investment plan (see Glossary)

sales pursuant to a bona fide tender offer and sales or exercises of "rights" (see Page 12)

## **Questions?**

Contact Mellon' s Ethics Office at:

The Securities Trading Policy Help Line: 1-412-234-1661

Mellon' s Ethics Help Line (see page 3 to obtain contact information)

*This page is for reference purposes only. Employees are reminded they must read the Policy and comply with its provisions.*

## ***Introduction***

*The Securities Trading Policy* (the "Policy") is designed to reinforce Mellon Financial Corporation' s ("Mellon' s") reputation for integrity by avoiding even the appearance of impropriety in the conduct of Mellon' s business. The Policy sets forth procedures and limitations which govern the personal securities transactions of every Mellon employee.

Mellon and its employees are subject to certain laws and regulations governing personal securities trading, including the securities laws of various jurisdictions. Mellon expects its employees to adhere to such laws and has developed the Policy to promote the highest standards of behavior and ensure compliance with applicable laws.

This Policy covers the personal trading activities of all employees in their own accounts and in accounts in which they have indirect ownership. While employees should consult the Glossary for a complete definition of the terms "security" and "indirect ownership", in general they mean:

*security* - any investment that represents an ownership stake or debt stake in a company or government. While the Policy provides for exemptions for certain securities, if not expressly exempt in the Policy, all securities are covered (see Glossary for definition of Exempt securities)

*indirect ownership* - you are presumed to have indirect ownership of accounts held by members of your family with whom you share a household. This includes your spouse, your children, and any other family members in your home. Generally, you are deemed to be the indirect owner of securities if you have the opportunity to directly or indirectly share, at any time, in profits derived from transactions in such securities

Employees should be aware that they may be held personally liable for any improper or illegal acts committed during the course of their employment and that “ignorance of the law” is not a defense. Employees may be subject to civil penalties such as fines, regulatory sanctions including suspensions, as well as criminal penalties.

The provisions of the Policy have worldwide applicability and cover trading in any part of the world. Employees are also subject to applicable laws of jurisdictions in those countries in which they conduct business. To the extent any particular portion of the Policy is inconsistent with, or in particular less restrictive than such laws, employees should consult the General Counsel or the Manager of the Ethics Office.

The Policy may be amended and any provision waived or exempted only at the discretion of the Manager of the Ethics Office. Any such waiver or exemption will be evidenced in writing and maintained in the Ethics Office.

Employees must read the Policy and must comply with it - in this regard, employees should comply with the spirit of the Policy as well as the strict letter of its provisions. Failure to comply with the Policy may result in the imposition of serious sanctions, including but not limited to disgorgement of profits, cancellation of trades, selling of positions, dismissal, substantial personal liability and referral to law enforcement agencies or other regulatory agencies. Known violations of the Policy must be reported to the Ethics Office or to Ethics Point®, a 3rd party hotline provider. Either the Mellon Ethics Help Line or the Ethics Points Report Line (see page 3)

may be used for this purpose. Any questions regarding the Policy should be referred to the Manager of the Ethics Office or his/her designee.

Employees must also comply with Mellon’ s *Code of Conduct*, which addresses compliance with laws, conflicts of interest, respecting confidential information and other ethical issues.

Mellon will provide all employees with copies of the Policy and all amendments. This may be through on-line access. Periodically, you will be required to acknowledge your receipt of the Policy and any amendments. This may be through on-line certification.

Mellon wants to hear from you. If you have a question about the Policy, Code of Conduct or related Corporate Policies, or if you want to report a concern regarding ethical business conduct, please contact Mellon’ s Ethics Help Line. This line is answered by Mellon’ s Ethics Office staff and all contacts may be anonymous.

**You can contact Mellon’ s Ethics Help Line by:**

**Telephone:**

Asia (except Japan): 001-800-710-63562

Australia: 0011-800-710-63562

Brazil: 0800-891-3813

Europe: 00-800-710-63562

Japan: appropriate international access code + 800-710-63562 (Access codes are: 0061010, 001010, 0041010 or 0033010)

United States and Canada: 1-888-MELLON2 (1-888-635-5662)

All other locations: call collect to 412-236-7519

**Email:** [ethics@mellon.com](mailto:ethics@mellon.com)

**Mail:** P.O. Box 535026 Pittsburgh, PA 15253-5026 - USA

If, however you are uncomfortable contacting Mellon directly, you can contact EthicsPoint®, an independent hotline provider as an alternative channel to raise your concerns. All contacts can be anonymous.

**You can contact the EthicsPoint® Report Line by:**

**Telephone:**

*NOTE: Dial the AT&T Direct Access Number assigned to your carrier (if one is needed). Then, at the voice prompt or AT&T Operator request, enter the toll free EthicsPoint® Report Line number. There is no need to dial a "1" before the toll-free number outside the US and Canada.*

EthicsPoint® Report Line number: 866-294-4696

*AT&T Direct Access Numbers:*

Australia: (carrier Telstra) 1-800-881-011; (carrier: Optus) 1-800-551-155

Brazil: 0-800-890-0288

Canada: No Direct Access Code needed

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Hong Kong: (carrier: Hong Kong Telephone) 800-96-1111; (carrier: New World Telephone) 800-93-2266

India: 000-117

Ireland: 1-800-550-000; (Universal International Freephone Number) 00-800-222-55288

Japan: (carrier: IDC) 00 665-5111; (carrier: JT) 00 441-1111; (carrier: KDDI) 00 539-111

Singapore: (carrier: Sing Tel) 800-011-1111; (carrier: StarHub) 800-001-0001

United Kingdom: (carrier: British Telecom) 0-800-89-0011; (carrier: C&W) 0-500-89-0011; (carrier: NTL) 0-800-013-0011

United States: No Direct Access Code needed

**Web:**

File a Report online using the EthicsPoint® Report Line (this web page is hosted on EthicsPoint' s secure servers and is not part of the Mellon web site or intranet).

Visit EthicsPoint® at <http://www.ethicspoint.com>

**Mail:** EthicsPoint®, Inc, 13221 SW 68th Parkway, Suite 120 Portland, OR 97223 USA

**Special Edition**

This edition of the Policy has been prepared especially for Access Decision Makers. If you believe you are not an Access Decision Maker, please contact your supervisor, Preclearance Compliance Officer, the Manager of the Ethics Office or access Mellon's Intranet to obtain the general edition of the Policy.

## **Purpose**

It is imperative that Mellon and its affiliates avoid even the appearance of a conflict between the personal securities trading of its employees and its fiduciary duties to investment companies and managed account clients. Potential conflicts of interest are most acute with respect to personal securities trading by those employees most responsible for directing managed fund and account trades: portfolio managers and research analysts. To avoid even the appearance of impropriety, an Investment Ethics Committee has been formed. The Committee, in turn, has established the following practices which apply to Access Decision Makers. These practices do not limit the authority of any Mellon affiliate to impose additional restrictions or limitations.

## ***Classification of Employees***

Employees are engaged in a wide variety of activities for Mellon. In light of the nature of their activities and the impact of various laws and regulations, the Policy imposes different requirements and limitations on employees based on the nature of their activities for Mellon. To assist the employees who are portfolio managers and research analysts in complying with the requirements and limitations imposed on them in light of their activities, such employees are classified into one or both of the following categories:

Access Decision Maker

Micro-Cap Access Decision Maker

Appropriate requirements and limitations are specified in the Policy based upon the employee's classification. The Investment Ethics Committee will determine and designate the classification of each employee based on the following guidelines.

### **Access Decision Maker (ADM)**

Generally this will be portfolio managers and research analysts who make recommendations or decisions regarding the purchase or sale of equity, convertible debt, and non-investment grade debt securities for mutual funds and other managed accounts. Neither traders nor portfolio managers of funds which are limited to replicating an index are ADMs.

### **Micro-Cap Access Decision Maker (MCADM)**

Generally this will be ADMs who make recommendations or decisions regarding the purchase or sale of any security of an issuer with a low common equity market capitalization. In the US, the market cap is equal to or less than \$250 million, in the UK the market cap is equal to or less than £150 million and in Japan the market cap is equal to or less than 420 billion. MCADMs are also ADMs.

### **Consultants, Independent Contractors and Temporary Employees**

Managers should inform consultants, independent contractors and temporary employees of the general provisions of the Policy (such as the prohibition on trading while in possession of material nonpublic information). Whether or not a consultant, independent contractor or temporary employee will be required to preclear trades or report their personal securities holdings will be determined on a case-by-case basis.

If one of these persons would be considered an ADM if he/she were a Mellon employee, the person's manager should advise the Manager of the Ethics Office who will determine whether such individual should be subject to the preclearance and reporting requirements of the Policy.

## **THE INVESTMENT ETHICS COMMITTEE (IEC)**

The IEC is composed of investment, legal, risk management, audit and ethics management representatives of Mellon and its affiliates. The chief executive officer, senior investment officer and the Preclearance Compliance Officer at each Mellon investment affiliate, working together, will be designees of the IEC. The IEC will meet periodically to review the actions taken by its designees and to consider issues related to personal securities trading and investment activity by ADMs.

### ***Personal Securities Trading Practices-Access Decision Makers***

## **STANDARDS OF CONDUCT FOR ACCESS DECISION MAKERS**

Because of their unique responsibilities, ADMs are subject to preclearance and personal securities reporting requirements, as discussed below.

Every ADM must follow these procedures or risk serious sanctions, including dismissal. If you have any questions about these procedures, you should consult the Ethics Office or the Preclearance Compliance Officer. Interpretive issues that arise under these procedures shall be decided by, and are subject to the discretion of, the Manager of the Ethics Office.

### **Conflict of Interest**

No employee may engage in or recommend any securities transaction that places, or appears to place, his or her own interests above those of any customer to whom financial services are rendered, including mutual funds and managed accounts, or above the interests of Mellon.

### **Material Nonpublic Information**

No employee may divulge the current portfolio positions, or current or anticipated portfolio transactions, programs or studies, of Mellon or any Mellon customer to anyone unless it is properly within his or her job responsibilities to do so.

No employee may engage in or recommend a securities transaction, for his or her own benefit or for the benefit of others, including Mellon or its customers, while in possession of material nonpublic information regarding such securities or the issuer of such securities. No employee may communicate material nonpublic information to others unless it is properly within his or her job responsibilities to do so.

### **Fiduciary Duties**

Mellon and its employees owe fiduciary duties to certain clients. Every ADM must be mindful of these fiduciary duties, must use his or her best efforts to fulfill them and must promptly report to their Preclearance Compliance Officer any failure by any Mellon employee to fulfill them.

### **Legal Compliance**

In carrying out their job responsibilities, ADMs must, at a minimum, comply with all applicable legal requirements, including applicable securities laws.

## Personal Securities Transaction Reports

*Statements & Confirmations* - All ADMs are required to instruct their broker, trust account manager or other entity through which they have a securities or Proprietary Fund account to submit directly to the Preclearance Compliance Officer or his/her designee, copies of all trade confirmations and statements relating to each account of which they are an owner (direct or indirect) regardless of what, if any, securities are maintained in such accounts. Thus, even if the account contains only non-proprietary funds or other Exempt Securities as that term is defined by the Policy, but the account has the capability to have reportable securities traded in it, the ADM must arrange for duplicate account statements and trade confirmations to be sent to the Preclearance Compliance Officer or his/her designee. Exhibit A is an example of an instruction

letter to such entities. Duplicate confirmations and statements need not be submitted for non-discretionary accounts (see Glossary).

Other securities transactions which were not completed through an account, such as gifts, inheritances, spin-offs from securities held in outside accounts, transactions through employee benefit plans or transactions through variable annuities, must be reported to the Preclearance Compliance Officer or his/her designee within 10 calendar days after the end of the calendar quarter in which the transaction occurs. These quarterly statements need not be filed for:

any transaction effected in a non-discretionary account (see Glossary),

any transaction in Exempt Securities (see Glossary),

any transaction effected pursuant to an automatic investment plan (see Glossary), or

any transaction to the extent information on the transaction is already included in a brokerage confirmation or statement previously delivered to the Preclearance Compliance Officer or his/her designee in compliance with the above requirements.

See "Restrictions on Transactions in Fund Shares" for reporting requirements for Proprietary Funds.

### Statement of Securities Accounts and Holdings

Within 10 calendar days of becoming an ADM and on a quarterly basis thereafter, all ADMs must submit to the Preclearance Compliance Officer or his/her designee:

a listing of all accounts that may trade reportable securities in which the employee is a direct or indirect owner regardless of what, if any, securities are maintained in such accounts. Thus, for example, even if the account contains only non-proprietary mutual funds or other Exempt Securities (see Glossary) but has the capability of holding reportable securities, the account must be disclosed

a listing of all securities held in the above accounts

a listing of all securities held outside of securities trading accounts in which the employee presently has any direct or indirect ownership other than Exempt securities (see Glossary)

The information contained in the initial holdings report must be current as of a date no more than 45 calendar days prior to becoming an ADM.

The quarterly holdings report must be completed upon the request of the Ethics Office, and the information submitted must be current within 45 calendar days of the date the report is submitted. The quarterly holdings report contains an acknowledgment that the ADM has read and complied with the Policy.



Your Preclearance Compliance Officer may periodically ask for holding reports in addition to the initial and quarterly reports.

See “Restrictions on Transactions in Fund Shares” for reporting requirements for Proprietary Funds.

### **Exemption from Requirement to File Statement of Securities Account and Holdings**

Statements of accounts (initial or quarterly) need not include non-discretionary accounts, and statements of holdings (initial or quarterly) need not include securities held in non-discretionary accounts (see Glossary).

### **ADM Quarterly Report**

ADMs are required to submit quarterly to the Preclearance Compliance Officer or his/her designee the ADM Quarterly Report. This report must be submitted within 30 calendar days of each quarter end and includes information on:

securities directly or indirectly owned at any time during the quarter which were also either recommended for a transaction or in the portfolio managed by the ADM during the quarter

positions obtained in private placements

securities of issuers owned directly or indirectly at any time during the quarter which at the time of acquisition or at the date designated by the Preclearance Compliance Officer (whichever is later) had a market capitalization that was equal to or less than: - in the US, \$250 million - in the UK, £150 million - in Japan, 4420 billion

securities transactions which were not completed through a securities account, such as gifts, inheritances, spin-offs from securities held outside securities accounts, or other transfers

A form for making this report can be obtained from the Preclearance Compliance Officer or from the Securities Trading Policy website on Mellon’s intranet.

This report need not include securities held in non-discretionary accounts. (See Glossary)

### **Preclearance for Personal Securities Transactions**

All ADMs must notify the Preclearance Compliance Officer in writing and receive preclearance before they engage in any purchase or sale of a security for their own accounts or in accounts in which they are an indirect owner. ADMs should refer to the provisions under “Ownership” on Page 13, which are applicable to these provisions.

See “Restrictions on Transactions in Fund Shares” for more information regarding the preclearance requirements for Proprietary Funds.

All requests for preclearance for a securities transaction shall be submitted by completing a Preclearance Request Form.

The Preclearance Compliance Officer will notify the ADM whether the request is approved or denied, without disclosing the reason for such approval or denial.

Notifications may be given in writing or orally by the Preclearance Compliance Officer to the ADM. A record of such notification will be maintained by the Preclearance Compliance Officer. However, it shall be the responsibility of the ADM to obtain a written record of the Preclearance Compliance Officer’s notification within 24 hours of such notification. The ADM should retain a copy of this written record for at least two years.

As there could be many reasons for preclearance being granted or denied, ADMs should not infer from the preclearance response anything regarding the security for which preclearance was requested.

Although making a preclearance request does not obligate an ADM to do the transaction, it should be noted that:

preclearance requests should not be made for a transaction that the ADM does not intend to make

the order for a transaction must be placed with the broker or other entity on the same day that preclearance authorization is received. The broker or other entity must execute the trade by the close of business on the next business day, at which time the preclearance authorization will expire

ADMs should not discuss with anyone else, inside or outside Mellon, the response they received to a preclearance request. If the ADM is preclearing as an indirect owner of another's account, the response may be disclosed to the other owner

standard orders to trade at certain prices (sometimes called "limit", "stop-loss", "good-until-cancelled", or "standing buy/sell" orders) must be precleared, and security transactions receiving preclearance authorization must be executed before the preclearance expires. At the end of the preclearance authorization period, any unexecuted order must be canceled or a new preclearance authorization must be obtained

### **Special Standards for De Minimis Transactions**

ADMs will generally not be given clearance to execute a transaction in any security that is on the restricted list maintained by the Preclearance Compliance Officer or for which there is a pending buy or sell order for an affiliated account (other than an index fund). The Preclearance Compliance Officer may approve certain de minimus transactions even when the firm is trading such securities. However, de minimus transactions require preclearance approval. The following transaction limits are available for this exemption:

in the US, transactions in the amount of \$10,000 or 100 shares, whichever is greater, of the top 500 issuers on the Russell List of largest publicly traded companies or other companies with a market capitalization of \$5 billion or higher

in the UK, transactions in the amount of £6 thousand or 100 shares, whichever is greater, of companies ranked in the top 100 of the FTSE All Share Index or other companies with a market capitalization of £3 billion or higher

In Japan, transactions in the amount of 41 million of companies ranked in the top 100 of the TOPIX or other companies with a market capitalization of ¥500 billion or higher

The following restrictions or conditions are imposed upon the above described transactions:

employees must cooperate with the Preclearance Compliance Officer's request to document market capitalization amounts

approval is limited to two such trades in the securities of any one issuer in any calendar month

short-term profit disgorgement is not waived for such transactions

preclearance is required prior to executing the transaction

## Special Rules for MCADMs

ADMs who are designated as MCADMs have additional restrictions when voluntarily acquiring, both directly and indirectly, securities of issuers with low common equity market capitalization. The thresholds for these restrictions are:

in the US, securities with a market cap equal to or less than \$250 million

in the UK, securities with a market cap equal to or less than £150 million

in Japan, securities with a market cap equal to or less than \*20 billion

Newly designated MCADMs must obtain CIO/CEO authorization to continue holding such securities. The MCADM must indicate on their next ADM Quarterly Report that approval to continue holding such securities has not yet been received. The Preclearance Compliance Officer will then request appropriate approvals.

MCADMs are prohibited from voluntarily acquiring the following securities without express written approval from the Investment Ethics Committee:

in the US, securities with a market cap of \$100 million or less

in the UK, securities with a market cap of £60 million or less

in Japan, securities with a market cap of \*10 billion or less

Involuntary acquisitions of such securities (such as those acquired through inheritance, gift or spin-off) must be disclosed in a memo to the Preclearance Compliance Officer within 10 calendar days of the involuntary acquisition. This memo must be attached to the next ADM Quarterly Report filed by the MCADM.

MCADMs must obtain written approval, on the Preclearance Request Form, from both their immediate supervisor and their Chief Investment Officer before voluntarily buying or selling the following:

in the US, securities with a market cap of more than \$100 million but less than or equal to \$250 million

in the UK, securities with a market cap of more than £60 million but less than or equal to £150 million

in Japan, securities with a market cap of more than \*10 billion but less than or equal to ¥20 billion

## Contemporaneous Disclosure

ADMs must obtain written authorization prior to making or acting upon a portfolio recommendation (including recommendations to “hold”) in a security which they own directly or indirectly. This authorization must be obtained from the ADM’ s CIO, CEO or other IEC designee prior to the first such portfolio recommendation or transaction in a particular security in a calendar month.

Note: The purpose of this authorization is to confirm that the portfolio recommendation or transaction is not for the purpose of affecting the value of a personal securities holding. Under no circumstances should a portfolio recommendation or transaction be affected by its impact on personal securities holdings or by the requirement for contemporaneous disclosure. The ADM’ s

fiduciary duty to make portfolio recommendations and trades solely in the best interest of the client should always be of paramount importance.

The following personal securities holdings are exempt from the requirement to obtain written authorization preceding a portfolio recommendation or transaction:

Exempt securities (see Glossary)

securities held in accounts over which the ADM has no investment discretion, which are professionally managed by a non-family member, and where the ADM has no actual knowledge that such account is currently holding the same or equivalent security at the time of the portfolio recommendation or transaction

personal holdings of equity securities of the following:

in the US, the top 200 issuers on the Russell list of largest publicly traded companies and other companies with a market capitalization of \$20 billion or higher

in the UK, the top 100 companies on the FTSE All Share Index and other companies with a market capitalization of £10 billion or higher

in Japan, the top 100 companies of the TOPIX and other companies with a market capitalization of ¥2 trillion

personal holdings of debt securities which do not have a conversion feature and are rated investment grade or better by a nationally recognized statistical rating organization or unrated but of comparable quality

personal holdings of ADMs who are index fund managers and who have no investment discretion in replicating an index

personal holdings of Portfolio Managers in Mellon Private Wealth Management if the Portfolio Manager exactly replicates the model or clone portfolio. A disclosure form is required if the Portfolio Manager recommends securities which are not in the clone or model portfolio or recommends a model or clone security in a different percentage than model or clone amounts. Disclosure forms are also required when the Portfolio Manager recommends individual securities to clients, even if Mellon shares control of the investment process with other parties

If a personal securities holding does not fall under one of these exemptions, the ADM must complete and forward a disclosure form for authorization by the CIO or designee, prior to the first recommendation or transaction in the security in the current calendar month. Disclosure forms for subsequent transactions in the same security are not required for the remainder of the calendar month so long as purchases (or sales) in all portfolios do not exceed the maximum number of shares, options, or bonds disclosed on the disclosure form. If the ADM seeks to effect a transaction or makes a recommendation in a direction opposite to the most recent disclosure form, a new disclosure form must be completed prior to the transaction or recommendation.

Once the CIO authorization is obtained, the ADM may make the recommendation or trade the security in the managed portfolio without the Preclearance Compliance Officer's signature. However, the ADM must deliver the authorization form to the Preclearance Compliance Officer on the day of the CIO's authorization. The Preclearance Compliance Officer will forward a copy of the completed form for the ADM's files. The ADM is responsible for following-up with the

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Preclearance Compliance Officer in the event a completed form is not returned to the ADM within 5 business days. It is recommended that the ADM retain completed forms for two years.

A listing of Investment Ethics Committee designees and the personal securities disclosure forms are available on the Mellon intranet, or can be obtained from your Preclearance Compliance Officer.

## **7-Day Blackout Policy**

Portfolio managers (except index fund managers) are prohibited from buying or selling a security within 7 calendar days before and after their investment company or managed account has effected a transaction in that security. In addition to other appropriate sanctions, if such ADMs effect such personal transactions during that period, these individuals must disgorge any and all profit realized from such transactions, in accordance with procedures established by the Investment Ethics Committee, except that the following transactions will not be subject to disgorgement:

in the US, transactions in the amount of \$10,000 or 100 shares, whichever is greater, of the top 500 issuers on the Russell List of largest publicly traded companies or other companies with a market capitalization of \$5 billion or higher

in the UK, transactions in the amount of £6 thousand or 100 shares, whichever is greater, of companies ranked in the top 100 of the FTSE All Share Index or other companies with a market capitalization of £3 billion or higher

in Japan, transactions in the amount of ¥1 million of companies ranked in the top 100 of the TOPIX or other companies with a market capitalization of ¥500 billion or higher

## **Exemptions from Requirement to Preclear**

Preclearance under this section by ADMs is not required for the following transactions:

purchases or sales of Exempt Securities (see Glossary)

purchase or sales of non-financial commodities (such as agricultural futures, metals, oil, gas, etc.), currency futures, financial futures

purchases or sales of index securities (sometimes referred to as exchange traded funds), unless they are Proprietary Funds

purchases or sales effected in accounts in which an employee has no direct or indirect influence or control over the investment decision making process (“nondiscretionary accounts”). Non-discretionary accounts may only be exempted from preclearance procedures, when the Manager of the Ethics Office, after a thorough review, is satisfied that the account is truly non-discretionary to the employee (that is, the employee has given total investment discretion to an investment manager and retains no ability to influence specific trades). Standard broker accounts generally are not deemed to be non-discretionary to the employee, even if the broker is given some discretion to make investment decisions

transactions that are involuntary on the part of an employee, such as stock dividends or sales of fractional shares; however, sales initiated by brokers to satisfy margin calls are not considered involuntary and must be precleared

the sale of Mellon stock received upon the exercise of an employee stock option if the sale is part of a “netting of shares” or “cashless exercise” administered through the Human Resources Department

enrollment, changes in salary withholding percentages and sales of shares held in the Mellon Employee Stock Purchase Plan (ESPP); sales of shares previously withdrawn from the ESPP do require preclearance

purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of securities, to the extent such rights were acquired from such issuer

sales of rights acquired from an issuer, as described above

sales effected pursuant to a bona fide tender offer

transactions effected pursuant to an automatic investment plan (see Glossary)

### **Gifting of Securities**

ADMs desiring to make a bona fide gift of securities or who receive a bona fide gift of securities, including an inheritance, do not need to preclear the transaction. However, ADMs must report such bona fide gifts to the Preclearance Compliance Officer or his/her designee. The report must be made within 10 calendar days of making or receiving the gift and must disclose the following information: the name of the person receiving (giving) the gift; the date of the transaction; and the name of the broker through which the transaction was effected. A bona fide gift is one where the donor does not receive anything of monetary value in return. An ADM who purchases a security with the intention of making a gift must preclear the purchase transaction.

### **Ownership**

The preclearance, reporting and other provisions of the Policy apply not only to securities held in the employee' s own name but also to all other securities indirectly owned by the employee (see Glossary for definition of indirect owner). Generally you are the indirect owner of securities if you have the opportunity, directly or indirectly, to share in any profits from a transaction in those securities. This could include:

securities held by members of your family who share the same household with you

securities held by a trust in which you are a settler, trustee, or beneficiary

securities held by a partnership in which you are a general partner

securities in which any contract, arrangement, understanding or relationship gives you direct or indirect economic interest

### **Non-Mellon Employee Benefit Plans**

With the exception of the provisions in the Policy regarding Contemporaneous Disclosures and the ADM Quarterly Report, the Policy does not apply to transactions in an employer' s securities done under a bona fide employee benefit plan of an organization not affiliated with Mellon by an employee of that organization who is a member of your immediate family (see "Indirect Ownership - Family Members" in the Glossary for the definition of "immediate family"). This means if a Mellon employee' s family member is employed at a non-Mellon company, the Mellon employee is not required to obtain approval for transactions in the employer' s securities done by the family member as part of the family member' s employee benefit plan.

In such situations, the family members employer has primary responsibility for providing adequate supervision with respect to conflicts of interest and compliance with securities laws regarding trading in its own securities under its own employee benefit plans.

However, employee benefit plans that allow the employee to buy or sell securities other than those of their employer are subject to the Policy, including the preclearance and reporting provisions. Employee benefit plans that include Proprietary Funds as investment options are subject to the requirements in "Restrictions on Transactions in Fund Shares".

### **Investment Clubs and Private Investment Companies**

Certain organizations create a unique means of investing:

Investment Clubs - a membership organization where investors make joint decisions on which securities to buy or sell. The securities are generally held in the name of the investment club. Since each member of the investment club participates in the investment decision making process, ADMs must obtain approval from their Preclearance Compliance Officer before participating in an investment club and must thereafter preclear and report securities transactions of the club.

Private Investment Company - an investment company (see Glossary) whose shares are not deemed to be publicly held (sometimes called "hedge funds"). ADMs investing in such a private investment company are not required to preclear any of the securities transactions made by the private investment company.

However, ADMs' investments in Private Investment Companies are considered to be private placements and approval must be received prior to investing. Employees should refer to the Private Placement provision of the Policy on Pages 20 and 21 for approval requirements.

### **Restricted List**

The Preclearance Compliance Officer will maintain a list (the "Restricted List") of companies whose securities are deemed appropriate for implementation of trading restrictions for ADMs in his/her area. From time to time, such trading restrictions may be appropriate to protect Mellon and its ADMs from potential violations, or the appearance of violations, of securities laws. The inclusion of a company on the Restricted List provides no indication of the advisability of an investment in the company's securities or the existence of material nonpublic information on the company. Nevertheless, the contents of the Restricted List will be treated as confidential information to avoid unwarranted inferences.

The Preclearance Compliance Officer will retain copies of the restricted lists for six years.

### **Confidential Treatment**

The Manager of the Ethics Office and/or Preclearance Compliance Officer will use his or her best efforts to assure that requests for preclearance, personal securities transaction reports and reports of securities holdings are treated as "Personal and Confidential." However, Mellon is required by law to review, retain and, in certain circumstances, disclose such documents. Therefore, such documents will be available for inspection by appropriate regulatory agencies, and by other parties within and outside Mellon as are necessary to evaluate compliance with or sanctions under the Policy or other requirements applicable to Mellon. Documents received from

ADMs are also available for inspection by the boards of directors, trustees or managing general partners of any Mellon entity regulated by certain investment company laws.

### **General Restrictions**

ADM Employees who engage in transactions involving Mellon securities should be aware of their unique responsibilities with respect to such transactions arising from the employment relationship and should be sensitive to even the appearance of impropriety.

The following restrictions apply to all transactions in Mellon's publicly traded securities occurring in the employee's own account and in all other accounts over which the employee has indirect ownership. These restrictions are to be followed in addition to any restrictions that apply to particular senior officers or directors of Mellon such as restrictions under Section 16 of the Securities Exchange Act of 1934.

*Short Sales* - Short sales of Mellon securities by employees are prohibited.

*Short-Term Trading* - ADMs are prohibited from purchasing and selling, or from selling and purchasing Mellon securities within any 60 calendar day period. In addition to any other sanctions, any profits realized on such short-term trades must be disgorged in accordance with procedures established by senior management.

*Margin Transactions* - Purchases on margin of Mellon's publicly traded securities by employees is prohibited. Margining Mellon securities in connection with a cashless exercise of an employee stock option through the Human Resources Department is exempt from this restriction. Further, Mellon securities may be used to collateralize loans for non-securities purposes or for the acquisition of securities other than those issued by Mellon.

*Option Transactions* - Option transactions involving Mellon's publicly traded securities are prohibited. Transactions under Mellon's Long-Term Incentive Plan or other employee option plans are exempt from this restriction.

*Major Mellon Events* - Employees who have knowledge of major Mellon events that have not yet been announced are prohibited from buying or selling Mellon's publicly traded securities before such public announcements, even if the employee believes the event does not constitute material nonpublic information.

## **Mellon 401(k) Plan**

Actions regarding your interest in Mellon Stock under the Mellon 401(k) Plan are treated as follows:

*Elections regarding future contributions* to Mellon Stock are not deemed to be transactions in Mellon Stock and therefore are not subject to preclearance and reporting requirements or to the short-term trading prohibition.

*Payroll deduction contributions* to Mellon Stock are deemed to be done pursuant to an automatic investment plan. They are not subject to preclearance and reporting requirements or to the short-term trading prohibition.

*Movements of balances* into or out of Mellon Stock are not subject to preclearance but are deemed to be purchases or sales of Mellon Stock for purposes of the short-term trading prohibition. This means employees are prohibited from increasing their existing account balance allocation to Mellon Stock and then decreasing it within 60 calendar days. Similarly, employees

are prohibited from decreasing their existing account balance allocation to Mellon Stock and then increasing it within 60 calendar days. However:

any profits realized on short-term changes in Mellon Stock in the 401(k) will not have to be disgorged; and

changes to existing account balance allocations in the 401(k) plan will not be compared to transactions in Mellon securities outside the 401(k) for purposes of the short-term trading prohibition. (Note: This does not apply to members of the Executive Management Group, who should consult with the Legal Department.)

For the treatment of actions regarding Proprietary Funds under the Mellon 401(k) Plan, see "Restrictions on Transactions in Fund Shares - Mellon 401(k) Plan".

## **Mellon Employee Stock Options**

*Receipt or Exercise* of an employee stock option from Mellon is exempt from reporting and preclearance requirements and does not constitute a purchase for purposes of the 60 calendar day prohibition.

*Sales* - The sale of the Mellon securities that were received in the exercise of an employee stock option is treated like any other sale under the Policy, regardless of how little time has elapsed between the option exercise and the sale. Thus, such sales are subject to the preclearance and reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.



## **Mellon Employee Stock Purchase Plan (ESPP)**

*Enrollment and Changing Salary Withholding Percentages* in the ESPP are exempt from preclearance and reporting requirements and do not constitute a purchase for purposes of the 60 calendar day prohibition.

*Selling Shares Held in the ESPP* - ADMs are not required to preclear or report sales of stock held in the ESPP, including shares acquired upon reinvestment of dividends. However, sale of stock held in the ESPP is considered a sale for purposes of the 60 calendar day prohibition and will be compared to transactions in Mellon securities outside of the ESPP.

*Selling Shares Previously Withdrawn* - The sale of the Mellon securities that were received as a withdrawal from the ESPP is treated like any other sale under the Policy, regardless of how little time has elapsed between the withdrawal and the sale. Thus, such sales are subject to the preclearance and reporting requirements and are considered sales for purposes of the 60 calendar day prohibition.

Mellon's role as an adviser and servicer to investment funds imposes upon it special duties to preserve the integrity and credibility of the fund industry. The restrictions below apply to ADMs with respect to their transactions in fund shares.

### **All Funds**

ADMs should not knowingly participate in or facilitate late trading, market timing or any other activity with respect to any fund in violation of applicable law or the provisions of the fund's disclosure documents.

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### **Proprietary Funds**

The following restrictions apply to transactions and holdings in investment companies or collective funds for which a Mellon subsidiary serves as an investment adviser, sub-adviser or principal underwriter (a "Proprietary Fund"). Money market funds are deemed not to be Proprietary Funds. From time to time, Mellon will publish a list of the Proprietary Funds. Employees should rely on the latest version of this list, rather than attempt to determine for themselves the identity of the Proprietary Funds.

The requirements below regarding Proprietary Funds are in addition to other requirements of this Policy and are not affected by the fact that Proprietary Funds may be exempt from those other requirements.

*Reporting* - An ADM must file the following reports regarding holdings and transactions in shares of Proprietary Funds:

Initial statement of holdings of Proprietary Funds. This is to be filed with the Preclearance Compliance Officer within 10 calendar days of becoming an ADM, and the information in it must be current as of a date no more than 45 calendar days prior to becoming an ADM. It must identify all shares of Proprietary Funds owned directly or indirectly by the ADM and the accounts through which those shares are held.

Quarterly and annual statements of holdings of Proprietary Funds. These must be completed upon the request of the Ethics Office or its designee, and the information in them must be current as of a date no more than 45 calendar days before the date the statement is submitted. They must identify all shares of Proprietary Funds owned directly or indirectly by the ADM and the accounts through which those shares are held.

Quarterly statements of transactions in Proprietary Funds. These must be submitted to the Preclearance Compliance Officer no later than 10 calendar days after the end of each calendar quarter and must describe all transactions during the quarter in shares of Proprietary Funds owned directly or indirectly by the ADM at any time during the quarter.

Initial and annual holdings statements need not include:

any information on holdings in non-discretionary accounts (see Glossary), or

any information included in the corresponding initial or annual holdings statement filed under the “Statement of Securities Accounts and Holdings” section of this Policy. (In other words, if you include all information on Proprietary Fund holdings in your Statement of Securities Accounts and Holdings, you need not file a separate report.)

Quarterly transactions statements need not include:

any information on transactions in non-discretionary accounts (see Glossary),

any information on transactions effected pursuant to an automatic investment plan (see Glossary),

any information included in a trade confirmation, account statement or report previously delivered to the Preclearance Compliance Officer under the “Personal Securities Transactions Reports” section of this Policy.

*Preclearance* - ADMs must notify their Preclearance Compliance Officer in writing and receive preclearance before they engage in any purchase or redemption of shares of Proprietary Funds

for their own accounts or accounts over which they have indirect ownership (see Glossary). Preclearance is not required for

transactions in non-discretionary accounts (see Glossary), or

transactions effected pursuant to an automatic investment plan (see Glossary).

*Holding Period*  - ADMs’ holdings in Proprietary Funds are expected to be long-term investments, rather than the result of trading for short-term profit. Therefore, ADMs must not purchase and redeem, or redeem and purchase, shares of an individual Proprietary Fund within any 60 calendar day period, unless they have the prior approval of the Preclearance Compliance Officer or his/her designee. The following transactions will not be deemed to be purchases or redemptions for purposes of the 60 calendar day holding period:

transactions within non-discretionary accounts (see Glossary), or

transactions pursuant to an automatic investment plan (see Glossary).

*Material Nonpublic Information* - ADMs who possess material nonpublic information regarding a Proprietary Fund must not trade in shares of that Proprietary Fund or pass the information along to others, except to employees who need to know the information in order to carry out their job responsibilities with Mellon. Examples of information that could be material nonpublic information regarding a Proprietary Fund would include a change in that Proprietary Fund’s investment objective, investment adviser, sub adviser or portfolio manager (unless the portfolio manager is for a money market fund, an index fund or a model-driven fund). For general guidance on the handling of material nonpublic information, see “Protecting Confidential Information” on pages 23 - 24.

### **Mellon 401(k) Plan (Non Self-Directed Accounts)**

ADM’s should not participate in or facilitate market timing or any other activity with respect to funds in the Mellon 401(k) Plan in violation of applicable law or the provisions of the fund’s disclosure documents. In addition, ADM’s should comply with all requirements of the 401(k) Plan regarding the timing of purchases and redemptions in certain Proprietary Funds.

Specific actions regarding Proprietary Funds under the Mellon 401(k) Plan are treated as follows:

*Elections regarding future contributions* to Proprietary Funds are not deemed to be transactions and are therefore exempt from reporting (transaction and holdings), preclearance and holding period requirements.

*Payroll deduction contributions* to Proprietary Funds are deemed to be done pursuant to an automatic investment plan. They are therefore exempt from preclearance, transaction reporting and holding period requirements but must be included in holdings reports.

*Movements of balances* into or out of Proprietary Funds are deemed to be purchases or redemptions of those Proprietary Funds for purposes of the holding period requirement but are exempt from the general preclearance requirement. (In other words, you do not need to preclear every such movement but must get prior approval from the Preclearance Compliance Officer or his/her designee if the movement is within 60 calendar days of an opposite transaction in shares of the same fund.) In lieu of transaction reporting, employees are

deemed to consent to Mellon obtaining transaction information from Plan records. Such movements must be reflected in holdings reports.

For the treatment of actions regarding your Mellon Common Stock account under the Mellon 401(k) Plan, see “Restrictions on Transactions in Mellon Securities - Mellon 401(k) Plan” on page 16.

### **Mellon 401(k) Plan (Self-Directed Accounts)**

Holdings and transactions of Proprietary Funds within a Self-Directed Account in the Mellon 401(k) Plan are treated like any other Proprietary Fund. This means that the reporting, preclearance and holding period requirements apply. For further guidance on the treatment of Proprietary Funds in a Self-Directed Account of the Mellon 401(k) Plan, refer to pages 17-18.

### **Indirect Ownership of Proprietary Funds**

Indirect interests in Proprietary Funds (such as through a spouse’s 401(k) plan or other retirement plan) are subject to the preclearance, reporting (transaction and holdings) and holding period requirements. Please note that Proprietary Funds are a common investment vehicle in employee benefit plans in which your family members may participate.

Purchases or sales by an employee of the securities of issuers with which Mellon does business, or other third-party issuers, could result in liability on the part of such employee. Employees should be sensitive to even the appearance of impropriety in connection with their personal securities transactions. Employees should refer to “Ownership” on Page 13 which is applicable to the following restrictions.

The Mellon *Code of Conduct* contains certain restrictions on investments in parties that do business with Mellon. Employees should refer to the *Code of Conduct* and comply with such restrictions in addition to the restrictions and reporting requirements set forth below.

The following restrictions apply to all securities transactions by ADMs:

*Customer Transactions* - Trading for customers and Mellon accounts should always take precedence over employees’ transactions for their own or related accounts.

*Excessive Trading, Naked Options* - Mellon discourages all employees from engaging in short-term or speculative trading, writing naked options, trading that could be deemed excessive or trading that could interfere with an employee’s job responsibilities.

*Front Running* - Employees may not engage in “front running,” that is, the purchase or sale of securities for their own or Mellon’s accounts on the basis of their knowledge of Mellon’s trading positions or plans or those of their customers.

*Initial Public Offerings* - ADMs are prohibited from acquiring securities through an allocation by the underwriter of an Initial Public Offering (IPO) without the approval of the Investment Ethics Committee. Approval can be given only when the allocation comes through an employee of the issuer who is a direct family relation of the ADM. Due to certain laws and regulations (for example, NASD rules in the US), this approval may not be available to employees of registered broker-dealers.

*Private Placements* - Participation in private placements is prohibited without the prior written approval of the Investment Ethics Committee. The Committee will generally not approve an ADM's acquiring, in a private placement, direct or indirect ownership of any security of an issuer in which any managed fund or account is authorized to invest within the ADM's fund complex. Employees should contact the Ethics Office to initiate approval.

Private placements include certain co-operative investments in real estate, co-mingled investment vehicles such as hedge funds, and investments in family owned businesses. For the purpose of the Policy, time-shares and cooperative investments in real estate used as a primary or secondary residence are not considered to be private placements.

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Personal Securities Trading Practices-Access Decision Makers

#### RESTRICTIONS ON TRANSACTIONS IN OTHER SECURITIES

Private Placements (continued) - When considering requests for participation in private placements, the Investment Ethics Committee will take into account the specific facts and circumstances of the request prior to reaching a decision on whether to authorize a private placement investment by an ADM. These factors include, among other things, whether the opportunity is being offered to an individual by virtue of his or her position with Mellon or its affiliates, or his or her relationship to a managed fund or account. The Investment Ethics Committee will also consider whether a fund or account managed by the ADM is authorized to invest in securities of the issuer in which the ADM is seeking to invest. At its discretion, the Investment Ethics Committee may request any and all information and/or documentation necessary to satisfy itself that no actual or potential conflict, or appearance of a conflict, exists between the proposed private placement purchase and the interests of any managed fund or account.

ADMs who have prior holdings of securities obtained in a private placement must request the written authorization of the Investment Ethics Committee to continue holding the security. This request for authorization must be initiated within 90 calendar days of becoming an ADM.

To request authorization for prior holdings or new proposed acquisitions of securities issued in an eligible private placement, contact the Manager of the Ethics Office.

*Scalping* - Employees may not engage in "scalping," that is, the purchase or sale of securities for clients for the purpose of affecting the value of a security owned or to be acquired by the employee or Mellon.

*Short-Term Trading* - ADMs are discouraged from purchasing and selling, or from selling and purchasing, the same (or equivalent) securities within any 60 calendar day period. Any profits realized on such short-term trades must be disgorged in accordance with procedures established by senior management. Transactions that are exempt from preclearance and transactions in Proprietary Funds will not be considered purchases or sales for purposes of profit disgorgement. (See "Restrictions on Transactions in Fund Shares" for a description of the separate holding period requirement for Proprietary Funds.) ADMs should be aware that for purposes of profit disgorgement, trading in derivatives (such as options) is deemed to be trading in the underlying security. (See Page 28 in the Glossary for an explanation of option transactions.) Therefore, certain investment strategies may be difficult to implement without

being subject to profit disgorgement. Furthermore, ADMs should also be aware that profit disgorgement from 60 calendar day trading may be greater than the economic profit or greater than the profit reported for purposes of income tax reporting.

Spread Betting - Employees may not engage in “spread betting” (essentially taking bets on securities pricing to reflect market movements) or similar activities as a mechanism for avoiding the restrictions on personal securities trading arising under the provisions of the Policy. Such transactions themselves constitute transactions in securities for the purposes of the Policy and are subject to all of the provisions applicable to other non-exempted transactions.

### **Prohibition on Investments in Securities of Financial Services Organizations**

You are prohibited from acquiring any security issued by a financial services organization if you are:

a member of the Mellon Senior Management Committee

employed in any of the following departments: - Corporate Strategy & Development - Legal (Mellon headquarters only)

Finance (Mellon headquarters only)

an employee specifically designated by the Manager of the Ethics Office and informed that this prohibition is applicable to you

Financial Services Organizations - The phrase “security issued by a financial services organization” includes any security issued by:

Commercial Banks other than Mellon

Financial Holding Companies (or Bank Holding Companies) other than Mellon

Insurance Companies

Investment Advisers

Shareholder Servicing Companies

Thrifts

Savings and Loan Associations

Broker-Dealers

Transfer Agents

Other Depository Institutions

The phrase “securities issued by a financial services organization” **does not include** Exempt Securities (see Glossary). Further, for purposes of determining whether a company is a financial services organization, subsidiaries and parent companies are treated as separate issuers.

*Effective Date* - Securities of financial services organizations properly acquired before the employee was subject to this prohibition may be maintained or disposed of at the owner’s discretion consistent with the Policy.

Any acquisition of financial service organization securities that is exempt from preclearance pursuant to the express provision of the Policy is also exempt from this prohibition. This includes (assuming full compliance with the applicable preclearance exemption):

Exempt Securities (see Glossary)

acquisition in a non-discretionary account

involuntary acquisitions

securities received as gifts

transactions effected pursuant to an automatic investment plan (see Glossary)

acquisitions through a non-Mellon employee benefit plan

Within 30 calendar days of becoming subject to this prohibition, all holdings of securities of financial services organizations must be disclosed in writing to the Ethics Office.

## **PROTECTING CONFIDENTIAL INFORMATION**

As an employee you may receive information about Mellon, its customers and other parties that, for various reasons, should be treated as confidential. All employees are expected to strictly comply with measures necessary to preserve the confidentiality of information. Employees should refer to the Mellon *Code of Conduct*.

### **Insider Trading and Tipping Legal Prohibitions**

Securities laws generally prohibit the trading of securities while in possession of “material nonpublic” information regarding the issuer of those securities (insider trading). Any person who passes along material nonpublic information upon which a trade is based (tipping) may also be liable.

Information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, sell or hold securities. Obviously, information that would affect the market price of a security (price sensitive information) would be material. Examples of information that might be material include:

a proposal or agreement for a merger, acquisition or divestiture, or for the sale or purchase of substantial assets

tender offers, which are often material for the party making the tender offer as well as for the issuer of the securities for which the tender offer is made

dividend declarations or changes

extraordinary borrowings or liquidity problems

defaults under agreements or actions by creditors, customers or suppliers relating to a company’s credit standing

earnings and other financial information, such as significant restatements, large or unusual write-offs, write-downs, profits or losses

pending discoveries or developments, such as new products, sources of materials, patents, processes, inventions or discoveries of mineral deposits

a proposal or agreement concerning a financial restructuring

a proposal to issue or redeem securities, or a development with respect to a pending issuance or redemption of securities

a significant expansion or contraction of operations

information about major contracts or increases or decreases in orders

the institution of, or a development in, litigation or a regulatory proceeding

developments regarding a company' s senior management

information about a company received from a director of that company

information regarding a company' s possible noncompliance with environmental protection laws

with respect to mutual funds, a change in a fund' s investment objective, investment adviser, sub adviser, or portfolio manager (unless the portfolio manager is for a money market fund, an index fund or a model-driven fund

This list is not exhaustive. All relevant circumstances must be considered when determining whether an item of information is material.

“Nonpublic” - Information about an issuer is nonpublic if it is not generally available to the investing public. Information received under circumstances indicating that it is not yet in general circulation and which may be attributable, directly or indirectly, to the issuer or its insiders is likely to be deemed nonpublic information.

If you obtain material non-public information, you may not trade related securities until you can refer to some public source to show that the information is generally available (that is, available from sources other than inside sources) and that enough time has passed to allow wide dissemination of the information. While information appearing in widely accessible sources-such as in newspapers or on the internet-becomes public very soon after publication, information appearing in less accessible sources-such as regulatory filings, may take up to several days to be deemed public. Similarly, highly complex information might take longer to become public than would information that is easily understood by the average investor.

### **Mellon' s Policy**

Employees who possess material nonpublic information about an issuer of securities- whether that issuer is Mellon, another Mellon entity, a Mellon customer or supplier, a fund (whether or not it is a Proprietary Fund) or other issuer-may not trade in that issuer' s securities, either for their own accounts or for any account over which they exercise investment discretion. In addition, employees may not recommend trading in those securities and may not pass the information along to others, except to employees who need to know the information in order to perform their job responsibilities with Mellon. These prohibitions remain in effect until the information has become public. For specific requirements regarding material nonpublic information relating to Proprietary Funds, see “Restrictions on Transactions in Fund Shares - Mellon Proprietary Funds - Material Nonpublic Information” on page 18.

Employees who have investment responsibilities should take appropriate steps to avoid receiving material nonpublic information. Receiving such information could create severe limitations on their ability to carry out their responsibilities to Mellon' s fiduciary customers.

Employees managing the work of consultants and temporary employees who have access to the types of confidential information described in the Policy are responsible for ensuring that consultants and temporary employees are aware of Mellon' s policy and the consequences of noncompliance.

Questions regarding Mellon's policy on material nonpublic information, or specific information that might be subject to it, should be referred to the General Counsel.

## **Restrictions on the Flow of Information Within Mellon ("Securities Fire Walls")**

As a diversified financial services organization, Mellon faces unique challenges in complying with the prohibitions on insider trading and tipping of material non-public information, and misuse of confidential information. This is because one Mellon unit might have material nonpublic information about an issuer while other Mellon units may have a desire, or even a fiduciary duty, to buy or sell that issuer's securities or recommend such purchases or sales to customers. To engage in such broad ranging financial services activities without violating laws or breaching Mellon's fiduciary duties, Mellon has established a "Securities Fire Wall" policy applicable to all employees. The "Securities Fire Wall" separates the Mellon units or individuals that are likely to receive material nonpublic information (potential Insider Risk functions) from the Mellon units or individuals that either trade in securities, for Mellon's account or for the accounts of others, or provide investment advice (Investment functions). Employees should refer to CPP 903-2(C) *Securities Fire Walls*.

## ***Glossary***

### **Definitions**

**access decision maker** - A person designated as such by the Investment Ethics Committee. Generally, this will be portfolio managers and research analysts who make recommendations or decisions regarding the purchase or sale of equity, convertible debt, and non-investment grade debt securities for investment companies and other managed accounts. See further details in the Access Decision Maker edition of the Policy.

**approval** - written consent or written notice of non-objection.

**automatic investment plan** - a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. Applications to specific situations are as follows:

*Dividend Reinvestment Plans ("DR/Ps")*. The automatic investment of dividends under a DRIP is deemed to be pursuant to an automatic investment plan. Optional cash purchases (that is, the right to buy additional shares through the DRIP) are not unless they are by payroll deduction, automatic drafting to a checking account or other means specifically included in this definition.

*Payroll deductions*. Deductions from payroll (Mellon or otherwise) directly into an investment account are deemed to be done pursuant to an automatic investment plan. This would include payroll deductions for contributions to 401(k) plans and other employee benefit plans.

*Bank Account Drafts or Deposits*. Automatic drafts from a checking or savings account directly to an investment account or automatic deposits directly from an investment account into a checking or savings account, are deemed to be made pursuant to an automatic investment plan, provided that, in either case:

there is documentation with the investment account indicating the drafts or deposits are to be executed according to an express schedule, and

at least two drafts or deposits were executed according to the schedule.

*Automatic mutual fund exchange programs*. Automatic exchanges of a fixed dollar amount out of one mutual fund to purchase shares of another mutual fund are deemed to be made pursuant to an automatic investment plan.



Automatic mutual fund withdrawal programs. Automatic withdrawals of a fixed dollar amount out of a mutual fund are deemed to be made pursuant to an automatic investment plan.

Asset-allocation accounts. Asset allocation accounts are investment accounts in which the investor chooses among predetermined asset-allocation models consisting of percentages of a portfolio allocated to fund categories (such as large-cap, mid-cap and small-cap equity funds, tax-free bond funds, international funds, etc). Once a model is chosen, new money is automatically invested according to the model, and the portfolio is automatically rebalanced periodically to keep it in line with the model. For purposes of this Policy, both the investment of new money into, and periodic rebalancing within, an asset-allocation account are deemed to be done pursuant to an automatic investment plan. An Investment Advisory Service account at Mellon Private Wealth Advisers is an asset-allocation account. Brokerage accounts, in which the

investor has the continuing ability to direct transactions in specific securities or funds, are not asset-allocation accounts.

College Savings Plans. Many jurisdictions have college savings plans (for example, in the US these plans are referred to as “529” plans) that provide a tax-advantaged means of investing for future college expenses. These plans vary and the features of the specific plan must be analyzed to determine if it qualifies as an automatic investment plan. For example, a college savings plan could qualify as an automatic investment plan if it meets the requirements for an asset-allocation account, bank account draft or a payroll deduction (see above).

**direct family relation** - employee’ s spouse, children (including stepchildren, foster children, sons-in-law and daughters-in-law), grandchildren, parents (including step-parents, mothers-in-law and fathers-in-law) grandparents, and siblings (including brothers-in-law, sisters-in-law and step brothers and sisters). Also includes adoptive relationships.

**employee** - an individual employed by Mellon Financial Corporation or its more-than-50%-owned direct or indirect subsidiaries; includes all full-time, part-time, benefited and non-benefited, exempt and non-exempt employees in all world-wide locations; generally, for purposes of the Policy, does not include consultants and contract or temporary employees.

**Ethics Office** - the group within the Audit & Risk Review Department of Mellon which is responsible for administering the ethics program at Mellon, including the Securities Trading Policy.

Exempt Securities - defined as:

direct obligations of the sovereign governments of the United States (US employees only) and the United Kingdom (for UK employees only). Obligations of other instrumentalities of the US and UK governments or quasi-government agencies are not exempt.

commercial paper

high-quality, short-term debt instruments having a maturity of less than 366 days at issuance and rated in one of the two highest rating categories by a nationally recognized statistical rating organization or which is unrated but of comparable quality

bankers’ acceptances

bank certificates of deposit and time deposits

repurchase agreements

securities issued by open-end investment companies (i.e., mutual funds and variable capital companies) that are not Proprietary Funds

shares of money market funds (regardless of affiliation with Mellon)

fixed annuities

shares of unit trusts (provided they are invested exclusively in funds that are not Proprietary Funds)

Note: The following are not Exempt Securities (whether proprietary or not):

shares of hedge funds

shares of closed-end funds

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shares of funds not registered in the US (for US employees only)

**family relation** - see direct family relation.

**General Counsel** - General Counsel of Mellon or any person to whom relevant authority is delegated by the General Counsel.

**index fund** - an investment company or managed portfolio which contains securities of an index in proportions designed to replicate the return of the index.

**indirect ownership** - The securities laws of most jurisdictions attribute ownership of securities to someone in certain circumstances, even though the securities are not held in that person's name. For example, US federal securities laws contain a concept of "beneficial ownership", and UK securities laws contain a concept of securities held by "associates" (this term includes business or domestic relationships giving rise to a "community of interest"). The definition of "indirect ownership" that follows is used to determine whether securities held other than in your name are subject to the preclearance and other provisions of the Policy. It was designed to be consistent with various securities laws; however, there can be no assurance that attempted adherence to this definition will provide a defense under any particular law. Moreover, a determination of indirect ownership requires a detailed analysis of personal and/or financial circumstances that are subject to change. It is the responsibility of each employee to apply the definition below to his/her own circumstances. If the employee determines that he/she is not an indirect owner of an account and the Ethics Office becomes aware of the account, the employee will be responsible for justifying his/her determination. Any such determination should be based upon objective evidence (such as written documents), rather than subjective or intangible factors.

*General Standard.* Generally, you are the indirect owner of securities (and preclearance and other provisions of the Policy will therefore apply to those securities) if, through any contract, arrangement, understanding, relationship or otherwise, you have the opportunity, directly or indirectly, to share at any time in any profit derived from a transaction in them (a "pecuniary interest"). The following is guidance on the application of this definition to some common situations.

*Family Members.* You are presumed to be an indirect owner of securities held by members of your immediate family who share the same household with you. "Immediate family" means your spouse, your children (including stepchildren, foster children, sons-in-law and daughters-in-law), your grandchildren, your parents (including stepparents, mothers-in-law and fathers-in-law), your grandparents and your siblings (including brothers-in-law, sisters-in-law and step brothers and sisters) and includes adoptive relationships. This presumption of ownership may be rebutted, but it will be difficult to do so if, with respect to the other person, you commingle any assets or share any expenses, you provide or receive any financial support, you influence investment decisions, you include them as a dependent for tax purposes or as a beneficiary under an employee benefit plan, or you are in any way financially codependent. Any attempt to disclaim indirect ownership with respect to family members who share your household must be based upon countervailing facts that you can prove in writing.

*Partnerships.* If you are a general partner in a general or limited partnership, you are deemed to own your proportionate share of the securities owned by the partnership. Your

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“proportionate share” is the greater of your share of profits or your share of capital, as evidenced by the partnership agreement. Limited partners are not deemed to be owners of partnership securities absent unusual circumstances, such as influence over investment decisions.

Shareholders of Corporations. You are not deemed to own the securities held by a corporation in which you are a shareholder unless you are a controlling shareholder or you have or share investment control over the corporation’s portfolio.

Trusts. Generally, parties to a trust will be deemed indirect owners of securities in the trust only if they have both a pecuniary interest in the trust and investment control over the trust. “Investment control” is the power to direct the disposition of the securities in the trust. Specific applications are as follows:

**Trustees:** A trustee is deemed to have investment control over the trust unless there are at least three trustees and a majority is required for action. A trustee has a pecuniary interest in the trust if (i) the trustee is also a trust beneficiary, (ii) an immediate family member of the trustee (whether or not they share the same household) is a beneficiary, or (iii) the trustee receives certain types of performance-based fees.

**Settlers:** If you are the settlor of a trust (that is, the person who puts the assets into the trust), you are an indirect owner of the trust’s assets if you have a pecuniary interest in the trust and you have or share investment control over the trust. You are deemed to have a pecuniary interest in the trust if you have the power to revoke the trust without anyone else’s consent or if members of your immediate family who share your household are beneficiaries of the trust.

Beneficiaries. If you or a member of your immediate family who shares your household is a beneficiary of a trust, you are deemed to have a pecuniary interest in the trust and will therefore be deemed an indirect owner of the trust’s assets if you have or share investment control over the trust.

Remainder Interests. Remainder interests are those that do not take effect until after some event that is beyond your control, such as the death of another person. Remainder interests are typically created by wills or trust instruments. You are not deemed to be an indirect owner of securities in which you only have a remainder interest provided you have no power, directly or indirectly, to exercise or share investment control or any other interest.

Derivative Securities. You are the indirect owner of any security you have the right to acquire through the exercise or conversion of any option, warrant, convertible security or other derivative security, whether or not presently exercisable.

**initial public offering (IPO)** - the first offering of a company’s securities to the public through an allocation by the underwriter.

**investment company** - a company that issues securities that represent an undivided interest in the net assets held by the company. Mutual funds are open-end investment companies that issue and sell redeemable securities representing an undivided interest in the net assets of the company.

**Investment Ethics Committee** - committee that has oversight responsibility for issues related to personal securities trading and investment activity by Access Decision Makers.

The committee is composed of investment, legal, risk management, audit and ethics management representatives of Mellon and its affiliates. The members of the Investment Ethics Committee are determined by the Corporate Ethics Officer.

**Manager of the Ethics Office** - individual appointed by the Corporate Ethics Officer to manage the Ethics Office.

**Mellon** - Mellon Financial Corporation.

**non-discretionary account** - an account for which the employee has no direct or indirect control over the investment decision making process. Non-discretionary accounts may be exempted from preclearance and reporting procedures only if the Manager of the Ethics Office, after a thorough review, is satisfied that the account is truly non-discretionary to the employee (that is, the employee has given

total investment discretion to an investment manager and retains no ability to influence specific trades). Standard broker accounts generally are not deemed to be non-discretionary to the employee, even if the broker is given some discretion to make investment decisions.

**option** - a security which gives the investor the right, but not the obligation, to buy or sell a specific security at a specified price within a specified time frame. For purposes of compliance with the Policy, any Mellon employee who buys/sells an option, is deemed to have purchased/sold the underlying security when the option was purchased/sold. Four combinations are possible as described below.

### Call Options

If a Mellon employee buys a call option, the employee is considered to have purchased the underlying security on the date the option was purchased.

If a Mellon employee sells a call option, the employee is considered to have sold the underlying security on the date the option was sold.

### Put Options

If a Mellon employee buys a put option, the employee is considered to have sold the underlying security on the date the option was purchased.

If a Mellon employee sells a put option, the employee is considered to have bought the underlying security on the date the option was sold.

Below is a table describing the above:

Option Type	Transaction Type	
	Buy	Sale
Put	Sale of Underlying Security	Purchase of Underlying Security
Call	Purchase of Underlying Security	Sale of Underlying Security

**Preclearance Compliance Officer** - a person designated by the Manager of the Ethics Office and/or the Investment Ethics Committee to administer, among other things, employees' preclearance requests for a specific business unit.

**private placement** - an offering of securities that is exempt from registration under various laws and rules, such as the Securities Act of 1933 in the US and the Listing Rules in the UK. Such offerings are exempt from registration because they do not constitute a public offering. Private placements can include limited partnerships.

**Proprietary Fund** - An investment company or collective fund for which a Mellon subsidiary serves as an investment adviser, sub-adviser or principal underwriter. From time-to-time, Mellon will publish a list of the Proprietary Funds. Employees should rely on the latest version of this list rather than attempt to determine for themselves the identity of the Proprietary Funds.

**security** - any investment that represents an ownership stake or debt stake in a company, partnership, governmental unit, business or other enterprise. It includes stocks, bonds, notes, evidences of indebtedness, certificates of participation in any profit-sharing agreement, collateral trust certificates and certificates of deposit for securities. It also includes many types of puts, calls, straddles and options on any security or group of securities; fractional undivided interests in oil, gas, or other mineral rights; and investment contracts, variable life insurance policies and variable annuities whose cash values or benefits are tied to the performance of an investment account. It does not include currencies. Unless expressly exempt, all securities transactions are covered under the provisions of the Policy (see definition of Exempt securities).

**securities fire wall** - procedures designed to restrict the flow of information within Mellon from units or individuals who are likely to receive material nonpublic information to units or individuals who trade in securities or provide investment advice.

**Senior Management Committee** - the Senior Management Committee of Mellon Financial Corporation.

**short sale** - the sale of a security that is not owned by the seller at the time of the trade.

**Exhibit A - Sample Instruction Letter to Broker**

Date

Broker ABC Street

Address

City, State ZIP

Re: John Smith  
Account No. xxxxxxxxxxxx

To whom it may concern:

In connection with my existing brokerage account(s) with your firm, please be advised that my employer should be noted as an "Interested Party" with respect to my account(s). They should, therefore, be sent copies of all trade confirmations and account statements relating to my account on a regular basis.

Please send the requested documentation ensuring the account holder's name appears on all correspondence to:

Manager of the Ethics Office  
Mellon Financial Corporation PO Box 3130  
Pittsburgh, PA 15230-3130

Thank you for your cooperation in this request.

Sincerely yours,

Employee

cc: Manager of the Ethics Office (153-3300)

Dear Employee:

Mellon has a long, proud history and a well-deserved reputation for doing business with integrity. Maintaining that reputation for honesty and accountability, and thereby serving all of our constituents well, is essential to achieving our goal of becoming the best performing financial services company. And it is the responsibility of every Mellon employee.

Guiding our day-to-day business dealings are our Shared Values of *Integrity*, *Teamwork* and *Excellence*, which underscore our commitment to a work environment that fosters respect for all employees and help us deliver on the Mellon Promise to customers around the world.

To help you make the right decisions when ethical situations arise in the normal course of business, Mellon offers a number of valuable resources for information and support. These include the *Code of Conduct*, *Securities Trading Policy*, *Senior Financial Officers Code of Ethics*, and various Corporate Policies and Procedures. These policies apply to all Mellon employees and provide guidance to you regarding the business conduct standards you are expected to follow. Additionally, you have a resource in Mellon's Ethics Office. Their mission is to help you when you need guidance applying these policies and to provide a confidential resource to help resolve business situations where there may be concerns over conduct consistent with our Shared Values.

Every employee is responsible for speaking up when they see something wrong. You can do so by calling the **Mellon Ethics Help Line** or the **EthicsPoint® Report Line**. Toll free lines are established in nearly every country around the world where Mellon has employees. The numbers are included in the *Code of Conduct* and posted on the Ethics Website. You can also e-mail the Ethics Office at [ethics@mellon.com](mailto:ethics@mellon.com) or visit [www.ethicspoint.com](http://www.ethicspoint.com) to report concerns. Calls can be anonymous and confidential. Our customers and shareholders expect Mellon and all of its employees to conduct business activities not only in full compliance with all laws and regulations, but also in accordance with the highest possible standards of ethical conduct. Together we can continue a tradition of excellence begun more than 130 years ago.

Martin G. McGuinn  
Chairman and Chief Executive Officer

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Today's financial services marketplace is filled with a host of new challenges, changes and opportunities. Amidst these changes, one constant guides Mellon Financial Corporation and all of its employees and will continue to be central to all that we do: the mandate for integrity.

Only by conducting ourselves and our business in accordance with the highest standards of legal, ethical and professional integrity can we achieve our vision of excellence and our goals for the future.

This *Code of Conduct* will familiarize you with the general guidelines of professional conduct expected from employees in their interactions with customers, prospective customers, competitors, suppliers, the communities we serve and one another. As Mellon employees, we can settle for nothing less than full adherence to the Code.

Please read the Code carefully and retain it for your records. From time to time, you may be asked to certify in writing that you have followed the Code, so be sure you understand it. Appropriate officers should periodically reinforce the importance of the Code to their employees, pointing out provisions of particular relevance.

The penalty for violating any provision of this Code may be disciplinary action up to and including dismissal. In addition, all violations of criminal laws applicable to Mellon's businesses are required to be and will be reported to the appropriate authorities for prosecution.

Although the Code provisions generally have worldwide applicability, some sections of the Code may conflict with the laws or customs of the countries in which Mellon operations are located. However, the Code may be amended only with the approval of the Ethics Office.

If you have any questions about this *Code*, ask your supervisor, contact the Ethics Office or consult the Legal Department. If you suspect a violation of the *Code of Conduct*, contact the General Counsel. You can also contact either the Manager of the Ethics Office by using the **Mellon Ethics Help Line or EthicsPoint® Report Line**. All communications can be handled in a confidential and anonymous manner (see page 2 to find out how to contact the Ethics Office or EthicsPoint®).

**Terms frequently used in the Code are defined as follows:**

**appropriate officer**—head of the affected group, department or subsidiary

**approval**—formal, written consent

**Bank**—any bank or savings and loan association subsidiary, direct or indirect, of Mellon Financial Corporation

**Securities Trading Policy**—Mellon Financial Corporation's Securities Trading Policy

**Corporation**—Mellon Financial Corporation

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**employee**—any employee of Mellon Financial Corporation or any of its subsidiaries

**General Counsel**—General Counsel of Mellon Financial Corporation

**Manager of the Ethics Office**—Manager of the Ethics Office of Mellon Financial Corporation

**Mellon**—Mellon Financial Corporation and all its wholly-or majority-owned subsidiaries and affiliates.

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As an employee, your personal conduct should reflect the highest professional standards of behavior. You are obliged to monitor your personal and professional affairs so as not to discredit yourself or Mellon. You should treat all persons fairly. Everyone, including our competitors, has a right to expect you will act with complete honesty, integrity, and fairness. When, on behalf of Mellon, you purchase a product or service, you should do so on the basis of quality and price.

No code of conduct can anticipate every situation. Common sense and good judgment are required in responding to a situation that may not seem to be specifically covered by the Code and in recognizing when to seek advice regarding application of the Code. Your behavior at work reflects Mellon's ethics, so you are expected to:

obey all laws and regulations that apply to Mellon's business;

avoid activities that could create conflicts of interest or even the appearance of conflicts of interest with Mellon; and

respect the confidentiality of Mellon business information and information about those with whom Mellon has business relationships.

Details of the above obligations are presented in the remainder of this *Code of Conduct*. Remember, these standards and examples serve as guidelines.

Mellon wants to hear from you. If you have a question about the *Code of Conduct* or related Corporate Policies, or if you want to report a concern regarding ethical business conduct, please contact **Mellon's Ethics Help Line**. This line is answered by Mellon's Ethics Office staff and all contacts may be anonymous.

You can contact **Mellon's Ethics Help Line** by:

**Telephone:**

Asia (except Japan): 001-800-710-63562

Australia: 0011-800-710-63562

Brazil: 0800-891-3813

Europe: 00-800-710-63562

Japan: appropriate international access code + 800-710-63562 (Access codes are: 0061010, 001010, 0041010 or 0033010)

United States and Canada: 1-888-MELLON2 (1-888-635-5662)

All other locations: call collect to 412-236-7519

**Email:** [ethics@mellon.com](mailto:ethics@mellon.com)

**Mail:** P.O. Box 535026 Pittsburgh, PA  
15253-5026 – USA

If, however you are uncomfortable contacting Mellon directly, you can contact EthicsPoint®, an independent hotline provider as an alternative channel to raise your concerns. All contacts can be anonymous.

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You can contact the **EthicsPoint® Report Line** by:

**Telephone:**

NOTE: Dial the AT&T Direct Access Number below assigned to your carrier (if one is needed). Then, at the voice prompt or AT&T Operator request, enter the toll free **EthicsPoint® Report Line number which is 866-294-4696**. There is no need to dial a "1" before the toll-free number outside the US and Canada.

Australia: (carrier: Telstra) 1-800-881-011; (carrier: Optus) 1-800-551-155

Brazil: 0-800-890-0288

Canada: No Direct Access Code needed

Hong Kong: (carrier: Hong Kong Telephone) 800-96-1111; (carrier: New World Telephone) 800-93-2266

India: 000-117

Ireland: 1-800-550-000; (Universal International Freephone Number) 00-800-222-55288

Japan: (carrier: IDC) 00 665-5111; (carrier: JT) 00 441-1111; (carrier: KDDI) 00 539-111

Singapore: (carrier: Sing Tel) 800-011-1111; (carrier: StarHub) 800-001-0001

United Kingdom: (carrier: British Telecom) 0-800-89-0011; (carrier: C&W) 0-500-89-0011; (carrier: NTL)  
0-800-013-0011

United States: No Direct Access Code needed

**Web:**

[File a Report](#) using the **EthicsPoint® Report Line** (this web page is hosted on EthicsPoint's secure servers and is not part of the Mellon web site or intranet).



**Mail:** EthicsPoint®, Inc, 13221 SW 68th Parkway, Suite 120 Portland, OR 97223 USA

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Numerous national, state, provincial and local laws of the countries in which we do business apply to Mellon. As an employee, you are expected to conduct all business dealings according to these laws. Violating any of them could subject you and/or Mellon to criminal and civil penalties. If you have questions about these laws or how they apply to particular situations, ask your supervisor or consult the Legal Department.

Mellon management should be informed of matters which might adversely affect the reputation of Mellon, including investigations by any governmental agency. You must be completely candid and cooperative in dealing with Mellon attorneys and auditors.

### **Criminal Laws**

A number of criminal laws apply to Mellon employees. Examples of activities prohibited by these laws are:

corruptly accepting or soliciting anything of value (except your salary or other compensation paid by Mellon) intending to be influenced or rewarded in connection with Mellon's business or in return for confidential information (see page 8, *"Dealing With Customers and Suppliers"*);

intentionally failing to make currency transaction filings and other reports required by the Bank Secrecy Act, and other laws;

knowingly engaging in a financial transaction involving the proceeds of an illegal activity (i.e., money laundering);

stealing, embezzling or misapplying Mellon funds or assets;

using threats, physical force or other unauthorized means to collect money;

issuing unauthorized obligations (such as certificates of deposit, notes or mortgages) or recording false entries;

using Corporate funds or assets to finance campaigns for political office;

lending trust funds to a Mellon officer, director or employee;

certifying a check drawn on an account with insufficient funds;

making a loan or giving a gift to an examiner who has the authority to examine Mellon or its affiliates;

misusing federal records and documents;

using a computer to gain unauthorized access to Mellon records of a customer;

knowing that a criminal offense has been committed and helping the criminal avoid capture or punishment;

making false reports to government officials; and

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using software in knowing violation of a licensing agreement.

If you are arrested, indicted, or convicted of any criminal offense involving theft, dishonesty, or breach of trust or other type of offense which may affect your employment status, you must notify your manager promptly.

### **Anticompetitive Activities**

The laws of many jurisdictions prohibit anticompetitive activities. For example, in the United States the Sherman Antitrust Act prohibits any combination, conspiracy or agreement among competitors to restrict or prevent competition. A specific violation of this Act could be a formal or informal agreement between you and a Mellon competitor to fix prices, allocate markets, allocate customers or refuse to deal with particular suppliers or customers.

If you are in contact with Mellon's competitors, you must avoid any agreements with them (or even circumstances that might give the appearance of such agreements) relating to how Mellon conducts its business. You should be especially careful at social or professional gatherings and at trade association meetings where discussions or exchanges of information relating to competitive matters could occur.

Mellon strongly encourages employees to promote the sale of all of the various Mellon products and services. "Cross-selling" of Mellon products and services is an extremely valuable tool for increasing Mellon's revenues. However, employees should be aware that the United States Federal Bank Holding Company Act Amendments of 1970 and antitrust laws prohibit Mellon from participating in certain "tying arrangements." A tying arrangement is one in which a seller places conditions on a sale, or the terms of a sale, of a product or service that obligates a buyer to purchase a separate product or service. For example, you may not extend credit conditioned on a customer's rental of a Bank safe deposit box. You must be sure that you do not require customers to participate in prohibited tying arrangements.

The prohibitions against tying arrangements in the Bank Holding Company Act do not apply to certain traditional banking practices such as requiring a compensating balance in connection with a loan.

Questions concerning tying arrangements or other antitrust laws should be directed to the Legal Department.

### **Illegal Use of Corporate Funds**

The purpose of any transaction that relates to Corporate funds or assets must be revealed and recorded at the time of the transaction. As an employee, you may not participate in any of the activities listed below.

You may not establish or maintain secret or unrecorded funds.

You may not engage in any transaction knowing that part of an anticipated payment is to be used for unlawful or improper purposes.

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You may not record or participate in recording incorrect, fictitious or misleading entries in Mellon's books or records.

You may not use Corporate funds or assets for political contributions in connection with political elections. A number of jurisdictions (both national and local) have laws restricting the use of corporate funds or assets in connection with elections in those jurisdictions. Corporate assets include your time during regular working hours, Mellon equipment and supplies, office space, clerical help and advertising facilities.

You may not make any payment for an expressed purpose on Mellon's behalf to any individual who you know intends to use the money for a different purpose.

You may not make Corporate or personal payments of cash or other items of value to political candidates, government officials or businesses that are designed to influence the judgment or actions of the recipients in connection with any Mellon activity. Indeed, many jurisdictions put stringent limitations on entertainment of government officials. It is not prohibited under U.S. law, however, to make payments to foreign government employees with essentially ministerial or clerical duties to induce an act or decision not involving discretion. Examples of such “facilitating” payments include payments to expedite shipments through customs, payments to obtain adequate police protection and payments to place transcontinental telephone calls.

Questions concerning the permissibility of any of the above kinds of payments, which may raise issues under applicable laws, should be directed to the Legal Department.

### **Equal Employment Opportunity Laws**

Various equal employment opportunity (EEO) laws (both national and local) apply to Mellon. Some prohibit certain kinds of discrimination in hiring, training, determining promotions, etc.; others require Affirmative Action (AA). All employment decisions are to be made in a manner consistent with applicable laws. Mellon strongly supports the principles of these laws, and you are expected to comply with them.

You should address any questions concerning Mellon’s EEO policy, Mellon’s policy prohibiting sexual harassment or Mellon’s AA policy to the Legal Department or the Corporate EEO/AA Director in the Human Resources Department.

### **Drug Free Workplace**

The illegal possession, use, purchase, transfer or sale of narcotics or other controlled substances on Mellon owned or controlled property, in Mellon owned or leased vehicles, during performance of Mellon business or at Mellon sponsored events is strictly prohibited. Any of these activities are grounds for disciplinary action, up to and including termination of employment. Mellon will cooperate with the appropriate law enforcement agencies with respect to such acts. Employees are required to become thoroughly familiar with our *Drug and Alcohol Control Policy* (CPP-504-4).

In business, a conflict of interest is generally defined as a single person or entity having two or more interests that are inconsistent. You should not cause Mellon or yourself to have a conflict

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of interest. You should be particularly sensitive to situations involving family or household members. In your case, a conflict of interest occurs when you allow any interest, activity or influence outside of Mellon to:

- influence your judgment when acting on behalf of Mellon;
- compete against Mellon in any business activity;
- divert business from Mellon;
- diminish the efficiency with which you perform your regular duties;
- harm or impair Mellon’s financial or professional reputation; or
- benefit you at the expense of Mellon.

As an employee, you are not permitted to participate in any activity that causes a conflict of interest or gives the appearance of a conflict of interest. Areas frequently involved in conflicts of interest and examples of prohibited activities are described below.

If you believe that you have, or may be perceived to have, a conflict of interest, you must disclose that conflict to the Manager of the Ethics Office. The Manager of the Ethics Office must keep copies of all such disclosures.

Questions concerning conflicts of interest should be directed to the Ethics Office.

## **Investment Decisions**

Because your investments can lead to conflicts of interest, you must be familiar with, and comply with, the investment guidelines contained in the *Securities Trading Policy*, which contains restrictions and preclearance and reporting requirements for various types of securities transactions, including publicly traded securities. The *Securities Trading Policy* also contains special requirements for dealings in Mellon securities. In addition, certain types of investments must be reviewed individually.

### **Investments That Require Approval**

In addition to the requirements contained in the *Securities Trading Policy*, you are required to obtain approval from the Manager of the Ethics Office:

before you invest in a business enterprise if you have responsibilities for, or have decision-making responsibilities regarding, providing services to, or purchasing goods and services from, that business enterprise on behalf of Mellon; or

to hold an investment in a business enterprise if you are assigned responsibility for, or have decision-making responsibilities regarding, providing services to, or purchasing goods or services from, that business enterprise on Mellon's behalf after you have made your investment.

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## **Self-Dealing**

To further avoid conflicts of interest, you are restricted from becoming involved in certain business dealings with Mellon. As an employee, you are prohibited from:

directly or indirectly buying assets from (other than assets being offered to the public or employees generally), or selling assets to, Mellon or any account for which Mellon acts as a fiduciary unless you have prior consent from the appropriate officer or you have court or regulatory approval, as required;

representing Mellon in any activity (whether an internal Mellon activity or a transaction between Mellon and a third party) requiring your judgment or discretion which affects a person or organization in which you have a material interest, financial or otherwise. For example, you are prohibited from representing Mellon in lending money to a relative or close personal friend because it might impair or appear to impair your professional judgment or the performance of your duties, or from giving credit approval to loans made by an employee who is your spouse because it might impact your spouse's incentive compensation or performance appraisal; and

representing any non-Mellon company in any transaction with Mellon that involves the exercise of discretion by either party.

## **Monitoring Outside Activities**

As an employee, you are expected to avoid any outside interest or activity that will interfere with your duties. Generally, your outside interests or activities should not:

significantly encroach on time or attention you devote to your duties;

adversely affect the quality of your work;

compete with Mellon' s activities;

involve any significant use of Mellon' s equipment, facilities or supplies;

imply Mellon' s sponsorship or support (for example, through the use of Mellon stationery for personal purposes); or

adversely affect the reputation of Mellon.

### ***Limiting Outside Employment***

While an employee, you may not accept outside employment as a representative who prepares, audits or certifies statements or documents pertinent to Mellon' s business.

In addition, you must obtain approval from the Manager of the Ethics Office before you accept employment as a broker, contractor or agent who engages in real estate transactions such as negotiating and selling mortgages for others, appraising property or collecting rents; or as an attorney, tax or investment counselor, or insurance broker or agent.

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### ***Purchasing Real Estate***

Because certain subsidiaries of the Corporation are engaged in real estate activities, any real estate transaction you make must be scrutinized to make certain it is not competitive with Mellon activities.

Unless you receive prior approval from the Manager of the Ethics Office, or the purchase is made in a public auction in which Mellon is not competing, you should not directly or indirectly:

purchase commercial real estate from, or sell it to, a current or known potential Mellon customer;

purchase any real estate with a mortgage on which Mellon is foreclosing or on which you know Mellon is planning to foreclose; or

bid on or purchase any real estate that you know Mellon is considering or is likely to consider purchasing.

### ***Accepting Honoraria***

Neither you nor any member of your immediate family may accept cash honoraria for your public speaking or writing services on Mellon' s behalf. If a cash honorarium is tendered, you should donate it to the Mellon Financial Corporation Fund, request that it be donated to a charity of your choice, or turn it over to the Finance Department. You may accept noncash honoraria of nominal value (In the U.S., nominal value means less than \$100. Contact the Ethics Office for assistance in determining nominal values in other locations.) You also may accept reimbursement of related expenses subject to the approval of the Manager of the Ethics Office. You should check with the Tax Group to ensure proper tax treatment.

### ***Accepting Fiduciary Appointments***

A fiduciary appointment is an appointment as an administrator, executor, guardian, custodian for a minor, trustee or managing agent. Unless you are acting on behalf of a member of your family or you have obtained approval from the Manager of the Ethics Office, you may not

accept a fiduciary or co-fiduciary appointment. You also may not act as a deputy or co-tenant of a safe deposit box, or act as agent or attorney-in-fact (including signer or co-owner) on a customer's account.

Even if you are acting on behalf of a family member or receive approval to act as fiduciary or co-fiduciary, you are expected to follow these guidelines:

avoid any representations that you are performing (or have access to) the same professional services that are performed by a Bank;

do not accept a fee for acting as co-fiduciary with a Bank unless you receive approval from the board of directors of that Bank; and

do not permit your appointment to interfere with the time and attention you devote to your job responsibilities.

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### ***Participating in Civic Affairs***

You are encouraged to take part in charitable, educational, fraternal or other civic affairs, as long as such affairs do not interfere or conflict with your responsibilities at Mellon. However, you should review the requirements of "Serving as an Outside Director or Officer" (see below) as they may apply to your participation in civic affairs. You should not imply Mellon's sponsorship or support of any outside event or organization without the approval of the Chief Executive Officer of your entity or the Chief Executive Officer's delegate.

### ***Serving as an Outside Director or Officer***

In view of the potential conflicts of interest and the possible liability for both you and Mellon, you are urged to be cautious when considering service as an officer, general partner or director of any non-Mellon entity. Before agreeing to such service, you should review and comply with the Corporate Policy on *Serving as a Director/Officer of an Outside Entity* (CPP-805-1), which requires approvals to hold certain outside offices and directorships. Approvals granted under this Policy do not constitute requests by Mellon to serve, nor do they carry with them indemnification.

While you are serving as an officer, general partner or director of an outside entity, you should:

not attempt to influence or take part in any vote or decision that may lead to the use of a Mellon product or service by the outside entity, or result in the conferring of some specific benefit to Mellon by the outside entity, and see that the outside entity's records reflect your abstention;

relinquish any responsibility you may have for any Mellon relationship with the outside entity;

be satisfied that the outside entity conducts its affairs lawfully, ethically and in accordance with prudent management and financial practices; and

comply with the annual approval requirements in the Corporate Policy on *Serving as a Director/Officer of an Outside Entity* (CPP-805-1).

Any employee serving as a treasurer of a public organization—such as a school district, borough or other similar government entity—must consult the Legal Department for further guidelines.

### ***Participating in Political Activities***

Mellon encourages you to keep informed concerning political issues and candidates and to take an active interest in political affairs. If you do participate in any political activity, however, you may not act as a representative of Mellon unless you are specifically authorized in writing to do so by the Chief Executive Officer of the Corporation.

As explained in “Obeying Laws and Regulations” on page 4, Mellon employees are not permitted to use Corporate funds or assets in connection with political elections. In accordance with applicable laws, however, Mellon may establish political action committees for lawful participation in the political process. The use of Corporate funds or assets in connection with political elections may not be made without prior approval of the Legal Department.

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Hospitality toward public officials should never be such that it could tend to compromise, or give the appearance of compromising, the honesty or integrity of the public official or Mellon. Hospitality should be extended with the expectation that it will become public knowledge and should be extended in compliance with all applicable laws and regulations.

### ***Dealing With Customers and Suppliers***

In your dealings with customers and suppliers, situations sometimes occur that may create a conflict of interest or the appearance of a conflict of interest. To avoid such conflicts, Corporate policies were developed in the areas listed below.

### ***Gifts and Entertainment***

You may not offer or accept gifts or other items of value under circumstances intended to influence you, a customer or supplier in conducting business. Items of value include money, securities, business opportunities, goods, services, discounts on goods or services, entertainment, food or drink (see page 3, “Obeying Laws and Regulations”). Employees should be aware that certain lines of businesses may have more restrictive policies. For example, in the United States employees of NASD members must adhere to NASD rules regarding gifts and entertainment.

Specifically, you may not:

- solicit for yourself or for a third party (other than Mellon) anything of value from anyone in return for any Mellon business, service or confidential information;

- give cash gifts to, or accept cash gifts from, a customer, supplier or person to whom you refer business;

- use your position at Mellon to obtain anything of value from a customer, supplier or person to whom you refer business;

- accept gifts under a will or trust instrument of a customer unless you have the prior approval of the Manager of the Ethics Office; or

- except as provided below, accept anything of value (other than earned salary, wages and fees) from anyone in connection with Mellon business.

The business practices listed below do not create the risk of corruption or breach of trust to Mellon and are permissible. Accordingly, you may accept:

- gifts, gratuities, amenities or favors based on obvious family or personal relationships (such as those between an employee’s parents, children, or spouse) where the circumstances make it clear that those relationships—rather than Mellon business—are the motivating factors;

meals, refreshments, travel arrangements or accommodations, or entertainment of reasonable value and in the course of a meeting or other occasion held for business discussions, provided that the expenses would be paid by Mellon as a reasonable business expense;

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loans from other banks or financial institutions on customary terms to finance proper and usual employee activities (such as home mortgage loans), except where prohibited by law;

advertising or promotional material, such as pens, pencils, note pads, key chains, calendars and similar items having a nominal value. (In the U.S., nominal value means less than \$100. Contact the Ethics Office for assistance in determining nominal values in other locations.)

discounts or rebates on merchandise or services that do not exceed those available to other customers;

gifts that have a nominal value (see above for description of nominal value) and are related to commonly recognized events or occasions, such as a promotion, conference, sports outing, new job, wedding, retirement or holiday; or

civic, charitable, educational or religious organization awards for recognition of service and accomplishment.

If you receive or anticipate receiving something of value from a supplier, customer or person to whom you refer business in a situation that is not specifically permitted by the *Code*, you must notify the Manager of the Ethics Office in writing of the circumstances. You may not accept the item (or must return it if you have already received it) unless you receive approval from the Manager of the Ethics Office. The Manager of the Ethics Office will approve or deny requests based upon the reasonableness of the circumstances and whether the circumstances pose a threat to Mellon's integrity. The Manager of the Ethics Office will maintain copies or records of all requests and responses.

Entertainment, gifts or prizes given to customers or suppliers by employees should be appropriate for the circumstances and constitute necessary and incidental Mellon business expenses. If you seek reimbursement from Mellon for business expenses, it is your responsibility to see that your expense diary is accurate and reflects only appropriate business expenses. In dealing with employees of other banks or bank holding companies in the United States, you should be aware that gifts or prizes given to those employees are subject to the United States Bank Bribery Law, and that the United States Bank Bribery Law applies to both givers and recipients.

### ***Borrowing From Customers***

You are not permitted to borrow from, or lend your personal funds to, Mellon customers, brokers or suppliers. Credit transactions in customers' normal course of business and on regular terms (for example, transacting business with a recognized lending institution or charging items at a department store) are not included in this restriction.

### ***Giving Advice to Customers***

Unless your regular Corporate duties specifically permit, you may not give legal, tax or investment advice to customers.

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*Legal Advice*—You may be asked by a customer to make a statement regarding the legal implications of a proposed transaction. You cannot give legal advice to customers. Be sure, therefore, that nothing you say might be interpreted as legal advice.

*Tax and Investment Advice*—You may not advise customers on matters concerning tax problems, tax return preparation or investment decisions.

### ***Recommending Professional Services***



Customers and others may ask your help to find qualified professional people or firms. Unless you name several candidates without indicating favoritism, you may not recommend attorneys, accountants, insurance brokers or agents, stock brokers, real estate agents, etc., to customers, employees or others. Under no circumstances may you make a recommendation if you expect to benefit.

As an employee, you may have knowledge, reports or statements about Mellon's business or possess confidential information about the private or business affairs of Mellon's customers and suppliers. You should assume that all information about Mellon business or the private or business affairs of Mellon's customers (including applicants, former customers and employees/retirees of customers) or suppliers is confidential and you should treat that information as privileged and hold it in the strictest confidence.

Confidential information is to be used only for Mellon's Corporate purposes. Under no circumstances may you use such information for personal gain or pass it on to any person outside Mellon, including family or friends, or even to other employees who do not need such information to perform their jobs or to provide services to or for Mellon. All employees must comply with Mellon's Consumer Privacy Policies and applicable privacy laws and regulations.

### **Types of Confidential Information**

Although it is impossible to provide an exhaustive list of information that should remain confidential, the following are examples of the general types of confidential information that employees might receive in the ordinary course of carrying out their job responsibilities.

#### ***Information Obtained From Business Relations***

You may possess confidential information about those with whom Mellon has business relations. If released, such information could have a significant effect on their operations, their business reputations or the market price of their securities. Disclosing such information could expose both you and Mellon to liability for damages. Customer information should not be released to third parties without customer authorization except as approved by the Legal Department.

#### ***Mellon Financial Information***

Financial information about Mellon is confidential unless it has been published in reports to shareholders or has been made otherwise available to the public. It is the policy of the Corporation to disclose all material Corporate information to the public in such a manner that all those who are interested in the Corporation and its securities have equal access to such information.

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Except as required by law or approved by the Finance Department, financial information is not to be released to any person or organization. If you have any questions about disclosing financial information, contact the head of the Finance Department.

#### ***Mellon Examination Information***

Virtually all Mellon entities are periodically reviewed by regulatory examiners. Certain reports made by those regulatory agencies are the property of those agencies and are strictly confidential. Giving information from those reports to anyone not officially connected with Mellon is a criminal offense.

Questions concerning examination information should be directed to the Legal Department.

#### ***Mellon Proprietary Information***

Certain nonfinancial information developed by Mellon—such as business plans, customer lists, methods of doing business, computer software, source codes, databases and related documentation—is valuable information that is proprietary and confidential. You are not to disclose it to anyone outside Mellon or to anyone inside Mellon who does not have a need to know such information. This obligation extends beyond the

period of your employment with Mellon. Employees are prohibited from using Corporate time, resources and assets (including Mellon proprietary information) for personal gain. Mellon has proprietary rights in any materials, products or services that you create which relates to your work at Mellon, that use Mellon resources (equipment, etc.) or that are created during your regular work hours. You must disclose any such materials, products or services to Mellon.

### ***Electronic Information Systems***

E-mail (internal and external), voice mail and communications systems are intended for Mellon business use only. Messages and information contained on these systems are subject, at Mellon's sole discretion, to access, monitoring, review and/or disclosure by authorized Mellon personnel with or without notice, at any time. You should not expect messages sent on these systems to be treated as private or confidential.

Employees may not use e-mail systems to (1) bypass financial transaction documentation requirements; (2) send inappropriate, harassing or offensive messages; (3) solicit; or (4) deliberately distribute any program or virus that could be destructive to hardware, software, or files on any computer. You should also limit the transmission of highly sensitive information on these systems.

Messages created in these systems should be in compliance with the Corporate Policy on the *Records Management Program* (CPP-109-03).

For more detailed information on use of these systems, see the Corporate Policies on *Use of Mellon's E-Mail Network for Internal Communications* (CPP-1 1 1-04(A)); *Use of Mellon's E-Mail Network for External Communications* (CPP-1 1 1-04(B)); and *Access to Electronic Information* (CPP-1 11-4). Additionally, Mellon provides employees access to both the Internet and Intranet (Mellon's internal Internet system) as a resource to obtain Mellon organizational or business related information. Your use of the Internet and Intranet is subject, at Mellon's sole discretion, to access, monitoring, review and/or disclosure by authorized Mellon personnel with or without notice, at any time, and should not be viewed as private or confidential. For more detailed information on use of the Internet and Intranet, see the Corporate Policy on *Internet/Intranet Access* (CPP-118-1).

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### ***Information Security Systems***

If you have access to Mellon information systems, you are responsible for taking precautions necessary to prohibit unauthorized entry to the system. You should safeguard your passwords or other means of entry.

### ***Computer Software***

Computer software is to be used for Mellon business only and must be used in accordance with the terms of the licensing agreement. No copying of software is permitted except in accordance with the licensing agreement.

### ***Inside Information***

Inside information is material nonpublic information relating to a company whose securities trade in a public market. Information is considered "material" if it is important enough to affect the judgment of investors about whether to buy, sell or hold securities of that company, or to influence the market price of those securities.

Courts have ruled that inside information must be made public before anyone possessing it can trade, or recommend the purchase or sale of, securities of the issuing company. Under various securities laws (at both the national and local level), you, Mellon and any person with whom you share the information could be held legally responsible for misusing inside information.

Obviously, inside information rules can be very difficult to apply in given circumstances. Employees must be extremely cautious in discussing Mellon information with any person outside of Mellon or in using information obtained at Mellon in making personal investment decisions. If you have any doubts about whether or not an item is inside information or whether or not it has been or should be revealed, consult the Legal Department.

The following are some basic rules to follow to protect confidential information.

## **Limited Communication to Outsiders**

Confidential information should not be communicated to anyone outside Mellon, except consistent with Mellon's policies on communicating such information.

## **Corporate Use Only**

Confidential information should be used only for Mellon's Corporate purposes. Under no circumstances may an employee use it, directly or indirectly, for personal gain or for the benefit of any outside party who is not entitled to such information.

## **Other Customers**

Where appropriate, customers should be made aware that employees will not disclose to them other customers' confidential information or use the confidential information of one customer for the benefit of another.

## **Notification of Confidentiality**

When confidential information is communicated to any person, either inside or outside Mellon, they should be informed of the information's confidential nature and the limitations on its further communication.

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## **Prevention of Eavesdropping**

Confidential matters should not be discussed in public or in places, such as in building lobbies, restaurants or elevators, where persons may overhear. Precautions, such as locking materials in desk drawers overnight, stamping material "Confidential" and delivering materials in sealed envelopes, should be taken with written materials to ensure they are not read by unauthorized persons.

## **Data Protection**

Data stored on personal computers and diskettes should be properly secured to ensure it is not accessed by unauthorized persons. Access to computer files should be granted only on a need-to-know basis. At a minimum, employees should comply with applicable Mellon policies on electronic data security. Data stored on paper should also be properly secured (locked as appropriate) to ensure that it is not accessed by unauthorized persons. All data should be retained based on the applicable data retention schedules in each line of business. For further information see the see the Corporate Policies on Records Management Creation (CPP-1 11-02) and Records Retention (CPP-111-03)

## **Confidentiality Agreements**

Confidentiality agreements to which Mellon is a party must be complied with in addition to, but not in lieu of, this Policy. Confidentiality agreements that deviate from commonly used forms should be reviewed in advance by the Legal Department.

## **Contact With the Public**

All contacts with institutional shareholders or securities analysts about Mellon must be made through the Investor Relations Division of the Finance Department. All contacts with the media and all speeches or other public statements made on behalf of Mellon or about Mellon's businesses must be cleared in advance by Corporate Affairs. All media inquiries should be directed to Corporate Affairs. In speeches and statements not made on behalf of Mellon, care should be taken to avoid any implication that Mellon endorses the views expressed.

## **Supplemental Procedures**

Mellon entities, departments, divisions and groups should establish their own supplemental procedures for protecting confidential information, as appropriate. These procedures may include:

establishing records retention and destruction policies;

using code names;

limiting the staffing of confidential matters (for example, limiting the size of working groups and the use of temporary employees, messengers and work processors); and

requiring written confidentiality agreements for certain employees.

Any supplemental procedures should be used only to protect confidential information and not to circumvent appropriate report and record keeping requirements.

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### **Securities Fire Wall Policy**

To facilitate compliance with the prohibition on trading in securities while in possession of insider information, diversified financial services organizations, including Mellon, have adopted securities fire wall policies, which separate the business units or employees likely to receive insider information from the business units or employees that trade securities or provide investment advice.

Mellon's policy on Securities Firewalls(CPP-903-2(C)) establishes rules restricting the flow of information within Mellon to investment personnel; procedures to be used by investment personnel to obtain information from other departments or divisions of Mellon or from other Mellon subsidiaries; and procedures for reporting the receipt of material nonpublic information by investment personnel.

You must know this policy, particularly if you work in an area that handles investment decisions or if you supply or might be asked to supply information to employees in such areas. Under no circumstances should you receive or pass on information that may create a conflict of interest or interfere with a fiduciary obligation of Mellon.

You must return all property of Mellon immediately before or upon termination of employment. This includes all forms of Mellon proprietary information; all hard-copy and computer files; customer lists; personal computer hardware and software; statistical analysis, product pricing, various formulas and models; identification cards; keys and access cards; and other confidential information. In addition, you may not retain copies of any such property. You must also return cellular or car phones, pagers, laptop computers and any other equipment that Mellon made available to facilitate the performance of your job.

No waiver of this Code of Conduct will be made for any executive officer of the Corporation unless the waiver is made by the Corporation's board of directors (or a committee thereof) and is promptly disclosed to shareholders. Individuals who are deemed to be "executive officers" of the Corporation will be notified of this fact.

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## ALLIANCE CAPITAL MANAGEMENT L.P.

## CODE OF BUSINESS CONDUCT AND ETHICS

*“Trust is the foundation of an investment management company, an attribute that takes years to establish and just days to destroy. Promoting and sustaining a fiduciary culture is, therefore, a business imperative.”*

- Lewis A. Sanders, Chief Executive Officer

October 2004  
Revised May 2005

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**A Message from Lewis A. Sanders,  
Chief Executive Officer of Alliance Capital**

*Trust is the foundation of an investment management company, an attribute that takes years to establish, constant vigilance to maintain, and just days to destroy. Honesty, integrity, and high ethical standards must be practiced on a daily basis in order to protect this most critical asset.*

*We have made great strides recently in enhancing our sensitivity to our fiduciary obligations, and in ensuring that we meet those obligations. The creation of new senior management committees (the Internal Compliance Controls Committee and the Code of Ethics Oversight Committee), the appointment of a new Conflicts Officer and the retention of a Company Ombudsman all are designed to provide Alliance employees with guidance, and to give employees multiple avenues in which to explore work-related issues or questions. Our business is about making and keeping long-term commitments.*

*Alliance has long been committed to maintaining and promoting high ethical standards and business practices. We have prepared this Code of Business Conduct and Ethics (the “Code”) in order to establish a common vision of our ethical standards and practices. The Code is intended to establish certain guiding principles for all of us and not to be an exhaustive guide to all the detailed rules and regulations governing the conduct of business in the various countries where we do business. Separately, we have prepared a series of fiduciary and business-related policies and procedures, which set forth detailed requirements to which all employees are subject. We also have prepared various Compliance Manuals, which provide in summary form, an overview of the concepts described in more detail in this Code and in our other policies and procedures.*

*You should take the time to familiarize yourself with the policies in this Code and use common sense in applying them to your daily work environment and circumstances. Your own personal integrity and good judgment are the best guides to ethical and responsible conduct. If you have questions, you should discuss them with your supervisor, the General Counsel, the Chief Compliance Officer or a representative of the Legal and Compliance Department or Human Resources. If the normal channels for reporting are not appropriate, or if you feel uncomfortable utilizing them, issues may be brought to the attention of the Company Ombudsman, who is an independent, informal and confidential resource for concerns about Alliance business matters that may implicate issues of ethics or questionable practices.*

*Our continued success depends on each of us maintaining high ethical standards and business practices. I count on each of you to apply good ethics and sound judgment in your daily responsibilities in order to help ensure that success.*

Lewis A. Sanders

**ALLIANCE CAPITAL MANAGEMENT L.P**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

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## 1. Introduction

This Code of Business Conduct and Ethics (the “Code”) summarizes the values, principles and business practices that guide our business conduct. The Code establishes a set of basic principles to guide all Alliance employees (including Alliance directors where applicable) regarding the minimum requirements which we are expected to meet. The Code applies to all of our offices worldwide. It is not, however, intended to provide an exhaustive list of all the detailed internal policies and procedures, regulations and legal requirements that may apply to you as an Alliance employee and/or a representative of one of our regulated subsidiaries.

All individuals subject to the provisions of this Code must conduct themselves in a manner consistent with the requirements and procedures set forth herein. Adherence to the Code is a fundamental condition of service with us, any of our subsidiaries or joint venture entities, or our general partner (the “Alliance Group”).

Alliance Capital Management L.P. (“Alliance,” “we” or “us”) is a registered investment adviser and acts as investment manager or adviser to registered investment companies, institutional investment clients, employee benefit trusts, high net worth individuals and other types of investment advisory clients. In this capacity, we serve as fiduciaries. The fiduciary relationship mandates adherence to the highest standards of conduct and integrity.

Personnel acting in a fiduciary capacity must carry out their duties for the exclusive benefit of our clients. Consistent with this fiduciary duty, the interests of clients take priority over the personal investment objectives and other personal interests of Alliance personnel. Accordingly:

Employees must work to mitigate or eliminate any conflict, or appearance of conflict, between the self-interest of any individual covered under the Code and his or her responsibility to our clients, or to Alliance and its unitholders.

Employees must never improperly use their position with Alliance for personal gain to themselves, their family or any other person.

The Code is intended to comply with Rule 17j-1 under the (U.S.) Investment Company Act of 1940 (the “1940 Act”) which applies to us because we serve as an investment adviser to registered investment companies. Rule 17j-1 specifically requires us to adopt a code of ethics that contains provisions reasonably necessary to prevent our “access persons” (as defined herein) from engaging in fraudulent conduct, including insider trading. In addition, the Code is intended to comply with the provisions of the (U.S.) Investment Advisers Act of 1940 (the “Advisers Act”), including Rule 204A-1, which requires registered investment advisers to adopt and enforce codes of ethics applicable to their supervised persons. Finally, the Code is intended to comply with Section 303A.10 of the New York Stock Exchange (“NYSE”) Listed Company Manual, which applies to us because the units of Alliance Capital Management Holding L.P. (“Alliance Holding”) are traded on the NYSE.

Additionally, certain entities within the Alliance Group, such as Sanford C. Bernstein & Co., LLC and Sanford C. Bernstein Limited, have adopted supplemental codes of ethics to address specific regulatory requirements applicable to them. All employees are obligated to determine if any of these codes are applicable to them, and abide by such codes as appropriate.

## 2. **The Alliance Fiduciary Culture**

The primary objective of Alliance's business is to provide value, through investment advisory and other financial services, to a wide range of clients, including governments, corporations, financial institutions, high net worth individuals and pension funds.

Alliance requires that all dealings with, and on behalf of existing and prospective clients be handled with honesty, integrity and high ethical standards, and that such dealings adhere to the letter and the spirit of applicable laws, regulations and contractual guidelines.

As a general matter, Alliance is a fiduciary that owes its clients a duty of undivided loyalty, and each employee has a responsibility to act in a manner consistent with this duty.

When dealing with or on behalf of a client, every employee must act solely in the best interests of that client. In addition, various comprehensive statutory and regulatory structures such as the 1940 Act, the Advisers Act and ERISA, the Employee Retirement Income Security Act, all impose specific responsibilities governing the behavior of personnel in carrying out their responsibilities.

Alliance and its employees must comply fully with these rules and regulations. Legal and Compliance Department personnel are available to assist employees in meeting these requirements.

All employees are expected to adhere to the high standards associated with our fiduciary duty, including care and loyalty to clients, competency, diligence and thoroughness, and trust and accountability. Further, all employees must actively work to avoid the possibility that the advice or services we provide to clients is, or gives the appearance of being, based on the self-interests of Alliance or its employees and not the clients' best interests.

Our fiduciary responsibilities apply to a broad range of investment and related activities, including sales and marketing, portfolio management, securities trading, allocation of investment opportunities, client service, operations support, performance measurement and reporting, new product development as well as your personal investing activities. These obligations include the duty to avoid material conflicts of interest (and, if this is not possible, to provide full and fair disclosure to clients in communications), to keep accurate books and records, and to supervise personnel appropriately. These concepts are further described in the Sections that follow.

## 3. **Compliance with Laws, Rules and Regulations**

Alliance Capital has a long-standing commitment to conduct its business in compliance with applicable laws and regulations and in accordance with the highest ethical

principles. This commitment helps ensure our reputation for honesty, quality and integrity. All individuals subject to the Code are required to comply with all such laws and regulations. All U.S. employees, as well as non-U.S. employees who act on behalf of U.S. clients or funds, are required to comply with the U.S. federal securities laws. These laws include, but are not limited to, the 1940 Act, the Advisers Act, ERISA, the Securities Act of 1933 ("Securities Act"), the Securities Exchange Act of 1934 ("Exchange Act"), the Sarbanes-Oxley Act of 2002, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the SEC under any of these statutes, the Bank Secrecy Act as it applies to our activities, and any rules adopted thereunder by the Securities and Exchange Commission ("SEC") or the Department of the Treasury. As mentioned above, as a listed company, we are also subject to specific rules promulgated by the NYSE. Similarly, our non-US affiliates are subject to additional laws and regulatory mandates in their respective jurisdictions, which must be fully complied with.

## 4. **Conflicts of Interest / Unlawful Actions**

A "conflict of interest" exists when a person's private interests may be contrary to the interests of Alliance's clients or to the interests of Alliance or its unitholders.

A conflict situation can arise when an Alliance employee takes actions or has interests (business, financial or otherwise) that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may arise, for example, when an Alliance employee, or a member of his or her family,<sup>(1)</sup> receives improper personal benefits (including personal loans, services, or payment for services that the Alliance employee performs in the course of Alliance business) as a result of his or her position at Alliance, or gains personal enrichment or benefits through access to confidential information. Conflicts may also arise when an Alliance employee, or a member of his or her family, holds a significant financial interest in a company that does an important amount of business with Alliance or has outside business interests that may result in divided loyalties or compromise independent judgment. Moreover, conflicts may arise when making securities investments for personal accounts or when determining how to allocate trading opportunities. Additional conflicts of interest are highlighted in the Alliance *Policy and Procedures for Giving and Receiving Gifts and Entertainment*, a copy of which can be found on the Legal and Compliance Department intranet site.

Conflicts of interest can arise in many common situations, despite one's best efforts to avoid them. This Code does not attempt to identify all possible conflicts of interest. Literal compliance with each of the specific procedures will not shield you from liability for personal trading or other conduct that violates your fiduciary duties to our clients. Alliance employees are encouraged to seek clarification of, and discuss questions about, potential conflicts of interest. If you have questions about a particular situation or become aware of a conflict or potential conflict, you should bring it to the attention of

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(1) For purposes of this section of the Code, unless otherwise specifically provided, (i) "family" means your spouse/domestic partner, parents, children, siblings, in-laws by marriage (i.e., mother, father, son and/or daughter-in-law) and anyone who shares your home; and (ii) "relative" means your immediate family members and your first cousins.

your supervisor, the General Counsel, the Conflicts Officer, the Chief Compliance Officer or a representative of the Legal and Compliance Department or Human Resources.

In addition to the specific prohibitions contained in the Code, you are, of course, subject to a general requirement not to engage in any act or practice that would defraud our clients. This general prohibition (which also applies specifically in connection with the purchase and sale of a Security held or to be acquired or sold, as this phrase is defined in the Appendix) includes:

Making any untrue statement of a material fact or employing any device, scheme or artifice to defraud a client;

Omitting to state (or failing to provide any information necessary to properly clarify any statements made, in light of the circumstances) a material fact, thereby creating a materially misleading impression;

Making investment decisions, changes in research ratings and trading decisions other than exclusively for the benefit of, and in the best interest of, our clients;

Using information about investment or trading decisions or changes in research ratings (whether considered, proposed or made) to benefit or avoid economic injury to you or anyone other than our clients;

Taking, delaying or omitting to take any action with respect to any research recommendation, report or rating or any investment or trading decision for a client in order to avoid economic injury to you or anyone other than our clients;

Purchasing or selling a security on the basis of knowledge of a possible trade by or for a client with the intent of personally profiting from personal holdings in the same or related securities ("front-running" or "scalping");

Revealing to any other person (except in the normal course of your duties on behalf of a client) any information regarding securities transactions by any client or the consideration by any client of any such securities transactions; or

Engaging in any act, practice or course of business that operates or would operate as a fraud or deceit on a client or engaging in any manipulative practice with respect to any client.

## 5. Insider Trading

There are instances where Alliance employees may have confidential “inside” information about Alliance or its affiliates, or about a company with which we do business, or about a company in which we may invest on behalf of clients, that is not known to the investing public. Alliance employees must maintain the confidentiality of such information. If a reasonable investor would consider this information important in

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reaching an investment decision, the Alliance employee with this information must not buy or sell securities of any of the companies in question or give this information to another person who trades in such securities. This rule is very important, and Alliance has adopted the following three specific policies that address it: *Policy and Procedures Concerning Purchases and Sales of Alliance Units*, *Policy and Procedures Concerning Purchases and Sales of Alliance Closed-End Mutual Funds*, and *Policy and Procedures Regarding Insider Trading* (collectively, the “Alliance Insider Trading Policies”). A copy of the Alliance Insider Trading Policies may be found on the Legal and Compliance Department intranet site. All Alliance employees are required to be familiar with these policies<sup>(2)</sup> and to abide by them.

## 6. Personal Trading: Summary Restrictions

Alliance recognizes the importance to its employees of being able to manage and develop their own and their dependents’ financial resources through long-term investments and strategies. However, because of the potential conflicts of interest inherent in our business, our industry and Alliance have implemented certain standards and limitations designed to minimize these conflicts and help ensure that we focus on meeting our duties as a fiduciary for our clients. As a general matter, Alliance discourages personal investments by employees in individual securities and encourages personal investments in managed collective vehicles, such as mutual funds.

Alliance senior management believes it is important for employees to align their own personal interests with the interests of our clients. **Consequently, employees are encouraged to invest in the mutual fund products and services offered by Alliance, where available and appropriate.**

The policies and procedures for personal trading are set forth in full detail in the Alliance *Personal Trading Policies and Procedures*, included in the Code as Appendix A. The following is a summary of the major restrictions that apply to personal trading by employees, their immediate family members and other financial dependents:

Employees must disclose all of their securities and mutual fund accounts to the Legal and Compliance Department;

Employees may maintain securities accounts only at specified designated broker-dealers;

Employees must pre-clear all securities trades, including non-affiliated mutual funds (but not money market funds), in writing with the Legal and Compliance Department prior to placing trades with their broker-dealer (prior supervisory approval is required for portfolio managers, research analysts, traders, persons with access to Alliance research, and others designated by the Legal and Compliance Department);

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(2) The subject of insider trading will be covered in various Compliance training programs and materials.

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Employees may only make five trades in individual securities during any rolling thirty calendar-day period;

Employee purchases of individual securities are subject to a one-year holding period (ninety days for mutual funds). No holding period applies to money market funds;

Employees may not participate in initial public offerings;

Employees must get written approval, and make certain representations, in order to participate in limited or private offerings;

Employees must submit initial and annual holding reports, disclosing all securities (including mutual funds, other than money market funds) held in personal accounts;

Employees must submit quarterly reports identifying all securities and mutual fund transactions (other than money market funds) in personal accounts that were not otherwise included in broker trade confirmations or account statements already provided to the Legal and Compliance Department;

The Legal and Compliance Department has the authority to prevent:

- a. Any personal trade by an employee if the security is being considered for purchase or sale in a client account, there are open orders for the security on a trading desk, or the security appears on any Alliance restricted list;
- b. Any short sale by an employee for a personal account if the security is being held long in Alliance-managed portfolios; and
- c. Any personal trade by a portfolio manager or research analyst in a security that is subject to a blackout period as a result of client portfolio trading or recommendations to clients.

Separate requirements and restrictions apply to directors who are not employees of Alliance, as explained in further detail in the Alliance *Personal Trading Policies and Procedures*, Exhibit A of this document.

This summary should not be considered a substitute for reading, understanding and complying with the detailed restrictions and requirements that appear in the Alliance *Personal Trading Policies and Procedures*, included as Appendix A to the Code.

## 7. **Outside Directorships and Other Outside Activities and Interests**

Although activities outside of Alliance are not necessarily a conflict of interest, a conflict may exist depending upon your position within Alliance and Alliance' s relationship with

the particular activity in question. Outside activities may also create a potential conflict of interest if they cause an Alliance employee to choose between that interest and the interests of Alliance or any client of Alliance. Alliance recognizes that the guidelines in this Section are not applicable to directors of Alliance who do not also serve in management positions within Alliance (“Outside Directors”).

### **(a) Board Member or Trustee**

- i. No Alliance employee shall serve on any board of directors or trustees or in any other management capacity of any unaffiliated *public* company.

- ii. No Alliance employee shall serve on any board of directors or trustees or in any other management capacity of any private company without prior written approval (other than not-for-profit organizations) from the employee's supervisor.(3) After obtaining supervisory approval, the employee must obtain written authorization from Alliance's Chief Compliance Officer who will provide final approval. This approval is also subject to review by, and may require the approval of, Alliance's Chief Executive Officer. The decision as to whether to grant such authorization will be based on a determination that such service would not be inconsistent with the interests of any client, as well as an analysis of the time commitment and potential personal liabilities and responsibilities associated with the outside affiliation.(4) **Any Alliance employee who serves as a director, trustee or in any other management capacity of any private company must resign that position prior to the company becoming a publicly traded company.**
- iii. This approval requirement applies regardless of whether an Alliance employee plans to serve as a director of an outside business organization (1) in a personal capacity or (2) as a representative of Alliance or of an entity within the Alliance Group holding a corporate board seat on the

(3) No approval is required to serve as a trustee/board member of not-for-profit organizations such as religious organizations, foundations, educational institutions, co-ops, private clubs etc., provided that the organization *has not issued, and does not have future plans to issue, publicly held securities, including debt obligations*. Indeed, Alliance recognizes that its employees often engage in community service in their local communities and engage in a variety of charitable activities, and it commends such service. However, it is the duty of every Alliance employee to ensure that all outside activities, even charitable or pro bono activities, do not constitute a conflict of interest or are not otherwise inconsistent with employment by Alliance. *Accordingly, although no approval is required, each employee must use his/her best efforts to ensure that the organization does not use the employee's affiliation with Alliance, including his/her corporate title, in any promotional (other than a "bio" section) or fundraising activities, or to advance a specific mission or agenda of the entity*. Such positions also must be reported to the firm pursuant to other periodic requests for information (e.g., the Alliance 10-K questionnaire).

(4) Such authorization requires an agreement on the part of the employee to not hold him or herself out as acting on behalf of Alliance Capital (or any affiliate) and to use best efforts to ensure that Alliance's name (or that of any Alliance affiliated company) is not used in connection with the proposed affiliation (other than in a "bio" section), and in particular, activities relating to fundraising or to the advancement of a specific entity mission or agenda.

outside organization (e.g., where Alliance or its clients may have a significant but non-controlling equity interest in the outside company).

- iv. New employees with pre-existing relationships are required to resign from the boards of public companies and seek and obtain the required approvals to continue to serve on the boards of private companies.

**(b) Other Affiliations**

Alliance discourages employees from committing to secondary employment, particularly if it poses any conflict in meeting the employee's ability to satisfactorily meet all job requirements and business needs. Before an Alliance employee accepts a second job, that employee must:

Immediately inform his or her Department Head and Human Resources in writing of the secondary employment;

Ensure that Alliance's business takes priority over the secondary employment;

Ensure that no conflict of interest exists between Alliance's business and the secondary employment (*see also, footnote 4, previous page*); and

Require no special accommodation for late arrivals, early departures, or other special requests associated with the secondary employment.

For employees employed by any of Alliance's registered broker-dealer subsidiaries, written approval of the Chief Compliance Officer for the subsidiary is also required.<sup>(5)</sup> New employees with pre-existing relationships are required to ensure that their affiliations conform to these restrictions, and must obtain the requisite approvals.

**(c) Outside Financial or Business Interests**

Alliance employees should be cautious with respect to personal investments that may lead to conflicts of interest or raise the appearance of a conflict. Conflicts of interest in this context may arise in cases where an Alliance employee, a member of his or her family, or a close personal acquaintance, holds a substantial interest in a company that has significant dealings with Alliance or any of its subsidiaries either on a recurring or "one-off" basis. For example, holding a substantial interest in a family-controlled or other privately-held company that does business with, or competes against, Alliance or any of its subsidiaries may give rise to a conflict of interest or the appearance of a conflict. In contrast, holding shares in a

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(5) In the case of Alliance subsidiaries that are holding companies for consolidated subgroups, unless otherwise specified by the holding company's Chief Executive Officer, this approval may be granted by the Chief Executive Officer or Chief Financial Officer of each subsidiary or business unit with such a consolidated subgroup.

widely-held public company that does business with Alliance from time to time may not raise the same types of concerns. Prior to making any such personal investments, Alliance employees must pre-clear the transaction, in accordance with the Personal Trading Policies and Procedures, attached as Exhibit A of this Code, and should consult as appropriate with their supervisor, the Conflicts Officer, General Counsel, Chief Compliance Officer or other representative of the Legal and Compliance Department.

Alliance employees should also be cautious with respect to outside business interests that may create divided loyalties, divert substantial amounts of their time and/or compromise their independent judgment. If a conflict of interest situation arises, you should report it to your supervisor, the Conflicts Officer, General Counsel, Chief Compliance Officer and/or other representative of Alliance's Human Resources or Legal and Compliance Department. Business transactions that benefit relatives or close personal friends, such as awarding a service contract to them or a company in which they have a controlling or other significant interest, may also create a conflict of interest or the appearance of a conflict. Alliance employees must consult their supervisor and/or the Conflicts Officer, General Counsel, Chief Compliance Officer or other representative of Alliance's Human Resources or Legal and Compliance Department before entering into any such transaction. New employees that have outside financial or business interests (as described herein) should report them as required and bring them to the attention of their supervisor immediately.

**8. Gifts, Entertainment and Inducements**

Business gifts and entertainment are designed to build goodwill and sound working relationships among business partners. However, under certain circumstances, gifts, entertainment, favors, benefits, and/or job offers may be attempts to "purchase" favorable treatment. Accepting or offering such inducements could raise doubts about an Alliance employee's ability to make independent business judgments in Alliance's best interests. For example, a problem would arise if (i) the receipt by an Alliance employee of a gift, entertainment or other inducement would compromise, or could be reasonably viewed as compromising, that individual's ability to make objective and fair business decisions on behalf of Alliance or its clients, or (ii) the offering by an Alliance employee of a gift, entertainment or other inducement appears to be an attempt to obtain business through improper means or to gain any special advantage in our business relationships through improper means.

These situations can arise in many different circumstances (including with current or prospective suppliers and clients) and Alliance employees should keep in mind that certain types of inducements may constitute illegal bribes, pay-offs or kickbacks. In particular,

the rules of various securities regulators place specific constraints on the activities of persons involved in the sales and marketing of securities. Alliance has adopted the *Policy and Procedures for Giving and Receiving Gifts and Entertainment* to address these matters. Alliance Employees should familiarize themselves with this

policy, a copy of which can be found on the Legal and Compliance Department intranet site.

Each Alliance employee must use good judgment to ensure there is no violation of these principles. If you have any question or uncertainty about whether any gifts, entertainment or other type of inducements are appropriate, please contact your supervisor or a representative of Alliance's Legal and Compliance Department and/or the Conflicts Officer, as appropriate. If you feel uncomfortable utilizing the normal channels, issues may be brought to the attention of the Company Ombudsman, who is an independent, informal and confidential resource for concerns about Alliance business matters that may implicate issues of ethics or questionable practices. Please see Section 23 for additional information on the Company Ombudsman.

## **9. Dealings with Government Personnel**

Alliance employees should be aware that practices that may be acceptable in the commercial business environment (such as providing certain transportation, business meals, entertainment and other things of nominal value), may be entirely unacceptable and even illegal when they relate to government employees or others who act on a government's behalf. Therefore, you must be aware of and adhere to the relevant laws and regulations governing relations between government employees and customers and suppliers in every country where you conduct business.

No Alliance employee may give money or gifts to any official or any employee of a governmental entity if doing so could reasonably be construed as having any inappropriate connection with Alliance's business relationship. Such actions are prohibited by law in many jurisdictions. It is the responsibility of all Alliance employees to adhere to the laws and regulations applicable in the jurisdictions where they do business.

We expect all Alliance employees to refuse to make questionable payments. Any proposed payment or gift to a government official must be reviewed in advance by a representative of the Legal and Compliance Department, even if such payment is common in the country of payment. Alliance employees should be aware that they do not actually have to make the payment to violate Alliance's policy and the law – merely offering, promising or authorizing it will be considered a violation of this Code.

## **10. Political Contributions by or on behalf of Alliance Capital**

Election laws in many jurisdictions generally prohibit political contributions by corporations to candidates. Many local laws also prohibit corporate contributions to local political campaigns. In accordance with these laws, Alliance does not make direct contributions to any candidates for national or local offices where applicable laws make such contributions illegal. In these cases, contributions to political campaigns must not be, nor appear to be, made with or reimbursed by Alliance assets or resources. Alliance assets and resources include (but are not limited to) Alliance facilities, personnel, office supplies, letterhead, telephones, electronic communication systems and fax machines.

Please see the *Policy and Procedures for Giving and Receiving Gifts and Entertainment*, which can be found on the Legal and Compliance Department intranet site, for a discussion relating to political contributions suggested by clients.



Alliance employees who hold or seek to hold political office must do so on their own time, whether through vacation, after work hours or on weekends. Additionally, the employee must notify the General Counsel or Chief Compliance Officer prior to running for political office to ensure that there are no conflicts of interest with Alliance business.

Election laws in many jurisdictions allow corporations to establish and maintain political action or similar committees, which may lawfully make campaign contributions. Alliance or companies affiliated with Alliance may establish such committees or other mechanisms through which Alliance employees may make political contributions, if permitted under the laws of the jurisdictions in which they operate. Any questions about this policy should be directed to the General Counsel or Chief Compliance Officer.

Alliance employees may make personal political contributions as they see fit in accordance with all applicable laws and the guidelines in the *Policy and Procedures for Giving and Receiving Gifts and Entertainment*. Certain employees involved with the offering or distribution of municipal fund securities (e.g., a “529 Plan”) or acting as a director for certain subsidiaries, must also adhere to the restrictions and reporting requirements of the Municipal Securities Rulemaking Board.

## **11. “Ethical Wall” Policy**

Alliance has established the *Policy and Procedures to Control the Flow and Use of Material Non-Public Information* (“Ethical Wall Policy”), a copy of which can be found on the Legal and Compliance Department intranet site. This policy was established to prevent the flow of material non-public information about a listed company or its securities from Alliance employees who receive such information in the course of their employment to those Alliance employees performing investment management activities. If “Ethical Walls” are in place, Alliance’s investment management activities may continue despite the knowledge of material non-public information by other Alliance employees involved in different parts of Alliance’s business. “Investment management activities” involve making, participating in, or obtaining information regarding purchases or sales of securities of public companies or making, or obtaining information about, recommendations with respect to purchases or sales of such securities. Given Alliance’s extensive investment management activities, it is very important for Alliance employees to familiarize themselves with Alliance’s Ethical Wall Policy and abide by it.

## **12. Corporate Opportunities and Resources**

Alliance employees owe a duty to Alliance to advance the firm’s legitimate interests when the opportunity to do so arises and to use corporate resources exclusively for that purpose. Corporate opportunities and resources must not be taken or used for personal gain. Alliance Employees are prohibited from:

Taking for themselves personally opportunities that are discovered through the use of company property, information or their position;

Using company property, information, resources or their company position for personal gain; and

Competing with Alliance directly or indirectly.

Please also refer to the *Policy and Procedures for Giving and Receiving Gifts and Entertainment*, and its Appendix B, the *Code of Conduct Regarding the Purchase of Products and Services on Behalf of Alliance and its Clients*, which can be found on the Legal and Compliance Department intranet site.

## **13. Antitrust and Fair Dealing**

Alliance believes that the welfare of consumers is best served by economic competition. Our policy is to compete vigorously, aggressively and successfully in today’s increasingly competitive business climate and to do so at all times in compliance with all applicable antitrust, competition and fair dealing laws in all the markets in which we operate. We seek to excel while operating

honestly and ethically, never through taking unfair advantage of others. Each Alliance employee should endeavor to deal fairly with Alliance's customers, suppliers, competitors and other Alliance employees. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practices.

The antitrust laws of many jurisdictions are designed to preserve a competitive economy and promote fair and vigorous competition. We are all required to comply with these laws and regulations. Alliance employees involved in marketing, sales and purchasing, contracts or in discussions with competitors have a particular responsibility to ensure that they understand our standards and are familiar with applicable competition laws. Because these laws are complex and can vary from one jurisdiction to another, Alliance employees are urged to seek advice from the General Counsel, Chief Compliance Officer or Corporate Secretary if questions arise. Please also refer to the *Policy and Procedures for Giving and Receiving Gifts and Entertainment*, which can be found on the Legal and Compliance Department intranet site, for a discussion relating to some of these issues.

#### **14. Recordkeeping and Retention**

Properly maintaining and retaining company records is of the utmost importance. Alliance employees are responsible for ensuring that Alliance's business records are properly maintained and retained in accordance with applicable laws and regulations in the jurisdictions where it operates. Alliance Employees should familiarize themselves with these laws and regulations. Please see the *Record Retention Policy* on the Legal and Compliance intranet site for more information.

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#### **15. Improper Influence on Conduct of Audits**

Alliance employees, and persons acting under their direction, are prohibited from taking any action to coerce, manipulate, mislead or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of Alliance's financial statements. The following is a non-exhaustive list of actions that might constitute improper influence:

Offering or paying bribes or other financial incentives to an auditor, including offering future employment or contracts for audit or non-audit services;

Knowingly providing an auditor with inaccurate or misleading legal or financial analysis;

Threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the company's accounting; or

Seeking to have a partner or other team member removed from the audit engagement because such person objects to the company's accounting.

#### **16. Accuracy of Disclosure**

Securities and other laws impose public disclosure requirements on Alliance and require it to regularly file reports, financial information and make other submissions to various regulators and stock market authorities around the globe. Such reports and submissions must comply with all applicable legal requirements and may not contain misstatements or omit material facts.

Alliance employees who are directly or indirectly involved in preparing such reports and submissions, or who regularly communicate with the press, investors and analysts concerning Alliance, must ensure within the scope of the employee's job activities that such reports, submissions and communications are (i) full, fair, timely, accurate and understandable, and (ii) meet applicable legal requirements. This applies to all public disclosures, oral statements, visual presentations, press conferences and media calls concerning Alliance, its financial performance and similar matters. In addition, members of Alliance's Board, executive officers and Alliance employees who regularly communicate with analysts or actual or potential investors in Alliance securities are subject to the

## **17. Confidentiality**

Alliance employees must maintain the confidentiality of sensitive non-public and other confidential information entrusted to them by Alliance or its clients and vendors and must not disclose such information to any persons except when disclosure is authorized by Alliance or mandated by regulation or law. However, disclosure may be made to (1) other Alliance employees who have a bona-fide "need to know" in connection with their duties, (2) persons outside Alliance (such as attorneys, accountants or other advisers) who

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need to know in connection with a specific mandate or engagement from Alliance or who otherwise have a valid business or legal reason for receiving it and have executed appropriate confidentiality agreements, or (3) regulators pursuant to an appropriate written request (see Section 21).

Confidential information includes all non-public information that might be of use to competitors, or harmful to Alliance or our clients and vendors, if disclosed. The identity of certain clients may be confidential, as well. Intellectual property (such as confidential product information, trade secrets, patents, trademarks, and copyrights), business, marketing and service plans, databases, records, salary information, unpublished financial data and reports as well as information that joint venture partners, suppliers or customers have entrusted to us are also viewed as confidential information. Please note that the obligation to preserve confidential information continues even after employment with Alliance ends.

To safeguard confidential information, Alliance employees should observe at least the following procedures:

Special confidentiality arrangements may be required for certain parties, including outside business associates and governmental agencies and trade associations, seeking access to confidential information;

Papers relating to non-public matters should be appropriately safeguarded;

Appropriate controls for the reception and oversight of visitors to sensitive areas should be implemented and maintained;

Document control procedures, such as numbering counterparts and recording their distribution, should be used where appropriate;

If an Alliance employee is out of the office in connection with a material non-public transaction, staff members should use caution in disclosing the Alliance employee' s location;

Sensitive business conversations, whether in person or on the telephone, should be avoided in public places and care should be taken when using portable computers and similar devices in public places; and

E-mail messages and attachments containing material non-public information should be treated with similar discretion (including encryption, if appropriate) and recipients should be made aware of the need to exercise similar discretion.

## **18. Protection and Proper Use of Alliance Assets**

Alliance employees have a responsibility for safeguarding and making proper and efficient use of Alliance' s property. Every Alliance employee also has an obligation to protect Alliance' s property from loss, fraud, damage, misuse, theft, embezzlement or

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destruction. Acts of fraud, theft, loss, misuse, carelessness and waste of assets may have a direct impact on Alliance's profitability. Any situations or incidents that could lead to the theft, loss, fraudulent or other misuse or waste of Alliance property should be reported to your supervisor or a representative of Alliance's Human Resources or Legal and Compliance Department as soon as they come to an employee's attention. Should an employee feel uncomfortable utilizing the normal channels, issues may be brought to the attention of the Company Ombudsman, who is an independent, informal and confidential resource for concerns about Alliance business matters that may implicate issues of ethics or questionable practices. Please see Section 23 for additional information on the Company Ombudsman.

## 19. Compliance Practices/Policies of Group Subsidiaries

Alliance is considered for most purposes to be a subsidiary of AXA, a French holding company doing business in more than more than 50 countries around the world, each of which has its own unique business, legal and regulatory environment. Various AXA Group companies, such as Alliance, have adopted their own compliance policies adapted to their specific businesses and to the specific legal, regulatory and ethical environments in the country or countries where they do business, which the AXA Group encourages for all its companies as a matter of "best practices." The AXA Group has adopted a *Compliance Guide*, and AXA Financial has put forth a *Policy Statement on Ethics*, both of which are included on the Legal and Compliance Department intranet site. Alliance employees are subject to these AXA policy statements and should therefore be familiar with their requirements.

Importantly, all AXA Group employees are able to submit anonymously, any concerns they may have regarding accounting, internal control or auditing matters, including fraud, directly to the Chairman of AXA's Audit Committee. The Chairman of AXA's Audit Committee has a dedicated fax (+331 4500 3016) to receive these concerns from Group employees. See also Sections 22 and 23 for Alliance's "whistleblower" protection and related reporting mechanisms.

## 20. Exceptions from the Code

In addition to the exceptions contained within the specific provisions of the Code, the General Counsel, Chief Compliance Officer (or his or her designee) may, in very limited circumstances, grant other exceptions under any Section of this Code on a case-by-case basis, under the following procedures:

### (a) Written Statement and Supporting Documentation

The individual seeking the exception furnishes to the Chief Compliance Officer:

A written statement detailing the efforts made to comply with the requirement from which the individual seeks an exception;

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A written statement containing a representation and warranty that (i) compliance with the requirement would impose a severe undue hardship on the individual and (ii) the exception would not, in any manner or degree, harm or defraud a client, violate the general principles herein or compromise the individual's or Alliance's fiduciary duty to any client; and

Any supporting documentation that the Chief Compliance Officer may require.

### (b) Compliance Interview

The Chief Compliance Officer (or designee) will conduct an interview with the individual or take such other steps deemed appropriate in order to determine that granting the exception will not, in any manner or degree, harm or defraud a client, violate the general principles herein or compromise the individual's or Alliance's fiduciary duty to any client; and will

maintain all written statements and supporting documentation, as well as documentation of the basis for granting the exception.

PLEASE NOTE: To the extent required by law or NYSE, any waiver or amendment of this Code for Alliance' s executive officers (including Alliance' s Chief Executive Officer, Chief Financial Officer, and Principal Accounting Officer) or directors shall be made at the discretion of the Board of Alliance Capital Management Corporation and promptly disclosed to the unitholders of Alliance Holding pursuant to Section 303A.10 of the NYSE Exchange Listed Company Manual.

## **21. Regulatory Inquiries, Investigations and Litigation**

### **(a) Requests for Information**

Governmental agencies and regulatory organizations may from time to time conduct surveys or make inquiries that request information about Alliance, its customers or others that generally would be considered confidential or proprietary.

*All regulatory inquiries concerning Alliance are to be handled by the Chief Compliance Officer or General Counsel. Employees receiving such inquiries should refer such matters immediately to the Legal and Compliance Department.*

### **(b) Types of Inquiries**

Regulatory inquiries may be received by mail, e-mail, telephone or personal visit. In the case of a personal visit, demand may be made for the immediate production or inspection of documents. While any telephone or personal inquiry should be handled in a courteous manner, the caller or visitor should be informed that responses to such requests are the responsibility of Alliance' s Legal and

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Compliance Department. Therefore, the visitor should be asked to wait briefly while a call is made to the Chief Compliance Officer or General Counsel for guidance on how to proceed. In the case of a telephone inquiry, the caller should be referred to the Chief Compliance Officer or General Counsel or informed that his/her call will be promptly returned. Letter or e-mail inquiries should be forwarded promptly to the Chief Compliance Officer or General Counsel, who will provide an appropriate response.

### **(c) Responding to Information Requests**

Under no circumstances should any documents or material be released without prior approval of the Chief Compliance Officer or General Counsel. Likewise, no employee should have substantive discussions with any regulatory personnel without prior consultation with either of these individuals. Note that this policy is standard industry practice and should not evoke adverse reaction from any experienced regulatory personnel. Even if an objection to such delay is made, the policy is fully within the law and no exceptions should be made.

### **(d) Use of Outside Counsel**

It is the responsibility of the Chief Compliance Officer or General Counsel to inform Alliance' s outside counsel in those instances deemed appropriate and necessary.

### **(e) Regulatory Investigation**

Any employee that is notified that they are the subject of a regulatory investigation, whether in connection with his or her activities at Alliance or at a previous employer, must immediately notify the Chief Compliance Officer or General Counsel.

**(f) Litigation**

Any receipt of service or other notification of a pending or threatened action against the firm should be brought to the immediate attention of the General Counsel or Chief Compliance Officer. These individuals also should be informed of any instance in which an employee is sued in a matter involving his/her activities on behalf of Alliance. Notice also should be given to either of these individuals upon receipt of a subpoena for information from Alliance relating to any matter in litigation or receipt of a garnishment lien or judgment against the firm or any of its clients or employees. The General Counsel or Chief Compliance Officer will determine the appropriate response.

**22. Compliance and Reporting of Misconduct / “Whistleblower” Protection**

No Code can address all specific situations. Accordingly, each Alliance employee is responsible for applying the principles set forth in this Code in a responsible fashion and with the exercise of good judgment and common sense. *Whenever uncertainty arises, an*

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*Alliance employee should seek guidance from an appropriate supervisor or a representative of Human Resources or the Legal and Compliance Department before proceeding.*

All Alliance employees should promptly report any practices or actions the employee believes to be inappropriate or inconsistent with any provisions of this Code. In addition all employees must promptly report any actual violations of the Code to the General Counsel, Chief Compliance Officer or a designee. *Any person reporting a violation in good faith will be protected against reprisals.*

If you feel uncomfortable utilizing the normal channels, issues may be brought to the attention of the Company Ombudsman, who is an independent, informal and confidential resource for concerns about Alliance business matters that may implicate issues of ethics or questionable practices. Please see Section 23 for additional information on the Company Ombudsman. Alliance employees may also utilize the AXA Group’s anonymous reporting mechanism as detailed in Section 19.

**23. Company Ombudsman**

Alliance’s Company Ombudsman provides a neutral, confidential, informal, independent, and safe communications channel where any Alliance Capital employee can obtain assistance in surfacing and resolving work-related issues. The primary purpose of the Ombudsman is to help Alliance Capital:

Safeguard its reputation and financial, human and other company assets;

Maintain an ethical and fiduciary culture;

Demonstrate and achieve its commitment to “doing the right thing;” and

Comply with relevant provisions of the Sarbanes-Oxley Act of 2002, the U.S. Sentencing Guidelines, as well as Alliance’s 2003 SEC Order, New York Stock Exchange Rule 303A.10 and other laws, regulations and policies.

The Ombudsman seeks to provide early warnings and to identify changes that will prevent malfeasance and workplace issues from becoming significant or recurring. The Ombudsman has a reporting relationship to the Alliance CEO, the Audit Committee of the Board of Directors of Alliance Capital Management Corporation and independent directors of Alliance Capital’s U.S. mutual fund boards.

Any type of work-related issue may be brought to the Ombudsman, including potential or actual financial malfeasance, security matters, inappropriate business practices, compliance issues, unethical behavior, violations of law, health and safety issues, and

**24. Sanctions**

Upon learning of a violation of this Code, any member of the Alliance Group, with the advice of the General Counsel, Chief Compliance Officer and/or the Alliance Code of Ethics Oversight Committee, may impose such sanctions as such member deems appropriate, including, among other things, restitution, censure, suspension or termination of service. Persons subject to this Code who fail to comply with it may also be violating the U.S. federal securities laws or other federal, state or local laws within their particular jurisdictions.

**25. Annual Certifications**

Each person subject to this Code must certify at least annually to the Chief Compliance Officer that he or she has read and understands the Code, recognizes that he or she is subject hereto and has complied with its provisions and disclosed or reported all personal securities transactions and other items required to be disclosed or reported under the Code. The Chief Compliance Officer may require interim certifications for significant changes to the Code.

ALLIANCE CAPITAL MANAGEMENT L.P.

CODE OF BUSINESS CONDUCT AND ETHICS

CERTIFICATION

I hereby acknowledge receipt of the *Code of Business Conduct and Ethics* (the "Code") of Alliance Capital Management L.P., its subsidiaries and joint ventures, which includes the Alliance *Personal Trading Policies and Procedures* attached as Appendix A to the Code. I certify that I have read and understand the Code and recognize that I am subject to its provisions.

I have reviewed my own situation and conduct in light of the Code. I confirm that I am in compliance with the Code, including the requirements regarding the manner in which I maintain and report my Securities holdings and transactions in my Personal Accounts (as such terms are defined in Appendix A of the Code) and conduct my personal securities trading activities.

I understand that any violation(s) of the Code is grounds for immediate disciplinary action up to, and including, termination of employment.

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

**Please return this form to the Chief Compliance Officer at:  
1345 Avenue of the Americas, 16th Floor  
New York, N.Y. 10105**

## APPENDIX A

### ALLIANCE CAPITAL MANAGEMENT L.P.

#### PERSONAL TRADING POLICIES AND PROCEDURES

#### 1. Overview

##### (a) Introduction

Alliance recognizes the importance to its employees of being able to manage and develop their own and their dependents' financial resources through long-term investments and strategies. However, because of the potential conflicts of interest inherent in our business, our industry and Alliance have implemented certain standards and limitations designed to minimize these conflicts and help ensure that we focus on meeting our duties as a fiduciary for our clients. **Employees should be aware that their ability to liquidate positions may be severely restricted under these policies, including during times of market volatility.** Therefore, as a general matter, Alliance discourages personal investments by employees in individual securities and encourages personal investments in managed collective vehicles, such as mutual funds.

Alliance senior management believes it is important for employees to align their own personal interests with the interests of our clients. **Consequently, employees are encouraged to invest in the mutual fund products and services offered by Alliance, where available and appropriate.**

##### (b) Definitions

The following definitions apply for purposes of this Appendix A of the Code, however additional definitions are contained in the text itself.<sup>(1)</sup>

1. **"Alliance"** means Alliance Capital Management L.P., its subsidiaries and its joint venture entities.
2. **"Beneficial Ownership"** is interpreted in the same manner as in determining whether a person is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 ("Exchange Act"), Rule 16a-1 and the other rules and regulations thereunder and includes ownership by any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares a direct or indirect pecuniary interest in a Security. For example, an individual has an indirect pecuniary interest in any Security owned by the individual's

(1) Due to the importance that Alliance places on promoting responsible personal trading, we have applied the definition of "access person," as used in rule 17j-1 under the 1940 Act and Rule 204A-1 under the Advisers Act, and related requirements to all Alliance employees and officers. We have drafted special provisions for directors of Alliance who are not also employees of Alliance.

spouse. Beneficial Ownership also includes, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, having or sharing "voting power" or "investment power," as those terms are used in Section 13(d) of the Exchange Act and Rule 13d-3 thereunder.

3. **"Client"** means any person or entity, including an investment company, for which Alliance serves as investment manager or adviser.



4. **“Chief Compliance Officer”** refers to Alliance’ s Chief Compliance Officer.
5. **“Code of Ethics Oversight Committee”** refers to the committee of Alliance’ s senior officers that is responsible for monitoring compliance with the Code.
6. **“Conflicts Officer”** refers to Alliance’ s Conflicts Officer, who reports to the Chief Compliance Officer.
7. **“Control”** has the meaning set forth in Section 2(a)(9) of the 1940 Act.
8. **“Director”** means any person who serves in the capacity of a director of Alliance Capital Management Corporation. **“Affiliated Director”** means any Director who is not an Employee (as defined below) but who is an employee of an entity affiliated with Alliance. **“Outside Director”** means any Director who is neither an Employee (as defined below) nor an employee of an entity affiliated with Alliance.
9. **“Employee”** refers to any person who is an employee or officer of Alliance, including part-time employees and consultants (acting in the capacity of a portfolio manager, trader or research analyst) under the Control of Alliance.
10. **“Initial Public Offering”** means an offering of Securities registered under the Securities Act of 1933 (the “1933 Act”), the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act, as well as similar offerings of Securities issued outside the United States.
11. **“Investment Personnel”** refers to:
  - a. Any Employee who acts in the capacity of a portfolio manager, research analyst or trader or any other capacity (such as an assistant to one of the foregoing) and in connection with his or her regular duties makes or participates in making, or is in a position to be aware of, recommendations regarding the purchase or sale of securities by a Client;

- b. Any Employee who receives the Alliance Global Equity Review or has access to the Alliance Express Research database, or Research Wire;
  - c. Any Employees participating in (including passively listening to) “morning calls” for any of the managed account disciplines or broker-dealer subsidiaries;
  - d. Any other Employee designated as such by the Legal and Compliance Department; or
  - e. Any natural person who Controls Alliance and who obtains information concerning recommendations made to a Client regarding the purchase or sale of securities by the Client.
12. **“Limited Offering”** means an offering that is exempt from registration under the 1933 Act pursuant to Sections 4(2) or 4(6) thereof or pursuant to Rules 504, 505 or 506 under the 1933 Act, as well as similarly exempted offerings of Securities issued outside the United States. Investments in hedge funds are typically sold in a limited offering setting.
  13. **“Ombudsman”** means the Company Ombudsman of Alliance, or any of his/her staff members.
  14. **“Personal Account”** refers to any account (including, without limitation, a custody account, safekeeping account and an account maintained by an entity that may act in a brokerage or a principal capacity) in which Securities may be traded or custodied, and in which an Employee has any Beneficial Ownership, and any such account maintained by or for a financial dependent of an Employee. For example, this definition includes Personal Accounts of:
    - a. An Employee’ s spouse/domestic partner, including a legally separated or divorced spouse who is a financial dependent;

- b. Financial dependents of an Employee, including both those residing with the Employee and those not residing with the Employee, such as financially dependent children away at college; and
- c. Any person or entity for which the Employee acts as a fiduciary (e.g., acting as a Trustee) or who has given investment discretion to the Employee, other than accounts over which the employee has discretion as a result of his or her responsibilities at Alliance.

**Personal Accounts include any account meeting the above definition even if the Employee has given discretion over the account to someone else.**

- 15. **“Purchase or Sale of a Security”** includes, among other transactions, the writing or purchase of an option to sell a Security and any short sale of a Security.
- 16. **“Security”** has the meaning set forth in Section 2(a)(36) of the Investment Company Act and includes any derivative thereof, commodities, options or forward contracts, except that it shall not include:
  - a. Securities issued by the government of the United States;
  - b. Short-term debt securities that are government securities within the meaning of Section 2(a)(16) of the Investment Company Act; and
  - c. Bankers’ acceptances, bank certificates of deposit, commercial paper, and such other money market instruments as may be designated from time to time by the Chief Compliance Officer.

*NOTE: Shares of all mutual funds, including exchange-traded funds and money market funds, are “Securities” for purposes of this policy. However, the pre-clearance and reporting requirements, as well as the short-term trading and number of trade limitations do not apply to money market fund shares.*

- 17. A Security is **“Being Considered for Purchase or Sale”** when:
  - a. An Alliance Growth research analyst issues research information (including as part of the daily morning call) regarding initial coverage of, or changing a rating with respect to, a Security;
  - b. A portfolio manager has indicated (e.g., during the daily Growth morning call or identified as a Value priority purchase/sale, or otherwise) his or her intention to purchase or sell a Security;
  - c. An open order<sup>(2)</sup> in the Security exists on any buy-side trading desk;

*This is not an exhaustive list. At the discretion of the Legal and Compliance Department, a Security may be deemed “Being Considered for Purchase or Sale” even if none of the above events have occurred, particularly if a portfolio manager is contemplating the purchase or sale of that Security, as evidenced by e-mails or the manager’s preparation of, or request for, research.*

- 18. **“Security held or to be acquired or sold”** means:

(2) Defined as any client order on a Growth trading desk which has not been completely executed, as well as any “significant” open Value client orders, or Value “priority” purchases or sales, as those terms are defined by the applicable Value SBU CIO.

- a. Any Security which, within the most recent 15 days (i) is or has been held by a Client in an Alliance-managed account or (ii) is being or has been considered by Alliance for purchase or sale for the Client; and
  - b. Any option to purchase or sell, and any Security convertible into or exchangeable for, a Security.
19. “**Subsidiary**” refers to entities with respect to which Alliance, directly or indirectly, through the ownership of voting securities, by contract or otherwise has the power to direct or cause the direction of management or policies of such entity.

## 2. Requirements and Restrictions - All Employees

The following are the details of the standards which must be observed:

### (a) General Standards

Employees have an obligation to conduct their personal investing activities and related Securities transactions lawfully and in a manner that avoids actual or potential conflicts between their own interests and the interests of Alliance and its clients.

Employees must carefully consider the nature of their Alliance responsibilities - and the type of information that he or she might be deemed to possess in light of any particular securities transaction - before engaging in any investment-related activity or transaction.

- i. *Material Nonpublic Information:* Employees in possession of material nonpublic information about or affecting Securities, or their issuer, are prohibited from buying or selling such Securities, or advising any other person to buy or sell such Securities. Similarly, *they may not disclose such information to anyone without the permission of the General Counsel or Chief Compliance Officer.* Please see the Alliance Insider Trading Policies, which can be found on the Legal and Compliance Department intranet site.
- ii. *Market-Timing:* Purchases and exchanges of shares of mutual funds should be made for investment purposes only. Accordingly, Employees are prohibited from engaging in short-term trading (“market-timing”) in mutual funds (other than money market fund shares), which for purposes of the Code is defined as a purchase and redemption, regardless of size, in and out of the same mutual fund within any ninety (90) day period. Employees also are prohibited from engaging in any other transactions in a mutual fund that are in violation of the fund’s prospectus, whether or not

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that fund is managed by Alliance, an affiliate of Alliance or an outside adviser.(3)

- iii. *Personal Responsibility:* It is the responsibility of each Employee to ensure that all Securities transactions in Personal Accounts are made in strict compliance with the restrictions and procedures in the Code and this Appendix A, and otherwise comply with all applicable legal and regulatory requirements.
- iv. *Affiliated Directors and Outside Directors:* The personal trading restrictions of Appendix A of the Code do not apply to any Affiliated Director or Outside Director, *provided that at the time of the transaction, he or she has no actual knowledge that the Security involved is “Being Considered for Purchase or Sale.”* Affiliated Directors and Outside Directors, however, are subject to reporting requirements as described in Section 7 below.

### (b) Disclosure of Personal Accounts

All Employees must disclose their Personal Accounts to the Compliance Department (and take all necessary actions to close any accounts held with non-designated brokers, see next section). It is each Employee’s responsibility to ensure/verify that the Compliance Department is appropriately notified of all accounts and informed as to whether the accounts are established to provide the Compliance Department with electronic and/or paper brokerage transaction confirmations and account

statements. Do not assume that the broker-dealer will automatically arrange for this information to be set up and forwarded correctly.

**(c) Designated Brokerage Accounts**

Personal Accounts of an Employee that are maintained as brokerage accounts must be held only at the following approved designated broker-dealers (each a “Designated Broker”):(4)

Charles Schwab;

Credit Suisse First Boston (the DLJ group);

Harrisdirect;

Merrill Lynch; and/or

(3) These restrictions shall not apply to investments in mutual funds through non-discretionary asset allocation programs; automatic reinvestment programs; automatic investments through 401(k) and similar retirement accounts; and any other non-volitional investment vehicles. These restrictions also do not apply to transactions in money market funds and other short duration funds used as checking accounts or for similar cash management purposes.

(4) Exceptions may apply in certain non-U.S. locations. Please consult with your local compliance officer.

Sanford C. Bernstein & Co., LLC

Under limited circumstances, the Compliance Department may grant exceptions to this policy and approve the use of other broker-dealers or custodians (such as in the case of proprietary products that can only be held at specific firms). In addition, the Chief Compliance Officer may in the future modify this list.

All Securities in which an Employee has any Beneficial Ownership must be held in Personal Accounts and maintained in accordance with the Designated Broker requirements described above (except that shares of mutual funds may be held directly with a fund’s transfer agent). Additionally, Employees may effect Securities transactions only in Personal Accounts (or directly through a mutual fund’s transfer agent). In limited circumstances, the Chief Compliance Officer, or his designee, may grant an exception to these requirements (see Section 20 of the Code). This requirement applies to all types of Securities and personal Securities transactions including, for example, Securities issued in a Limited Offering or other direct investments.

**(d) Pre-Clearance Requirement**

- i. Subject to the exceptions specified below, an Employee may not purchase or sell, directly or indirectly, any Security (including mutual fund shares, but excluding money market funds)(5) in which the Employee has (or after such transaction would have) any Beneficial Ownership unless the Employee obtains the prior approval from the Compliance Department *and, in the case of Investment Personnel, the head of the business unit (or a designated manager) in which the Employee works.*(6) Pre-clearance requests must be made on the date of the contemplated transaction, through the use of the appropriate Pre-Clearance Form. These requests will document (a) the details of the proposed transaction and (b) representations as to compliance with the personal trading restrictions of this Code.

Pre-Clearance requests will be acted on by the Legal and Compliance Department only between the hours of 10:00 a.m. and 3:30 p.m. (New York time). The Legal and Compliance Department will review the request to determine if the proposed transaction complies with the Code, whether that security is restricted for Alliance personnel, and if appropriate, contact the appropriate supervisor (or a person designated by the supervisor) to determine whether the proposed transaction raises any potential conflicts of interest or other issues. The Compliance Department

(5) Open-end mutual fund purchases not directed by the Employee (e.g., by spouses or domestic partners) are not subject to the pre-clearance requirements. See other exceptions below.

(6) For purposes of the pre-clearance requirement, all employees in the Value SBU are considered Investment Personnel, and are therefore required to have all of their trades pre-approved by the head of their respective departments (or a designee).

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will communicate to the requesting Employee its approval or denial of the proposed transaction, either in writing or orally. In the U.S., any approval given under this paragraph will remain in effect only until the end of the trading day on which the approval was granted. For employees in offices outside the U.S., such approval will remain in effect for the following business day as well. Good-until-cancel limit orders are not permitted without daily requests for pre-clearance approval. **Employees must wait for approval before placing the order with their broker.**

The Legal and Compliance Department will maintain an electronic log of all pre-clearance requests and indicate the approval or denial of the request in the log.

PLEASE NOTE: When a Security is Being Considered for Purchase or Sale for a Client (see Section 2(i) below) or is being purchased or sold for a Client following the approval on the same day of a personal trading request form for the same Security, the Legal and Compliance Department is authorized to cancel the personal order if (a) it has not been executed and the order exceeds a market value of \$50,000 or (b) the Legal and Compliance Department determines, after consulting with the trading desk and the appropriate business unit head (if available), that the order, based on market conditions, liquidity and other relevant factors, could have an adverse impact on a Client or on a Client's ability to purchase or sell the Security or other Securities of the issuer involved.

ii. **Exceptions: The pre-clearance requirements do not apply to(7):**

a. Non-Volitional Transactions, including:

Transactions in a Personal Account managed for an Employee on a discretionary basis by a third person or entity, when the Employee does not discuss any specific transactions for the account with the third-party manager;

Any Security received as part of an Employee's compensation (although any subsequent sales must be pre-cleared);

Investment vehicles in which the specific funds are not identified. For example, certain "529" and 401(k) plans only permit the investor to choose among generically named collective vehicles (e.g., "aggressive growth option") without naming the specific underlying fund(s) in which it is invested. If, however, the employee is able to

(7) Additional Securities may be exempted from the pre-clearance requirement if, in the opinion of the Chief Compliance Officer, no conflict of interest could arise from personal trades in such Security.

direct the assets to a specific mutual fund, the transaction should be pre-cleared.

Any Securities transaction effected in an Employee' s Personal Account pursuant to an automatic investment plan, which means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) a Personal Account in accordance with a predetermined schedule and allocation, and includes dividend reinvestment plans. Additional purchases and sales that are not automatic, however, are subject to the pre-clearance requirement.

The Legal and Compliance Department may request an Employee to certify as to the non-volitional nature of these transactions. Although excluded from pre-clearance, these transactions must be reported in accordance with Section 6 below.

b. Money Market Funds

Employees are not required to pre-clear transactions in money market funds or other short duration funds used as checking accounts or for similar cash management purposes.

c. Exercise of Pro Rata Issued Rights

Purchases effected upon the exercise of rights issued by an issuer *pro rata* to all holders of a class of the issuer' s Securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired. This exemption applies only to the exercise or sale of rights that are issued in connection with a specific upcoming public offering on a specified date, as opposed to rights acquired from the issuer (such as warrants or options), which may be exercised from time-to-time up until an expiration date. This exemption does not apply to the sale of stock acquired pursuant to the exercise of rights.

(e) **Limitation on the Number of Trades**

No more than an aggregate of five (5) transactions in individual Securities may occur in an Employee' s Personal Accounts during any rolling thirty-day period. However, if the transaction in a Personal Account is directed by a non-Employee spouse or domestic partner and/or other non-Employee covered under the Code (*and not by the Employee*), the number of permitted Securities transactions is limited to twenty (20) transactions in any rolling thirty-day period. *Mutual fund transactions do not count toward either of these limitations.*

(f) **Short-Term Trading**

- i. Employees must always conduct their personal trading activities lawfully, properly and responsibly, and are encouraged to adopt long-term investment strategies that are consistent with their financial resources and objectives. Alliance discourages short-term trading strategies, and Employees are cautioned that such strategies may inherently carry a higher risk of regulatory and other scrutiny. In any event, excessive or inappropriate trading that interferes with job performance, or compromises the duty that Alliance owes to its Clients will not be tolerated. Employees are subject to a mandatory buy and hold of all individual Securities held in a Personal Account for twelve months.<sup>(8)</sup> A last-in-first out accounting methodology will be applied to a series of Securities purchases for determining compliance with this holding rule.

ii. **Exceptions to the short-term trading rules (i.e., the one-year hold):**

- a. **Mutual Funds:** Purchases of mutual funds, whether such funds are managed by Alliance or an outside adviser/investment company, whether open- or closed-end, are subject to a 90-day holding period. Exchange-Traded Funds (“ETFs”) are covered under this 90-day provision. *No holding period applies to money market funds (nor do they require pre-clearance or reporting).*
- b. For Securities transactions in Personal Accounts of spouses and domestic partners and other non-Employees (e.g., financially dependent children) **which are not directed by the Employee** are subject to a mandatory buy and hold (or sale and buyback) of 60-calendar days. However, after 30 calendar days, such a transaction will be permitted for these Personal Accounts if necessary to minimize a loss. Any trade made in violation of this section of the Code shall be unwound, or, if that is not practicable, all profits from the short-term trading may be disgorged as directed by the Chief Compliance Officer.

**(g) Short Sales**

The Legal and Compliance Department will prohibit an Employee from engaging in any short sale of a Security in a Personal Account if, at the time of the transaction, any Client has a long position in such Security in an Alliance-managed portfolio (except that an Employee may engage in short sales against the box and covered call writing provided that these personal Securities transactions do not violate the prohibition against short-term trading).

(8) Relating to the buyback of a previously sold Security, an employee must wait 60 days if the new purchase price is lower than the previous sale, and 30 days if the new purchase price exceeds the previous sale price.

**(h) Trading in Alliance Units and Closed-End Mutual Funds**

During certain times of the year, Employees may be prohibited from conducting transactions in the equity units of Alliance. Additional restricted periods may be required for certain individuals and events, and the Legal and Compliance Department will announce when such additional restricted periods are in effect. Special pre-clearance procedures are in place relating to Alliance units - please call the Legal and Compliance Department and see the *Statement of Policy and Procedures Concerning Purchases and Sales of Alliance Units*. In addition, special pre-clearance procedures are in place for the purchase and sale of shares in the closed-end mutual funds managed by Alliance. Please refer to the *Statement of Policy and Procedures Concerning Purchases and Sales of Alliance Closed-End Mutual Funds*.

**(i) Securities Being Considered for Purchase or Sale**

- i. The Legal and Compliance Department will, subject to the exceptions below, prohibit an Employee from purchasing or selling a Security (or a derivative product), or engaging in any short sale of a Security, in a Personal Account if, at the time of the transaction, the Security is Being Considered for Purchase or Sale for a Client or is being purchased or sold for a Client. Please see the definition of a Security “Being Considered for Purchase or Sale” (Section 1(b)(17) of this Appendix) for a non-exhaustive list of examples which illustrate this prohibition.

ii. **Exceptions: This prohibition does not apply to:**

- a. Non-Volitional Transactions, including:

Transactions in a Personal Account managed for an Employee on a discretionary basis by a third person or entity, when the Employee does not discuss any specific transactions for the account with the third-party manager;

Any Security received as part of an Employee’s compensation (although any subsequent sales must be pre-cleared);

Any Securities transaction effected in an Employee' s Personal Account pursuant to an automatic investment plan, which means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) a Personal Account in accordance with a predetermined schedule and allocation, and includes dividend reinvestment plans. Additional purchases and sales that are not automatic, however, are subject to this prohibition.

The Legal and Compliance Department may request an Employee to certify as to the non-volitional nature of these transactions. Although excluded from pre-clearance, these transactions must be reported in accordance with Section 6 below.

b. Exercise of *Pro Rata* Issued Rights

Purchases effected upon the exercise of rights issued by an issuer *pro rata* to all holders of a class of the issuer' s Securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired. This exemption applies only to the exercise or sale of rights that are issued in connection with a specific upcoming public offering on a specified date, as opposed to rights acquired from the issuer (such as warrants or options), which may be exercised from time-to-time up until an expiration date. This exemption does not apply to the sale of stock acquired pursuant to the exercise of rights.

c. *De Minimis* Transactions – Fixed Income Securities

Any of the following Securities, if at the time of the transaction, the Employee has no actual knowledge that the Security is Being Considered for Purchase or Sale by a Client or that the Security is being purchased or sold by or for the Client:

Fixed income securities transaction involving no more than 100 units or having a principal amount not exceeding \$25,000; or

Non-convertible debt securities and non-convertible preferred stocks which are rated by at least one nationally recognized statistical rating organization (“NRSRO”) in one of the three highest investment grade rating categories.

d. *De Minimis* Transactions – Equity Securities

Any equity Security transaction, or series of related transactions, involving shares of common stock and excluding options, warrants, rights and other derivatives, provided:

Any orders are entered after 10:00 a.m. and before 3:00 p.m. and are not designated as “market on open” or “market on close;”

The aggregate value of the transactions do not exceed (1) \$10,000 for Securities of an issuer with a market capitalization of less than \$1 billion; (2) \$25,000 for

Securities of an issuer with a market capitalization of \$1 billion to \$5 billion and (3) \$50,000 for Securities of an issuer with a market capitalization of greater than \$5 billion; and



The Employee has no actual knowledge that the Security is Being Considered for Purchase or Sale by a Client or that the Security is being purchased or sold by or for the Client.

PLEASE NOTE: Even if a trade qualifies for a de minimis exception, it must be pre-cleared by the Legal and Compliance Department in advance of being placed.

**(j) Restricted List**

A Security may not be purchased or sold in a Personal Account if, at the time of the transaction, the Security appears on the Alliance Daily Restricted List and is restricted for Employee transactions. The Daily Restricted List is made available each business day to all Employees via the Alliance intranet home page at: <http://www.acml.com>.

**(k) Dissemination of Research Information**

- i. An Employee may not buy or sell any Security for a Personal Account that is the subject of “significantly new” or “significantly changed” research during the period commencing with the approval of the research and continuing for twenty-four hours subsequent to the first publication or release of the research. An Employee also may not buy or sell any Security on the basis of research that Alliance has not yet made public or released. The terms “significantly new” and “significantly changed” include:
  - a. The initiation of coverage by an Alliance Growth or Sanford C. Bernstein & Co., LLC research analyst;
  - b. Any change in a research rating or position by an Alliance Growth or Sanford C. Bernstein & Co., LLC research analyst;
  - c. Any other rating, view, opinion, or advice from an Alliance Growth research analyst, the issuance (or re-issuance) of which in the opinion of such research analyst, or his or her director of research, would be reasonably likely to have a material effect on the price of the security.
- ii. **Exceptions: This prohibition does not apply to:**
  - a. Non-Volitional Transactions, including:

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Transactions in a Personal Account managed for an Employee on a discretionary basis by a third person or entity, when the Employee does not discuss any specific transactions for the account with the third-party manager;

Any Security received as part of an Employee’s compensation (although any subsequent sales must be pre-cleared);

Any Securities transaction effected in an Employee’s Personal Account pursuant to an automatic investment plan, which means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) a Personal Account in accordance with a predetermined schedule and allocation, and includes dividend reinvestment plans. Additional purchases and sales that are not automatic, however, are subject to this prohibition.

The Legal and Compliance Department may request an Employee to certify as to the non-volitional nature of these transactions. Although excluded from pre-clearance, these transactions must be reported in accordance with Section 6 below.

- b. Exercise of Pro Rata Issued Rights

Purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of the issuer's Securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired. This exemption applies only to the exercise or sale of rights that are issued in connection with a specific upcoming public offering on a specified date, as opposed to rights acquired from the issuer (such as warrants or options), which may be exercised from time-to-time up until an expiration date. This exemption does not apply to the sale of stock acquired pursuant to the exercise of rights.

c. De Minimis Transactions – Fixed Income Securities

*This exception does not apply to research issued by Sanford C. Bernstein & Co., LLC. Any of the following Securities, if at the time of the transaction, the Employee has no actual knowledge that the Security is the subject of significantly new or significantly changed research:*

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Fixed income securities transaction involving no more than 100 units or having a principal amount not exceeding \$25,000; or

Non-convertible debt securities and non-convertible preferred stocks which are rated by at least one nationally recognized statistical rating organization ("NRSRO") in one of the three highest investment grade rating categories.

d. De Minimis Transactions – Equity Securities

*This exception does not apply to research issued by Sanford C. Bernstein & Co., LLC. Any equity Securities transaction, or series of related transactions, involving shares of common stock and excluding options, warrants, rights and other derivatives, provided:*

Any orders are entered after 10:00 a.m. and before 3:00 p.m. and are not designated as "market on open" or "market on close;"

The aggregate value of the transactions do not exceed (1) \$10,000 for Securities of an issuer with a market capitalization of less than \$1 billion; (2) \$25,000 for Securities of an issuer with a market capitalization of \$1 billion to \$5 billion and (3) \$50,000 for Securities of an issuer with a market capitalization of greater than \$5 billion; and

The Employee has no actual knowledge that the Security is the subject of significantly new or significantly changed research.

PLEASE NOTE: Even if a trade qualifies for a de minimis exception, it must be pre-cleared by the Legal and Compliance Department in advance of being placed.

**(l) Initial Public Offerings**

No Employee shall acquire for a Personal Account any Security issued in an Initial Public Offering.

**(m) Limited Offerings**

No Employee shall acquire any Security issued in any Limited or Private Offering (hedge funds are sold as limited or private offerings) unless the Chief Compliance Officer and the Employee's Business Unit Head give express prior written approval and document the basis for granting approval after due inquiry. The

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Chief Compliance Officer, in determining whether approval should be given, will take into account, among other factors, whether the investment opportunity should be reserved for a Client and whether the opportunity is being offered to the individual by virtue of his or her position with Alliance. Employees authorized to acquire Securities issued in a Limited or Private Offering must disclose that investment when they play a part in any Client's subsequent consideration of an investment in the issuer, and in such a case, the decision of Alliance to purchase Securities of that issuer for a Client will be subject to an independent review by Investment Personnel with no personal interest in such issuer.<sup>(9)</sup> Additional restrictions or disclosures may be required if there is a business relationship between the Employee or Alliance and the issuer of the offering.

### 3. **Additional Restrictions - Portfolio Managers for Specific Client Accounts**

In addition to the requirements and restrictions on Employee trading in Section 2 of this Appendix A of the Code, the following restrictions apply to all persons acting in the capacity of a portfolio manager of a Client account. For purposes of the restrictions in this section, a portfolio manager is defined as an Employee who has specific decision-making authority regarding trades to be entered for specific Client accounts, as well as such Employee's supervisor. Individuals who are members of a centralized portfolio management group (i.e., the Bernstein Value SBU) should refer to Section 4 of this Appendix for applicable restrictions.

#### **(a) Blackout Periods**

No person acting in the capacity of a portfolio manager will be permitted to buy or sell a Security for a Personal Account within seven calendar days before and after any Client serviced in that manager's product group (e.g., Large Cap Growth) trades in the same Security. If a portfolio manager engages in such a personal securities transaction during a blackout period, the Chief Compliance Officer may break the trade or, if the trade cannot be broken, the Chief Compliance Officer may direct that any profit realized on the trade be disgorged.

#### **(b) Actions During Blackout Periods**

No person acting in the capacity of a portfolio manager shall delay or accelerate a Client trade due to a previous purchase or sale of a Security for a Personal Account. In the event that a portfolio manager determines that it is in the best interest of a Client to buy or sell a Security for the account of the Client within seven days of the purchase or sale of the same Security in a Personal Account, the

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(9) Any Employee who acquires (or any new Employee with a pre-existing position in) an interest in any private investment fund (including a "hedge fund") or any other Security that cannot be purchased and held in an account at a Designated Broker shall be exempt from the Designated Broker requirement as described in this Appendix A of the Code. The Legal and Compliance Department may require an explanation as to why such Security can not be purchased and held in such manner. Transactions in these Securities nevertheless remain subject to all other requirements of this Code, including applicable private placement procedures, pre-clearance requirements and blackout-period trading restrictions.

portfolio manager must contact the Chief Compliance Officer immediately, who may direct that the trade in the Personal Account be canceled, grant an exception or take other appropriate action.

#### **(c) Transactions Contrary to Client Positions**

No person acting in the capacity of a portfolio manager shall purchase or sell a Security in a Personal Account contrary to investment decisions made on behalf of a Client, unless the portfolio manager represents and warrants in the personal trading request form that (1) it is appropriate for the Client account to buy, sell or continue to hold that Security and (2) the

decision to purchase or sell the Security for the Personal Account arises from the need to raise or invest cash or some other valid reason specified by the portfolio manager and approved by the Chief Compliance Officer and is not otherwise based on the portfolio manager's view of how the Security is likely to perform.

#### **4. Additional Restrictions - Bernstein Value Portfolio Management Groups**

In addition to the requirements and restrictions on Employee trading in Section 2 of this Appendix A of the Code, the following restrictions apply to all persons in the firm's Bernstein centralized portfolio management groups.

##### **(a) Senior Portfolio Managers and Members of the Value Investment Policy Groups**

Senior Portfolio Managers (SPMs) and members of the Value Investment Policy Groups (IPGs) are restricted from transacting in any Security included in the top 2 quintiles of the Value Research Universe.

##### **(b) All Other Members of the Bernstein Value SBU**

Members of the Bernstein Value SBU are deemed to have actual knowledge of the unit's Securities Being Considered for Purchase or Sale. As a consequence, the de minimis exceptions in Section 2(i) of this Appendix relating to "significant" Value Client orders or "priority" purchases or sales (as those terms are defined by the applicable Value CIO) are not available to individuals in the Bernstein Value SBU.

#### **5. Additional Restrictions - Research Analysts**

In addition to the requirements and restrictions on Employee trading in Section 2 of this Appendix A of the Code, the following restrictions apply to all persons acting in the capacity of a research analyst, other than Bernstein Value buy-side analysts. Please note that rules of the National Association of Securities Dealers and the New York Stock Exchange impose additional limitations on the personal trading of the research analysts of Sanford C. Bernstein & Co., LLC. Such research analysts should refer to the relevant policy documents that detail those additional restrictions.

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##### **(a) Blackout Periods**

No person acting as a research analyst shall buy or sell a Security for a Personal Account within seven calendar days before and after making a change in a rating or other published view with respect to that Security. If a research analyst engages in such a personal securities transaction during a blackout period, the Chief Compliance Officer may break the trade or, if the trade cannot be broken, the Chief Compliance Officer may direct that any profit realized on the trade be disgorged.

##### **(b) Actions During Blackout Periods**

No person acting as a research analyst shall delay or accelerate a rating or other published view with respect to any Security because of a previous purchase or sale of a Security in such person's Personal Account. In the event that a research analyst determines that it is appropriate to make a change in a rating or other published view within seven days of the purchase or sale of the same Security in a Personal Account, the research analyst must contact the Chief Compliance Officer immediately, who may direct that the trade in the Personal Account be canceled, grant an exception or take other appropriate action.

##### **(c) Actions Contrary to Ratings**

No person acting as a research analyst shall purchase or sell a Security (to the extent such Security is included in the research analyst's research universe) contrary to an outstanding rating or a pending ratings change or traded by a research

portfolio, unless (1) the research analyst represents and warrants in the personal trading request form that (as applicable) there is no reason to change the outstanding rating and (2) the research analyst's personal trade arises from the need to raise or invest cash, or some other valid reason specified by the research analyst and approved by the Chief Compliance Officer and is not otherwise based on the research analyst's view of how the security is likely to perform.

## 6. Reporting Requirements

### (a) Duplicate Confirmations and Account Statements

All Employees must direct their brokers to supply to the Chief Compliance Officer, on a timely basis, duplicate copies of broker trade confirmations of, and account statements concerning, all Securities transactions in any Personal Account.(10)

*The Compliance Department will review such documents for Personal Accounts to ensure that Alliance's policies and procedures are being complied with, and*

(10) Each Employee must verify with his or her Designated Broker(s) that the Employee's account(s) is properly "coded" for Alliance to receive electronic data feeds.

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*make additional inquiries as necessary. Access to duplicate confirmations and account statements will be restricted to those persons who are assigned to perform review functions, and all such materials will be kept confidential except as otherwise required by law.*

### (b) Initial Holdings Reports by Employees

An Employee must, within 10 days of commencement of employment with Alliance, provide a signed and dated Initial Holdings Report to the Chief Compliance Officer. The report must contain the following information current as of a date not more than 45 days prior to the date of the report:

- i. All Securities (including mutual fund shares and private investments, but not money market funds) held in a Personal Account of the Employee or held directly with the transfer agent of a mutual fund, including the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares and/or principal amount of each Security beneficially owned);
- ii. The name of any broker-dealer or financial institution with which the Employee maintains a Personal Account in which any Securities are held for the Employee; and
- iii. Details of any outside business affiliations.

Employees must then take all necessary actions to bring their accounts into compliance with the designated broker guidelines detailed in Section 2(c) of this Appendix.

### (c) Quarterly Reports by Employees - Mutual Funds and Limited Offerings

Following each calendar quarter, the Legal and Compliance Department will forward to each Employee, an individualized form containing all Securities transactions in the Employee's Personal Accounts during the quarter based on information reported to Alliance by the Employee's brokers.

Within thirty (30) days following the end of each calendar quarter, every Employee must review the form and return it to the Chief Compliance Officer, disclosing all transactions **in shares of mutual funds(11) and Limited Offerings** and any other Securities that are not otherwise already identified and described on the form (generally this will include those shares of

mutual funds held directly with a mutual fund's transfer agent and Securities issued in Limited Offerings which are not sent directly to the Compliance Department). For each such Security, the report must contain the following information: (1) the date of the

(11) Employees are not required to report transactions in money market funds or other short duration funds used as checking accounts or for similar cash management purposes.

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transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each Security involved; (2) the nature of the transaction (i.e., purchase or sale or any other type of acquisition or disposition); (3) the price of the Security at which the transaction was effected; (4) the name of the broker or other financial institution through which the transaction was effected; and (5) the date the Employee submits the report.

In addition, any new Personal Account established during the calendar quarter must be reported, including (1) the name of the broker or other financial institution with which the account was established and (2) the date the account was established.

**(d) Annual Holdings Reports by Employees**

On an annual basis, by a date to be specified by the Compliance Department (typically February 15<sup>th</sup>), each Employee must provide to the Chief Compliance Officer, a signed and dated Annual Holdings Report containing data current as of a date not more than forty five (45) days prior to the date of the report. The report must disclose:

- i. All Securities (including mutual fund shares, but not money market funds), held in a Personal Account of the Employee, including the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares and/or principal amount of each Security beneficially owned); and
- ii. The name of any broker-dealer or financial institution with which the Employee maintains a Personal Account in which any Securities are held for the Employee.

In the event that Alliance already maintains a record of the required information via duplicate copies of broker trade confirmations and account statements received from the Employee's broker-dealer, an Employee may satisfy this requirement by (i) confirming in writing (which may include e-mail) the accuracy of the record on at least an annual basis and (ii) recording the date of the confirmation.

**(e) Report and Certification of Adequacy to the Board of Directors of Fund Clients**

On an annual basis, the Chief Compliance Officer shall prepare a written report to the management and the board of directors of each registered investment fund (other than a unit investment trust) in which Alliance acts as investment adviser setting forth the following:

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- i. A certification on behalf of Alliance that Alliance has adopted procedures reasonably necessary to prevent Employees and Directors from violating the Code;
- ii. A summary of existing procedures concerning personal investing and any changes in procedures made during the past year; and

- iii. A description of any issues arising under the Code or procedures since the last report to the Board including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to the material violations.

Alliance shall also submit any material changes to this Code to each Fund' s Board at the next regular board meeting during the quarter following the change.

**(f) Report Representations**

Any Initial or Annual Holdings Report or Quarterly Transaction Report may contain a statement that the report is not to be construed as an admission by the person making the report that he or she has any direct or indirect Beneficial Ownership in the Security to which the report relates.

**(g) Maintenance of Reports**

The Chief Compliance Officer shall maintain the information required by this Section and such other records, if any, and for such time periods required by Rule 17j-1 under the Investment Company Act and Rules 204-2 and 204A-1 under the Advisers Act. All reports furnished pursuant to this Section will be kept confidential, subject to the rights of inspection and review by the General Counsel, the Chief Compliance Officer and his or her designees, the Code of Ethics Oversight Committee (or sub-Committee thereof), the Securities and Exchange Commission and by other third parties pursuant to applicable laws and regulations.

**7. Reporting Requirements for Directors who are not Employees**

All Affiliated Directors (i.e., not Employees of Alliance, but employees of an Alliance affiliate) and Outside Directors (i.e., neither Employees of Alliance, nor of an Alliance affiliate) are subject to the specific reporting requirements of this Section 7 as described below. Directors who are Employees, however, are subject to the full range of personal trading requirements, restrictions and reporting obligations outlined in Sections 1 through 6 of this Appendix A of the Code, as applicable. In addition, all Directors are expected to adhere to the fiduciary duties and high ethical standards described in the Code. The designation of a Director as an Affiliated Director or Outside Director will be communicated to each such Director by the Chief Compliance Officer.

**(a) Affiliated Directors**

i. Initial Holdings Report

Upon becoming a Director, an Affiliated Director must submit a signed and dated Initial Holdings Report within ten (10) days of becoming Director. The Initial Holdings Report must contain the following information current as of a date not more than 45 days prior to the date of the report:

- a. All **Securities (including mutual fund shares, but not money market funds)** held in a Personal Account of the Affiliated Director or held directly with the transfer agent of a mutual fund, including the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares and/or principal amount of each Security beneficially owned);
- b. The name of any broker-dealer or financial institution with which the Affiliated Director maintains a Personal Account in which any Securities are held for the Employee; and
- c. Details of any outside business affiliations.

ii. Annual Holdings Report

Once each year, by a date to be specified by the Legal and Compliance Department (typically February 15th), each Affiliated Director must provide to the Chief Compliance Officer a signed and dated report containing the following information as of a date not more than 45 days prior to the date of the report:

- a. All **Securities (including mutual fund shares, but not money market funds)**, held in a Personal Account of the Affiliated Director, including the title and type of security, and as applicable the exchange ticker symbol or CUSIP number, number of shares and/or principal amount of each Security beneficially owned); and
- b. The name of any broker-dealer or financial institution with which the Affiliated Director maintains a Personal Account in which any Securities are held for the Employee.

PLEASE NOTE: In the event that Alliance already maintains a record of the required information via duplicate copies of broker trade confirmations and account statements received from the Affiliated Director's broker-dealer(s), the Affiliated Director may satisfy this requirement by (i) confirming in writing (which may include e-mail) the accuracy of the record on at least an annual basis and (ii) recording the date of the confirmation.

iii. Quarterly Transaction Reports

Within thirty (30) days following the end of each calendar quarter (see exceptions in section (c)), each Affiliated Director must provide to the Chief Compliance Officer, a signed and dated report disclosing all Securities transactions in any Personal Account. For each such Security, the report must contain the following information:

- a. The date of the transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each Security involved;
- b. The nature of the transaction (i.e., purchase or sale or any other type of acquisition or disposition);
- c. The price of the Security at which the transaction was effected; and
- d. The name of the broker or other financial institution through which the transaction was effected.

(b) **Outside Directors**

- i. **In general, pursuant to various regulatory rule exceptions and interpretations, no reporting is required of Outside Directors. However, if an Outside Director knew, or in the ordinary course of fulfilling his or her official duties as a Director should have known, that during the 15-day period immediately before or after the Outside Director's transaction in a Security for a Personal Account, a Client bought or sold the Security, or the Client or Alliance considered buying or selling the Security, the following reporting would be required.**

Quarterly Transaction Report.

In the event that a quarterly transaction report is required pursuant to the scenario in the preceding paragraph, subject to the exceptions in part (c) of this Section 7 below, each outside director must within thirty (30) days following the end of each calendar quarter, provide to the Chief Compliance Officer, a signed and dated report disclosing all Securities transactions in any Personal Account. For each such Security, the report must contain the following information:

- a. The date of the transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each Security involved;



- b. The nature of the transaction (i.e., purchase or sale or any other type of acquisition or disposition);

- c. The price of the Security at which the transaction was effected; and

- d. The name of the broker or other financial institution through which the transaction was effected.

**(c) Reporting Exceptions**

i. Duplicate Broker Confirmations and Account Statements

An Affiliated Director or Outside Director is not required to submit any report for any Securities transaction in a Personal Account provided that the transaction and required information are otherwise reported on duplicate copies of broker trade confirmations and account statements provided to the Chief Compliance Officer.

ii. Accounts with No Influence or Control

An Affiliated Director or Outside Director is not required to submit any report for a Securities transaction in a Personal Account provided that the Affiliated Director or Outside Director has no direct or indirect influence or control over the account. In addition, an Affiliated Director and Outside Director may include a statement that the report is not to be construed as an admission by the person making the report that he or she has any direct or indirect Beneficial Ownership in the Security to which the report relates.

FFTW

CODE OF ETHICS

September 2003

Covering

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CHARTER ATLANTIC CORPORATION

FISCHER FRANCIS TREES & WATTS, INC.

FISCHER FRANCIS TREES & WATTS

FFTW FUNDS, INC.

FISCHER FRANCIS TREES & WATTS (SINGAPORE), PTE. LTD.

FISCHER FRANCIS TREES & WATTS KABUSHIKI KAISHA

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### **A. STATEMENT OF FFTW POLICY**

It is the policy of Fischer Francis Trees & Watts, Inc., (“FFTW”) and its affiliated companies to conduct its business in conformance with high ethical standards and in accordance with applicable legal and regulatory requirements, including the establishment of internal controls and employee training to ensure compliance with all applicable legal requirements and FFTW’s standards of conduct. Set forth herein are the Code of Ethics including Anti-Money Laundering Policies for FFTW Funds, Inc. and FFTW and its affiliated companies.

### **B. CODE OF ETHICS**

#### **I. INTRODUCTION**

This Code of Ethics sets forth the policies and procedures of FFTW Funds, Inc. (the “Fund”), Fischer Francis Trees & Watts, Inc. (“FFTW”), and its affiliated companies(1) (each a “Firm” and, collectively, the “Group”) regarding business ethics, confidentiality and trading in securities. These policies and procedures are mandatory and are designed to protect the business interests of the Firm and their respective clients. This Code of Ethics is adopted pursuant to Section 15(f) of the Securities Exchange Act of 1934, Section 204A of the Investment Advisers Act of 1940 and Rule 17j-1 under the Investment Company Act of 1940 and any amendments thereto.

The provisions of this Code of Ethics apply to “Covered Persons.” The term “Covered Persons” generally includes any director, officer or employee of any Firm. The term also includes any employee or officer of Investors Capital Corporation, Investors Bank and Trust Company or EOS Fund Services LLC who, as part of his or her regular duties, is involved with providing administrative services to the Fund. *The term does not include the “disinterested directors” of the Fund,(2) although those directors are subject to certain requirements, as set forth in Article VI of this Code.*

Upon joining the Group, each Covered Person is required to read and understand the policies and procedures contained in this Code of Ethics and sign the Certification attached hereto on page A-1. On an annual basis all Covered Persons will be required to certify their compliance with the provisions of the Code of Ethics by completing the form attached hereto on page A-2. Failure to comply with these policies and procedures may subject an employee to civil and criminal liabilities, penalties or fines, imprisonment, legal prohibition against further

employment in the securities industry and dismissal from employment for cause. In the event of dismissal for cause, an employee may lose certain benefits from his or her Firm and/or under applicable unemployment insurance laws. The

(1) Affiliates of FFTW currently include Charter Atlantic Corporation (“CAC”), Fischer Francis Trees & Watts, a UK partnership (“FFTW UK”), Fischer Francis Trees & Watts (Singapore), PTE. LTD. (“FFTW Singapore”) and Fischer Francis Trees & Watts Kabushiki Kaisha (“FFTW KK”).

(2) Disinterested directors means directors of the Fund who are not officers, employees or otherwise “Interested Persons” of FFTW as that term is defined in Section 2(a)(19) of the Investment Company Act.

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relevant Firm will investigate any matter for which the facts suggest that the Code of Ethics may have been violated.

All questions concerning the interpretation or application of the policies and procedures set forth in this Code of Ethics should be addressed to a senior officer of the relevant Firm. All Covered Persons are encouraged to seek advice from counsel with respect to any action or transaction which may violate this Code of Ethics and to refrain from any action or transaction which might lead to the appearance of a violation. If an employee is the subject of an investigation (as specified in A-6), prosecution, or a conviction of any offence involving fraud or dishonesty, the employee should report this information immediately to a member of the Risk Oversight group or the Director of Administration. In the event there are no interim changes, on an annual basis, each employee is required to provide a completed attached A-6 questionnaire.

The details set out in this Code of Ethics are in addition to those set out in the Firm’s Compliance Manuals, which Covered Persons are also required to read and observe.

## II. CONFIDENTIALITY

**Prohibition on Trading.** Confidential information is known by virtually every Covered Person. No confidential information should be used by any Covered Person for any direct or indirect personal benefit during the term of such person’s relationship with his or her Firm and after such relationship has ended. This restriction applies regardless of the source of such information and includes trading securities on the basis of such confidential information or advising others to trade on such basis.

**When is Information “Confidential”?** In general, any information received from any source (whether in the course of employment or otherwise) that a Covered Person does not know to have been publicly disseminated should be assumed by such Covered Person to be non-public, confidential information. A Covered Person should not regard information as having been “publicly disseminated” unless he or she can point to some fact or event demonstrating that the information is generally available; for example, disclosure of the information in a press release, in daily newspapers or in public disclosure documents such as prospectuses or annual reports. If a Covered Person is unclear whether information is confidential, he or she should consult a senior officer of the relevant Firm.

Confidential information may be related to the Group, its clients, its employees or other business or governmental entities. Examples of confidential information include information concerning the (i) securities transactions of a client or of any member of the Group before they are executed, (ii) policies of clients that are not publicly known and (iii) the operations or condition of any client.

**Procedures Regarding Confidential Information.** Confidential information should never be disclosed to any outsider (including any relative of a Covered Person). Caution is to be taken against making even casual remarks which might disclose information of a confidential nature or allow the appearance of such disclosure. This applies not only

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during work and in public places but also at home and in all outside social contacts. Care should be exercised in discussing confidential matters in elevators, at restaurants or in other places where outsiders may be present or where unauthorized personnel could obtain

confidential information they should not have. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should not be displayed in elevators or left in conference rooms, on desks or in other locations where they may be seen by outsiders or by unauthorized personnel. Extra or unnecessary documents containing confidential information should be promptly destroyed.

**Trade Secrets.** All computer programs, investment methods and techniques, trade secrets and other confidential information developed, created or obtained by or with the assistance of any Covered Person during his or her relationship with his or her Firm is the property of the Firm and no Covered Person has or may exercise any ownership or other rights or interest in any such property or information. A Covered Person may not use any trade secrets, property or confidential information during the course of any future employment. Upon termination of a Covered Person's relationship with the Firm, such Covered Person should return to the Firm all confidential information and trade secrets.

### **III. TRADING GUIDELINES FOR ACCOUNTS UNDER INVESTMENT MANAGEMENT BY THE FIRMS**

**Establishment of Guidelines.** Guidelines with respect to the investment policies for each account under investment management (each such account and each investment company registered with the SEC to which one of the Firms acts as an investment advisor is hereinafter referred to as a "Managed Account") shall be determined with each client. Such guidelines shall reflect the investment objectives and the risk preferences of the particular client. The guidelines shall specify among other considerations the type of fixed-income securities and related derivatives which are eligible for purchase and their credit quality which, except when there are specific reasons to the contrary agreed to with the client, will be of "investment grade." In addition, the guidelines may specify permitted or prohibited counterparties or both. All purchases and sales on behalf of any Managed Account shall comply with the guidelines for that Managed Account.

**No Favoritism.** No Managed Account shall be favored with respect to the selection of securities, sale of securities, or timing of purchase or sale of securities over any other Managed Account. The method of allocating block purchases is discussed below.

**Transactions with Other Managed Accounts.** No securities shall be sold to or purchased from one Managed Account by another Managed Account, and no securities shall be sold to or purchased from any of the Firms by any Managed Account.

**Selection of Dealers.** All securities purchased and sold for Managed Accounts shall be purchased from and sold to established securities dealers, which shall be selected in a manner consistent with seeking to obtain best execution of all securities transactions for each Managed Account. No concessions on prices shall be made to any dealer by reason of services performed or goods supplied or offered to be performed or supplied.

Employees of FFTW UK should also comply with the restrictions on entering into soft commission agreements with brokers, set out in FFTW UK's Compliance Manual.

**Block Purchases.** If at any time it is decided that the same securities should be purchased or sold for one or more Managed Accounts in accordance with their respective investment guidelines, such securities shall, to the extent possible, be purchased or sold as a block, and such securities or the proceeds allocated to the respective Managed Accounts at the price paid per unit allocated. If the aggregate amount of securities purchased or sold is for reasons of price or availability less than the initial amount desired, the actual amount of securities purchased or sold, to the degree it is feasible, shall be allocated among the Managed Accounts in approximate proportion to the initial amounts designated for such Managed Account, unless it is determined by a senior officer of the Firm that it is in the best interests of such managed Accounts to have a different allocation. Any such determination shall be documented and a copy sent to the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee.

If the same securities have been selected for purchase and sale by one of the Firms at the same time and at the same or comparable prices to those selected for the Managed Accounts, such securities shall be purchased or sold to the extent feasible as a block on behalf of one of the Firms and the Managed Accounts. To the extent that only a lesser amount of such securities can be transacted at the price desired, then, unless the Chief Legal and Risk Officer or the Chief Operating Officer of the Firm or his or her delegee otherwise agrees, the Managed Accounts shall be allocated their full portion and the amount sold or purchased by the Firms shall be reduced accordingly. Each aggregated transaction and the corresponding allocations shall be simultaneously entered on a trade ticket, which shall be time stamped.

**Prohibition Against Trading Based Upon Confidential Information.** No transactions may be executed by or on behalf of any Managed Account or member of the Group based upon any confidential information (including information concerning prospective securities

transactions of any other Managed Account) although, subject to the policies outlined above, similar transactions may be executed for such accounts at the same time.

#### **IV. POLICIES GOVERNING BUSINESS ETHICS AND POSSIBLE CONFLICTS OF INTEREST**

The purpose of these policies is to ensure that the interest of the Firms' clients, and those of the Firms in general, come before what might, in any circumstances, be construed as a Covered Person's own individual interest or benefit outside the Group. In the case of FFTW UK, in certain circumstances it may be necessary to disclose the existence of the conflict to the relevant client, please refer to FFTW UK's Compliance Manual.

Conflict of interest, the potential for conflict, or even the appearance of such conflict is to be avoided. A Covered Person's decisions about the best interests of the clients should not be compromised or appear to be compromised by his or her investments or other interests.

Questions of proper business ethics and conflicts of interest are often difficult

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to discern and to resolve. If there is any question, a Covered Person should consult a senior officer of the relevant Firm for an interpretation of a situation before he or she acts.

**Outside Activity.** Covered Persons are encouraged to engage in worthy activities for their community or personal development. Such activities, however, should not be allowed to impair the working efficiency or responsibilities of the individual. Covered Persons may from time to time be asked to serve as directors, advisors, or in other forms of participation in other companies or organizations. Because such commitments can involve substantial responsibilities and potential conflicts of interest or the appearance of such conflicts, Covered Persons should not accept such positions without the prior approval of a senior officer of the relevant Firm.

**Personal Finance.** In addition to the limitations regarding investment in fixed-income securities (see the following Article V), Covered Persons are prohibited (other than by ownership of publicly traded securities) from having a direct or indirect interest or investment in any dealer, broker or other current or prospective supplier of goods or services from which the Covered Person might materially benefit or appear to benefit as a consequence of the Group's activities with the entity. One gauge of materiality would arise if the Group's current or future activities with a given entity might materially affect the economic prospects of that entity. If there is any question, a Covered Person should consult a senior officer of the relevant Firm.

Generally, Covered Persons are expected to conduct their personal finances and investments in a prudent manner. Obviously, there would be a potential danger to the Group, as well as an impairment of productivity because of emotional factors, if a Covered Person were ever to become financially embarrassed.

**Gifts and Entertainment.** No Covered Person should offer, give, solicit or accept a gift or entertainment from any person which is likely to significantly conflict with the Group's duties to its customers. Naturally, every effort should be made to refuse as gracefully as possible. The existence of this policy can be cited as the reason for refusing such gifts or entertainment.

Acceptance of even nominal gifts and modest entertainment from dealers or brokers or others seeking favor from a Covered Person or the Group should be discouraged where possible. A gift is more than nominal and entertainment is more than modest if it might in any way influence the recipient, or appear to others that the recipient might be influenced in the conduct of any business with the donor.

#### **V. STANDARDS OF CONDUCT**

**A. General Standards.** In connection with the purchase or sale, directly or indirectly, of a "security held or to be acquired" by a Managed Account, a Covered Person shall not:

1. employ any device, scheme or artifice to defraud such Managed Account;

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2. make to such Managed Account any untrue statement of a material fact or omit to state to such Managed account a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
3. engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon such Managed Account; or,
4. engage in any manipulative practice with respect to such Managed Account.

**B. Pre-Approval Trading Policy for Covered Persons.** Each Covered Person must obtain pre-approval, pursuant to the procedures set forth below for the following transactions:

1. For transactions in fixed-income securities, derivative transactions, including foreign exchange and exchange traded futures and options contracts; or
2. For securities issued by clients of the Group that such Covered Person purchases or sells for his own account or for an account in which a Covered Person has a “Beneficial Ownership”;(3) or
3. For the acquisition of Beneficial Ownership in any fixed income or equity securities in an Initial Public Offering (“IPO”) or private placement; or (4)
4. For any mutual fund, including but not limited to the FFTW Funds, Inc., for which FFTW is appointed as the advisor or sub-advisor.

The pre-approval requirements do not apply to investments in (1) United States Treasury securities, (2) bankers’ acceptances, bank certificates of deposit and time deposits, commercial paper and high quality, short-term debt instruments (less than 270 days), and (3) shares issued by open-end mutual funds (collectively, “Exempt Securities”).

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(3) Generally, a Covered Person will be regarded as having beneficial ownership of securities held in his or her name, or in the name of any of the following persons, *unless* the Covered Person does not have any direct or indirect influence or control over the account in question: (1) his or her spouse or minor child; (2) a relative sharing the same house; (3) anyone else, if the Covered Person: (a) obtains benefits substantially equivalent to ownership of the securities; or (b) can obtain ownership of the securities immediately or at some future time. If anyone has questions regarding this policy concerning relatives of a Covered Person, he or she should discuss the situation with a senior officer of the relevant firm.

(4) IPO means an offering of equity or debt securities registered under the Securities Act of an issuer not previously subject to reporting requirements. The pre-approval requirement includes transactions in any option to purchase or sell an IPO or private placement security or transactions in any convertible security linked to an IPO or private placement security.

**C. Limitations on the Number of Transactions Requiring Pre-Approval** Covered persons are limited to four (4) transactions requiring pre-approval within any calendar month, as specified in the prior section.

**D. Procedure for Pre-Approval.** Each transaction requiring pre-approval should be described on the appropriate form, attached hereto on page A-3 and submitted for approval to the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee. The required form is available from the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee and should be filled out to identify the security, amount and type of transaction.

Approval or disapproval will be given as quickly as possible and will be based on the determination by the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee that the transaction requiring pre-approval by the Covered Person does not present

a material conflict of interest between the Fund investors and the Covered Person. Records of such pre-approval determinations, will be maintained by the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee pursuant to Article VII.

Covered Persons who are out of the office must obtain prior verbal approval and the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee shall ensure that a record of such approval is prepared and maintained.

**E. Short-Term Trading in Funds for which FFTW is the Appointed Advisor or Sub-Advisor.** Covered Persons must hold an investment in funds for which FFTW is appointed as Advisor or Sub-Advisor for a minimum of 30 days. Covered Persons may not profit from the purchase and sale, or the sale and purchase of shares in such funds within any 30 calendar day period. Any profits realized on such short-term trades shall be disgorged.

**F. Required Reports of Securities Transactions and Holdings**

**General Requirements.** Each Covered Person shall report to the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee by completing the following reports on the appropriate form, which forms are attached hereto on pages A-4-A5, transactions and holdings in any security(5) by such Covered Person, including any Beneficial Ownership. Specific requirements are discussed below.

**Initial reporting of securities holdings.** Each Covered Person shall make an initial report of the following information not later than ten days after the Covered Person becomes a Covered Person by completing the form attached hereto on page A-5:

(5) "Transactions and holdings in any security" shall include transactions and holdings in any option to purchase or sell a security or transactions and holdings in any convertible security. Securities acquired by gift or inheritance must also be reported.

1. The title, number of shares and principal amount of each security (other than Exempt Securities) in which the Covered Person had any Beneficial Ownership when the person became a Covered Person;
2. The name of any broker, dealer or bank with whom the Covered Person maintained an account in which any securities (including Exempt Securities) were held for the Beneficial Ownership of the Covered Person as of the date the person became a Covered Person; and
3. The date that the report was submitted by the Covered Person.

**Quarterly Reporting.** Each Covered Person shall make a quarterly report of the following information not later than ten days after the end of the calendar quarter in which the transaction to which the report relates by completing the form attached hereto on page A-4.

**Quarterly Reporting of Securities Transactions.** With respect to any securities transactions in which the Covered Person had Beneficial Ownership (other than transactions in Exempt Securities) such reports shall contain the following information:

1. The date of the transaction, the title, the interest rate and maturity date (if applicable), the number of shares and principal amount of each security involved;
2. The nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);
3. The price at which the transaction was effected;
4. The name of any broker, dealer or bank with whom the transaction was effected; and
5. The date that the report was submitted by the Covered Person.



If no purchases, sales or other transactions were effected in the quarter in question, the Covered Person should check the appropriate box on the form.

Quarterly Reporting of New Accounts. With respect to any new account established by a Covered Person in which any securities (including Exempt Securities) were held during the quarter for the Beneficial Ownership of the Covered Person, the reports shall contain the following information:

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1. The name of any broker, dealer or bank with which the Covered Person established the account;
2. The date the account was established; and
3. The date that the report was submitted by the Covered Person.

If no new securities accounts were established in the quarter in question, the Covered Person should check the appropriate box on the form.

**Annual reporting of securities holdings.** Each Covered Person shall make an Annual Report, attached hereto on page A-5 of the following information not later than fifteen days after the end of the calendar year for which the report relates (which must be current as of a date no more than 30 days before the report is submitted).

1. The title, number of shares and principal amount of each security (other than Exempt Securities) in which the Covered Person had any Beneficial Ownership;
2. The name of any broker, dealer or bank with whom the Covered Person maintains an account in which any securities (including Exempt Securities) were held for the Beneficial Ownership of the Covered Person; and
3. The date that the report was submitted.

**F. Responsibility for Administration of the Code.** The Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee shall be responsible for the administration of this Code of Ethics and shall take all steps necessary to implement the provisions of the Code, including the following:

1. *Review of Reports Filed.* Reviewing all reports filed under the Code, determining whether all required reports have been filed and obtaining from Covered Persons copies of any overdue reports that have not yet been filed.
2. *Remedial Actions and Sanctions for Violations of the Code.* Determining whether the conduct of a Covered Person has violated any provision of the Code and, after consultation with other members of management of the Firm as necessary, deciding on the appropriate action to be taken in response to such violations.
3. *Annual Reports to the Fund's Board of Directors.* Preparing and providing to the Board of Directors of the Fund, no less frequently than

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annually, a written report to the Board describing any issues that have arisen under Article V of this Code of Ethics (Standards of Conduct – Personal Securities Activities) since the last such report to the Board, including, but not limited to, information about material violations of Article V by Covered Persons and remedial actions taken and sanctions imposed in response to those violations.

## **VI. OBLIGATIONS OF DISINTERESTED DIRECTORS OF THE FUND**

**A. Obligation to Avoid the Disclosure or Misuse of Confidential Information.** To the extent that a disinterested director of the Fund should learn of any confidential information, that director should conduct himself or herself in accordance with the terms of Article I of this Code.

**B. Applicability of General Standards Relating to Personal Securities Activities.** In connection with the purchase or sale, directly or indirectly, of a "security held or to be acquired" by the Fund, a disinterested director shall not:

1. employ any device, scheme or artifice to defraud the Fund;
2. make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading to the Fund;
3. engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the Fund; or,
4. engage in any manipulative practice with respect to the Fund.

**C. Reporting of Trades Where Director has Actual Knowledge of Fund Holdings.** If a disinterested director learns or, in the ordinary course of fulfilling his or her official duties as a Fund director, should have known, that during the 15 day period immediately before or after the director's transaction in a security, the Fund purchased or sold the same security, or the Fund or FFTW considered purchasing or selling the same security, then the director shall prepare and file with the Fund a quarterly transaction report in accordance with Article V, Section D of this Code of Ethics.

## **VII. RECORDKEEPING REQUIREMENTS**

The Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee shall preserve in an easily accessible place for five years:

- A. This Code of Ethics and any prior version;

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B. A list of persons who were required to make reports pursuant to this Code of Ethics, or who are or were responsible for reviewing these reports;

C. A copy of each report made pursuant to this Code of Ethics;

D. A record of any violation of this Code of Ethics and any action taken thereon;

E. A record of any decision and the reasons supporting the decision, to approve the acquisition by Covered Persons of IPO or private placement securities under Article III of this Code of Ethics; and

F. A copy of each annual certification report made pursuant to Rule 17j-1(c)(2)(ii).

G. The Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee is responsible for maintaining records in a manner to safeguard their confidentiality. Each Covered Person's records will be accessible only to the Covered Person, the Chief Legal and Risk Officer or the Chief Operating Officer or his or her delegee and senior management of the firm.

## **VIII. FREQUENTLY ASKED QUESTIONS**

### **Question 1**

**Q:** Can a Covered Person satisfy the initial or annual holdings report requirement by filing a copy of a securities account statement?

A: Yes, if the statement includes all of the information required by the report form attached to these procedures.

### Question 2

Q: Must reports of a Covered Person's brokerage accounts include accounts that hold only Exempt Securities as defined in these procedures?

A: Yes. A Covered Person must include in his or her initial and annual holdings reports the name of any broker-dealer or bank with which the Covered Person has an account in which *any* securities are held for his or her direct or indirect benefit. A Covered Person must also report any account established by the Covered Person in which *any* securities were held during the quarter.

### Question 3

Q: Must a Covered Person file a transaction report for securities acquired through a gift or inheritance?

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A: Yes. A Covered Person must report *any* transaction (including a purchase or other acquisition) in a security (other than an Exempt Security) in which the person had any direct or indirect beneficial ownership.

### Question 4

Q: Must a Covered Person report the holdings and transactions of his or her spouse?

A: Yes, if the Covered Person has any direct or indirect beneficial ownership of securities (other than Exempt Securities) held by the spouse.

### Question 5

Q: Must a Covered Person report holdings of or transactions in securities by ESOPs, or pension or retirement plans ("plans") in which the Covered Person participates?

A: Yes, if the Covered Person has a direct or indirect beneficial ownership interest in covered securities held by the plan. A Covered Person who holds securities as a beneficiary of a trust over which he or she exercises investment control, such as a 401(k) or other participant-directed employee benefit plan, would be considered to be a beneficial owner of securities in the plan.

### Question 6

Q: May a Covered Person invest in funds managed by FFTW?

A: Yes, subject to complying with the restriction on short-term trading under section V, paragraph D, above.

## C. ANTI-MONEY LAUNDERING POLICIES

### I. INTRODUCTION

"Money laundering" is understood to be the process by which individuals or entities attempt to conceal the true origin and ownership of the proceeds of internationally recognized criminal activity, such as organized crime, drug trafficking, or terrorism.(6)

The phases of money laundering are:

1. Placement - The introduction of currency into a financial services institution.

(6) Money laundering would also include concealing the true origin and ownership of the proceeds or benefits of serious offenses, the entry into an arrangement which facilitates the retention or control of benefits or proceeds of such internationally recognized criminal activity or serious offences, and the facilitation of terrorist-related activities and acts.

2. Layering - The movement of funds from an institution to hide the source and ownership of funds.

3. Integration - The reinvestment of funds in an ostensibly legitimate business or transaction.

To aid in the identification of suspicious transactions,(7) legal requirements have been implemented that:

- i) require us to establish and maintain specific policies, procedures and training programmes to guard against our being used for the purposes of money laundering.
- ii) require us to seek satisfactory evidence of the identity of those with whom we do business.
- iii) require all staff to report suspicion of money laundering to the appropriate Anti-Money Laundering Compliance Officer (“A-MLCO”).
- iv) require us to conduct independent testing of the anti-money laundering program.

Failure to comply with any of these requirements constitutes a violation of law that could entail criminal penalties for the individual found guilty of an offence, irrespective of whether money laundering has taken place.

## **II. THE GROUP**

### **A. ANTI-MONEY LAUNDERING COMPLIANCE OFFICERS**

Regulation and good business practice requires the Group to appoint A-MLCOs.(8) Gloria Wadsworth, the Compliance Manager for FFTW in New York, and Alain Moyeuivre, the Compliance Officer for FFTW in London are designated the A-MLCOs for their respective offices and share anti-money laundering responsibilities for FFTW globally.

The Group’s A-MLCOs shall have responsibility for the oversight of anti-money laundering activities and shall be the key people in our implementation of anti-money laundering strategies and policies.

(7) Examples of suspicious transactions are included in Appendix II of this Code. These examples are not meant to be exhaustive; rather, they are meant to be illustrative.

(8) Under U.K. law, the person who oversees anti-money laundering policies is referred to as the money laundering reporting officer (MLRO).

The Group’s A-MLCOs shall monitor the day-to-day operations of anti-money laundering policies and respond promptly to any reasonable request for information made by a regulatory body.

The Group’s A-MLCOs are responsible for:

- i) receiving internal reports regarding suspicious activities;

- ii) taking reasonable steps to access any relevant “know your business” information;
- iii) responding to regulatory requests for suspicious activity reporting;
- iv) obtaining and using national and international findings on money laundering and terrorist activities;
- v) taking reasonable steps to establish and maintain adequate arrangements for awareness and training;
- vi) making annual reports to the senior management; and
- vii) alerting employees to the potential effect of any breach of anti-money laundering laws.

## **B. POLICIES, PROCEDURES AND CONTROLS**

**Identification of the client.** The Group must take reasonable steps to find out the identity of its clients(9) by obtaining sufficient evidence so that the Group can verify that any client is who he or she claims to be.(10)

If the relevant client with whom we have contact is, or appears to be, acting on behalf of another (an intermediary), absent appropriate representations from the intermediary, we must obtain sufficient evidence of both their identities.

**Internal Reporting.** If an employee knows or suspects that a client, or the person on whose behalf the client is acting, is involved in money laundering, the relevant employee promptly must contact the A-MLCO. In addition, if any employee knows or suspects that:

- i) a client, or the person on whose behalf the client is acting, is a prohibited person;
- ii) any funds to be collected or provided to the client, or the person on whose behalf the client is acting, will be used for a terrorist act;
- iii) any financial transaction or dealing would be, directly or indirectly, in property (“Terrorist Property”) that is owned or controlled by or on behalf of any prohibited person;
- iv) any financial services or related services to be provided would be in respect of Terrorist Property and would be to or for the benefit of or on the direction or order of any terrorist or entity owned or controlled by any terrorist;
- v) any fund, financial assets, or economic resources, or financial or related services, would be for the benefit of any prohibited person;
- vi) the Group has possession, custody or control of any property belonging to any terrorist, or any entity owned or controlled by any terrorist; or
- vii) has information about any transaction or proposed transaction in respect of any property belonging to any terrorist or any entity owned or controlled by any terrorist.

(9) For those clients that wish to invest in U.S. mutual funds, the Customer Identification Program rules adopted by the Department of the Treasury and the SEC do not permit the Group to rely upon due diligence that is performed by a foreign financial institution that is organized in a FATF jurisdiction. Nevertheless, reliance on a FATF-regulated institution is permissible for non-mutual fund investors. In addition, if an account is established in the name of the FATF-regulated foreign financial intermediary and identification of the underlying client is not practicable under the circumstances, the Group may treat the foreign financial intermediary as the customer for the purpose of satisfying its customer identification requirements.

(10) An identification questionnaire which must be completed before we commence business with any new client or before a new transaction is completed with an existing client is included as Appendix I of this Code. The completed questionnaire together with evidence of identity

should be given to the A-MLCO for review prior to being placed in the client file. The Group must also make a reasonable effort to determine that the client is not a “terrorist,” an entity owned or controlled by a terrorist or a person or entity acting on behalf of or at the direction of any terrorist or entity owned or controlled by a terrorist (collectively, a “prohibited person.”) by consulting with relevant lists of such prohibited persons published by governmental authorities with jurisdiction over such matters.

the relevant employee must promptly contact the A-MLCO. Any information provided to the A-MLCO must not be disclosed to anyone else consistent with the requirements against tipping off set forth below.

To enforce the policy, the Group shall take steps to discipline any employee who fails, without reasonable excuse, to make a report in the circumstances described above. Failure by an employee to follow the Group’s anti-money laundering policies will be grounds for termination.

**The Offence of Tipping Off.** Where any investigation into suspected money laundering is being conducted, or a disclosure of suspected money laundering has been made, it is an offence to reveal any information to another person which is likely to prejudice any investigation.

**External Reporting.** Any report that is made by an employee will be considered by the A-MLCO, or his/her duly authorised delegate, and if, having considered the report and any relevant “know your business” information to which he/she has sought access, the A-MLCO, or his/her duly authorised delegate, suspects that a person has been engaged in money laundering, he/she will report promptly to the Group’s senior management and the appropriate regulatory body.(11)

**Government and Financial Action Task Force Findings.** The Group must obtain and make proper use of any government findings and any findings of published notices relating to money laundering and terrorist activities.

**Record Keeping.** The Group must make and retain records for six years from the end of the relationship with the client. Records include evidence of the identity of the client, details of every transaction, actions taken in relation to internal and external reporting requirements and, when a A-MLCO has considered information or other matters concerning suspicion of money laundering, but has not made a report to the relevant authorities, a record of that information or matter.

### **C. EMPLOYEE EDUCATION AND TRAINING**

The Group will provide appropriate anti-money laundering training for its employees. Despite the fact that the Group’s activities do not involve directly the “handling” of transactions that may involve money laundering, it is important for all employees of financial organizations which serve clients to be knowledgeable of the contents and vigilant in the implementation of sound anti-money laundering policies.

(11) In addition, suspicions of terrorist activities, particular suspicions relating to activities discussed above in “Internal Reporting” must be reported. For Singapore, although the A-MLCO can make the report to senior management, FFTW Singapore is required to make the report to the relevant Singapore regulatory body.

### **D. INDEPENDENT AUDIT**

**Compliance Monitoring.** The Group shall establish and maintain appropriate systems and controls for compliance with its regulatory obligations and to counter the risk that it might be used to further financial crime. It is anticipated that further guidance will be distributed from the Group’s regulatory agencies regarding implementation of an independent audit function to test compliance with applicable anti-money laundering regulations and the Group’s specific policies and procedures.

## **III. THE FUND**

The following anti-money laundering procedures have been adopted by the Fund. It is the policy of the Fund to endeavor to prevent, detect, and report the possible use of the Fund for the purpose of money laundering.

**A. ANTI-MONEY LAUNDERING COMPLIANCE POLICIES**

William Vastardis, the Treasurer of the Fund shall serve as the A-MLCO for the Fund (the “Fund A-MLCO”) and shall report to the Board of Directors of the Fund at each quarterly board meeting in relation to compliance by the Fund with the anti-money laundering requirements mandated under the USA PATRIOT Act,(12) the regulations promulgated thereunder (collectively, the “Act”) and other applicable laws and regulations.

**B. ASSISTANCE AND SUPPORT OF FUND SERVICE PROVIDERS**

**Compliance Responsibilities of the Administrator and Transfer Agent.** The Fund’ s Administration Agreement delegates to Investors Bank & Trust Company, the Fund’ s Administrator, Custodian and Transfer Agent (“Transfer Agent”) the obligation to assist in managing and supervising all aspects of the general day-to-day business activities and operations of the Fund, other than investment advisory services. These responsibilities include providing custodial, transfer agent, dividend disbursing, accounting, auditing, compliance and related services. As a result of its compliance responsibilities under the Administration Agreement as well as its operational responsibilities as the Fund’ s Transfer Agent and Custodian, IBT provides assistance to the Fund with respect to the Fund’ s Customer Identification Program and Reporting of Suspicious Transactions, as described below.

**IBT’ s Anti-Money Laundering Policies.** IBT’ s Anti-Money Laundering Policies have been provided to the Group and IBT will promptly provide the A-MLCO with a copy of any material amendment thereto.

**Contractual Representations.** In furtherance of the process of monitoring and evaluation, the A-MLCO shall obtain the following contractual representations and warranties from the Transfer Agent:

(12) *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Pub. L. No. 107-56 (2001).

- i) The Transfer Agent must agree to provide federal examiners with information and records relating to these procedures and any anti-money laundering activities conducted by the Transfer Agent with respect to the Fund;
- ii) The Transfer Agent must consent to inspection by federal examiners with respect to these procedures and any anti-money laundering activities conducted by the Transfer Agent with respect to the Fund;
- iii) The Transfer Agent must agree to provide such information and records relating to its anti-money laundering activities, policies and procedures with respect to the Fund as the A-MLCO may reasonably request from time to time.
- iv) The Transfer Agent must consent to fulfilling their obligations under these procedures as a condition to continuing their services for the Fund.

**C. POLICIES, PROCEDURES AND CONTROLS**

**Customer Identification Program (“CIP”).**

i) **Introduction.** Effective October 1, 2003, the Fund is required to verify the identity of its customers. Generally, a “customer” is (i) any person that opens a new “account,”(13) or (ii) any individual that opens a new account for an individual who lacks legal capacity (such as a minor); or an entity that is not a legal person (such as a civic club). In the case of a joint account, the “customer” is each named accountholder. An “account” generally is any contractual or other business relationship between a person and a mutual fund established to effect transactions in securities by the mutual fund. For accounts opened by broker-dealers or other financial intermediaries through the National Securities Clearing Corporation’ s Fund/SERV system, the “person that opens a new account” is the financial intermediary and not the underlying investor. Notwithstanding the foregoing, the Fund is not required to verify the identity of: (i) a financial institution regulated by a Federal functional regulator (*e.g.*, broker-dealers regulated by the SEC); (ii) banks regulated by a state bank regulator; (iii) U.S. or state government agencies and instrumentalities; (iv) publicly-traded companies (to the extent of their domestic

operations); or (v) any person opening an account for the purpose of participating in an employee benefit plan established under the Employee Retirement Income Security Act of 1974. Moreover, the Fund may rely on another financial institution (including affiliates) to verify customer identity if: (i) the Fund, through the A-MLCO, determines that reliance is reasonable; (ii) the financial institution is subject to anti-money laundering program requirements under the U.S. Bank Secrecy Act (“BSA”) and is regulated by a Federal functional regulator; and (iii) the financial institution enters into a contract with the Fund, as the case maybe, requiring the financial institution to certify annually that: (a) it has implemented an anti-money laundering program; and (b) it (or its agent) will perform the requirements of this CIP.

(13) The Fund is not required to implement CIP procedures with respect to existing customers of the Fund (as of October 1, 2003), including a customer who seeks to exchange shares from one Fund portfolio to another, provided that FFTW or the Transfer Agent has a reasonable belief that it knows the true identity of the customer. Current clients of the Group who are not Fund shareholders are not considered existing customers of the Fund.

ii) FFTW Responsibilities. Where a subscriber to the Fund is an existing client of the Group, the Group’s A-MLCO will confirm in writing to the Fund A-MLCO, before the subscription is accepted that it has performed the appropriate CIP procedures and that it will retain a copy of the relevant documentation in its files and make same available to the Fund and applicable regulatory agencies upon request.

iii) IBT Responsibilities. Where a subscriber to the Fund is not an existing client of the Group, IBT, as Transfer Agent to the Fund (“Transfer Agent”) shall provide to the Fund A-MLCO all necessary CIP documentation received from the subscriber or any intermediary that is responsible for the subscription(14) and will retain a copy of the relevant documentation in its files and will make the same available to applicable regulatory agencies upon request.

iv) CIP Documentation for New Customers. At a minimum, the CIP documentation required for new customers of the Fund:

- 1) The customer’s name;
- 2) For individuals(15), the customer’s date of birth;
- 3) For individuals, the customer’s residential or business street address. If the individual does not have a residential or business street address, then an Army Post Office (“APO”) or Fleet Post Office (“FPO”) box number, or the residential or business address of the customer’s next of kin or of another contact individual;
- 4) For non-individuals, the address of a principal place of business, local office or other physical location;
- 5) For U.S. persons (both individuals and non-individuals), a U.S. taxpayer identification number. In the event that a customer has applied for, but has not yet received, a taxpayer identification number, then it must be confirmed that the application was filed before the customer opens the account and the taxpayer identification number must be obtained within a reasonable period of time after the account is opened; and
- 6) For non-U.S. persons (both individuals and non-individuals), one or more of the following: (a) a U.S. taxpayer identification number (or confirmation that an application has been filed for such numbers pursuant to the above procedures), (b) passport number and country of

(14) In situations where the intermediary does not provide individual customer information to the Fund (e.g., where the intermediary utilizes omnibus accounting), the Transfer Agent shall request and maintain certifications that the intermediary has conducted its own know your customer due diligence review in accordance with applicable law including, but not limited to, anti-money laundering regulations.

(15) As an institutional fund, the Fund rarely gets individual clients; however, for comprehensiveness, all of the relevant documentary information required under the USA PATRIOT ACT regulations for both individual and institutional accounts has been included herein.



issuance, (c) an alien identification card number or (c) the number and country of issuance of any other government-issued document evidencing nationality or residence *and* bearing a photograph or other similar safeguard (*e.g.*, a drivers license number). When opening an account for a non-U.S. business or enterprise that does not have an identification number, alternative government-issued documentation certifying the existence of the business or enterprise shall be obtained.

v) Failure to Obtain Customer Information. If all necessary information appropriately identifying a potential subscriber to the Fund is not received by the Transfer Agent before funds are received from the subscriber, the Transfer Agent is authorized to accept such subscription. However, the Transfer Agent shall immediately place a freeze on the account until the Transfer Agent receives all necessary documentation for proper identification. If the necessary information is not received within a reasonable time after funds are received, the Transfer Agent will close the account and, after considering the risks involved, the Fund's A-MLCO may determine to file a suspicious activity report.

vi) Verification of Customer Identity. Customer identity will be verified by FFTW or the Transfer Agent (as discussed above), through a risk-based procedure that can utilize documentary evidence, non-documentary evidence, or any combination of the two. Verification information should be analyzed to consider whether there is a logical consistency among the identifying information provided, such as the customer's name, street address, zip code, telephone number (if provided), date of birth, and social security number. Appropriate documents for verifying the identity of customers include, but are not limited to, the following:

- 1) For an individual, an unexpired government-issued identification evidencing nationality or residence, and bearing a photograph or similar safeguard, such as a driver's license or passport; and
- 2) For institutional customers, documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement, or a trust instrument, or proof of tax-exempt status.

Neither FFTW nor the Transfer Agent are required to take steps to determine whether the document that the customer has provided has been validly issued. If, however, a document shows some obvious form of fraud, the Fund's A-MLCO will consider that factor in determining whether to establish the relationship.

vii) Non-Documentary Means to Verify Customer Identity. The following non-documentary methods of verifying identity may also be used:

- 1) Contacting a customer;
- 2) Independently verifying the customer's identity through the comparison of information provided by the customer with information obtained from a consumer reporting agency

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(*e.g.*, D&B filings), public database (*e.g.*, Lexis/Nexis) SEC filings, state corporate filings or other sources;

- 3) Checking references with other financial institutions; and
- 4) Obtaining a financial statement.

Non-documentary methods of verification shall be used in the following situations: (i) when the customer is unable to present an unexpired government-issued identification document with a photograph or other similar safeguard; (ii) when the customer presents unfamiliar documents for identification verification; (iii) when there is no "face to face" contact with the customer; and (iv) when there are other circumstances that increase the risk that the true identity of the customer cannot be verified through documentary means. The information shall be verified within a reasonable time before or after funds are received for subscription.

If a reasonable belief cannot be formed that the true identity of a customer is known, then the following steps may occur: (i) the customer relationship shall be terminated; (ii) restrictive terms shall be imposed under which a customer may conduct transactions while attempts are made to verify its identity; (iii) the accounts will be closed after reasonable attempts to verify customer's identity fail; and (iv) if appropriate, a suspicious activity report shall be filed in accordance with applicable law and regulation.

viii) Review of Government Lists. FFTW or IBT will review customer information against applicable governmental lists of terrorist organisations. Currently, this provision requires a review of the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Treasury's Office of Foreign Assets Control ("OFAC") or which are from any of the embargoed countries and regions as established by OFAC. For further information regarding OFAC and access to the list of Specially Designated Nationals and Blocked Persons, as well as the list of embargoed countries and regions, go to OFAC's website at [www.treas.gov/ofac](http://www.treas.gov/ofac) or to [www.nasdr.com/money.asp](http://www.nasdr.com/money.asp).

ix) Required Records. FFTW or IBT will maintain evidence of the identities of each investor and, where applicable, the beneficial owners on whose behalf an investor makes an investment for at least six years following an investor's final redemption, in accordance with the recordkeeping requirements set forth in section III, paragraph C below.

viii) Notice to Customers. Before opening an account, customers shall be provided with adequate notice that their identity will be verified in accordance with Federal legal requirements.

### **Reporting of Suspicious Activities.**

i) Background. All transactions in Fund shares are processed through the Transfer Agent.

ii) Policies and Procedures. The Transfer Agent shall adopt and implement policies, procedures and controls that are designed to cause the reporting of suspicious

activities in the Funds to the prompt attention of the A-MLCO and to the Fund's Board of Directors on a quarterly basis in accordance with the requirements of applicable anti-money laundering laws and regulations.

iii) Monitoring and Reporting Suspicious Activities. Upon discovering any potentially suspicious money laundering activities in connection with the purchase or redemption of Fund shares, the Fund A-MLCO shall consult with the Transfer Agent and the Group's A-MLCO as to the appropriate steps to be taken. An internal report shall be prepared documenting the activity. After such consultation, the Fund A-MLCO shall take such actions as he or she reasonably deems to be in compliance with applicable law, including the filing of a suspicious activity report with the relevant government authorities, and shall report to the Fund's Board of Directors at each quarterly board meetings, or more frequently if necessary, as to the actions it has taken to address the situation. The prohibitions of section II, paragraph B ("tipping off"), shall apply to all parties with respect to reporting suspicious activities.

### **C. RECORD KEEPING**

FTTW and the Transfer Agent must make and retain records for six years from the end of the relationship with any Fund client. Required records include: evidence of the identity of the client; details of every transaction, including a description of the methods and the results of any measures used to verify customer identity; actions taken in relation to internal and external reporting requirements; a description of the resolution of any substantive discrepancy discovered when verifying the identifying information obtained and; when the A-MLCO has considered information or other matters concerning suspicion of money laundering, but has not made a report to the relevant authorities, a record of that information or matter. FFTW and the Transfer Agent will also maintain copies of the Funds' Board approvals of these procedures and of any amendments hereto. In addition, IBT has agreed to confirm in writing that it will provide federal examiners, upon request, with all records and information regarding the Fund's anti-money laundering program and to provide access to conduct inspections to review the program.

### **D. EMPLOYEE EDUCATION AND TRAINING**

All Fund personnel will receive education and training from the Group, except that the Fund' s A-MLCO shall be trained by both the Group and the Transfer Agent and the Fund and Transfer Agent will maintain or have access to records confirming the receipt of such training.

**E. INFORMATION SHARING**

Each year the Fund A-MLCO shall file a notice with FinCEN that permits the Fund to share information with other financial institutions that are subject to anti-money laundering program obligations under the BSA regulations or their trade associations (“Covered Financial Institutions and Associations”) about suspected money laundering or terrorist activity for one year. The Fund A-MLCO is responsible for ensuring that this notice is filed annually with FinCEN.

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Only the Fund A-MLCO or his or her designee(s) shall have the authority to share information with other Covered Financial Institutions and Associations about suspected money laundering or terrorist activity. The Fund A-MLCO is responsible for verifying that Covered Financial Institutions and Associations have filed the required notice with FinCEN (*e.g.*, by reviewing lists from FinCEN or by asking the Covered Financial Institutions and Associations directly) prior to sharing information with them about suspected money laundering or terrorist activity.

Information received by the Fund, FFTW and the Transfer Agent shall only be used: (a) to identify and, where appropriate, report on money laundering or terrorist activity; (b) to determine whether to establish or maintain an account, or to engage in a transaction; or (c) to assist the Fund, FFTW and the Transfer Agent in complying with any other requirement under the BSA or the regulations thereunder.

**F. INDEPENDENT AUDIT**

The Transfer Agent shall agree to submit, at its own expense, to an independent audit required by applicable regulation to assess its compliance with and the effectiveness of its anti-money laundering policies, procedures and controls. To the extent permitted by law, this audit may be an internal audit conducted by the Transfer Agent' s internal audit department. The audit shall explicitly include a review of anti-money laundering activities undertaken by Transfer Agent on behalf of the Fund and copies of any audit report shall be provided to the Fund' s Board and the A-MLCO. Any aspects of the Fund' s anti-money laundering policies that fall under the responsibilities of FFTW shall be subject to the independent audit requirements of section II, paragraph D above and shall also be provided to the A-MLCO and the Fund' s Board.

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**APPENDIX I**

**ANTI-MONEY LAUNDERING QUESTIONNAIRE**

**Date:**

**Name of new client:**

**Address:**

**Telephone Number:**

**Email Address:**

**Website:**

<b>Is the client:</b>	<b>Yes</b>	<b>No</b>
a reputable company listed on creditable standard industry directories and almanacs?		
a company whose shares or those of its ultimate parent are listed on major world exchanges?		
a well-regarded and justly governed country or a central bank of such a country, World Bank, or IMF?		
an EC bank or UK building society?		
a firm regulated by FSA?		
a NASD member or other regulated entity in certain jurisdictions that are subject to money laundering regulations?		
A registered U.S. investment company for which FFTW acts as sub-advisor?		

If the answer to any of the above questions is “Yes”, then proof of identity is not required.

Please refer to the A-MLCOs to enquire about the status of any particular country. FFTW must retain evidence of the “exempt” status of the client.

**Information required from institutional clients.**

If all of the answers to the questions above are “No”, then the following information must be obtained from the client.

list of director/partners. (For non-UK companies, identification (passport or National I.D. Card) of one director/partner will be required);

memorandum and articles of association and certificate of incorporation (or similar documents);

copy of latest Annual Report and financial statements;

list of shareholders/partners detailing ultimate ownership of the organisation; and

evidence of the authority of individuals to act on behalf of the organisation.

Completed by: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX II**

**Examples of Suspicious Transactions**

1. New business

Although long-standing clients may be laundering money through an investment business it is more likely to be a new client who may use one or more accounts for a short period only and may use false names and fictitious companies. Investment may be directly with an investment business or indirect via an intermediary who “doesn’ t ask too many awkward questions”, especially (but not only) in a jurisdiction where money laundering is not legislated against or where the rules are not rigorously enforced.

The following situations will usually give rise to the need for additional inquiry:

- (a) A personal client for whom verification of identity proves unusually difficult and who is reluctant to provide details;
- (b) A corporate/trust client where there are difficulties and delays in obtaining copies of the accounts or other documents of incorporation;
- (c) An investor introduced by an overseas bank, affiliate or other investor both of which are based in countries where production of drugs or drug trafficking may be prevalent.

## 2. Intermediaries

There are many legitimate reasons for a client’ s use of an intermediary. However, the use of intermediaries does introduce further parties into the transaction thus increasing opacity and, depending on the designation of the account, preserving anonymity. Likewise, there are a number of legitimate reasons for dealing via intermediaries on a “numbered account” basis; however, this is also a useful tactic which may be used by the money launderer to delay, obscure, or avoid detection.

Any apparently unnecessary use of an intermediary in the transaction should give rise to further inquiry.

## 3. Disposition

The aim of money launderers is to take “dirty” cash and to turn it into “clean” spendable money. Many of those at the root of the underlying crime will be seeking to remove the money from the jurisdiction in which the cash has been received with a view to its being received by those criminal elements for whom its is ultimately destined in a manner which cannot easily be traced. The withdrawal of funds from a portfolio with a request from the client to make payment to a third party without any apparent connection with the client may well give rise to further inquiry.

### **Code of Ethics**

#### **Certificate of Receipt**

I \_\_\_\_\_ certify that I have received and reviewed a copy of the Code of Ethics (the “Code”) of FFTW Funds, Inc. and the related members of the Group and that I understand the requirements therein and agree to be bound by its terms.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Covered Person

### **Code of Ethics**

**Compliance Certificate**

**April 2003**

I \_\_\_\_\_ certify that I have received and read a copy of the Code of Ethics (the "Code") of Charter Atlantic Corporation and the related members of the Group and agree to be bound by the Code. I further certify that no breach of this Code has occurred or is occurring and understand that any such breach of the Code is grounds for immediate dismissal for cause. I also certify that I have met all the reporting requirements of the Code.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Covered Person

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**PROPOSED TRANSACTIONS IN  
CLIENT SECURITIES  
INITIAL PUBLIC OFFERINGS OR  
PRIVATE PLACEMENTS**

Employee: \_\_\_\_\_

Purchase or Sell (circle one)

<b>Expected execution date</b>	<b>Dealer/Broker</b>	<b>Number of Shares/ Principal Amount</b>	<b>Security description</b>

Number of Transactions Requiring Pre-approval Engaged in within the Current Calendar Month: \_\_\_\_\_

Covered Person's signature: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Robin S. Meister

Date: \_\_\_\_\_

Pre-approval is not required for (1) United States Treasury securities, (2) bankers' acceptances, bank certificates of deposit and time deposits, commercial paper and high quality, short-term debt instruments (less than 270 days), and (3) shares issued by open-end mutual funds (collectively, "Exempt Securities").

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**SUMMARY OF PERSONAL INVESTMENT TRANSACTIONS**

**I. Quarter Ending March 31, 2003**

**Instructions:**

- 1. Transactions and holdings of Exempt Securities\* need not be reported.**
- 2. Report securities acquired by gift or inheritance.**
- 3. Report transactions in retirement plan accounts.**

Name (please print): \_\_\_\_\_

Please check as applicable (refer to note below):       No transactions to report.       Transactions to report as follows:

	Date	Number of Shares/ Principal Amount	Name /Security Description	Price	Dealer/ Broker/Bank
<b>FIXED INCOME SECURITIES</b>					
Purchases					
Sales					
<b>EQUITY SECURITIES</b>					
Purchases					
Sales					
<b>OTHER TRANSACTIONS</b>					
Purchases					
Sales					

\* Exempt Securities are defined as: (1) direct obligations of the Government of the United States, (2) bankers' acceptances, bank certificates of deposits, commercial paper and high quality, short-term debt instruments, including repurchase agreements, and (3) shares issued by open-end mutual funds. Has a new account been opened during the past quarter (include accounts which hold exempt securities)?      Yes       No

If the answer to the question above is yes, please indicate the following:

Name of Broker: \_\_\_\_\_ Date Account Established: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Initial and Annual Report of Securities Holdings

Name (please print)

I. For all securities except: (1) United States Treasury securities, (2) bankers' acceptances, bank certificates of deposit and time deposits, commercial paper and high quality, short-term debt instruments (less than 270 days), and (3) shares issued by open-end mutual funds (collectively, "Exempt Securities") please report the following:

Broker/Dealer or Bank	Security	Number of Shares	Principal Amount

II. For Exempt Securities please report the name of any broker, dealer or bank with whom you maintained an account:

Broker/Dealer or Bank

Check here if  Initial Report  
 Annual Report

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**EMPLOYEE DISCLOSURE INFORMATION**

	<u>YES</u>	<u>NO</u>
<b>A. In the past ten years, have you:</b>		
(1) been convicted of or plead guilty or nolo contendere (“no contest”) in a domestic, foreign or military court to any <i>felony</i> ?	<input type="checkbox"/>	<input type="checkbox"/>
(2) been <i>charged</i> with any <i>felony</i> ?	<input type="checkbox"/>	<input type="checkbox"/>
<b>B. In the past ten years have you:</b>		
(1) been convicted of or plead guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to a <i>misdemeanor</i> involving: investments or an <i>investment-related</i> business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="checkbox"/>	<input type="checkbox"/>
(2) been <i>charged</i> with a <i>misdemeanor</i> specified above?	<input type="checkbox"/>	<input type="checkbox"/>
<b>C. Has the Commodity Futures Trading Commission (CFTC), Financial Services Authority (UK) (FSA), Financial Services Agency (Japan) (FSA), Monetary Authority of Singapore (MAS), National Futures Association (NFA), Ontario Securities Commission (OSC) or the Securities and Exchange Commission (SEC), ever:</b>		
(1) <i>found</i> you to have made a false statement or omission?	<input type="checkbox"/>	<input type="checkbox"/>
(2) <i>found</i> you to have been <i>involved</i> in a violation of its regulations or statutes?	<input type="checkbox"/>	<input type="checkbox"/>
(3) <i>found</i> you to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="checkbox"/>	<input type="checkbox"/>
(4) entered an <i>order</i> against you in connection with <i>investment-related</i> activity?	<input type="checkbox"/>	<input type="checkbox"/>
(5) imposed a civil money penalty on you or <i>ordered</i> you to cease and desist from any activity?	<input type="checkbox"/>	<input type="checkbox"/>



**D. Has any other regulatory agency:**

- |  |                          |                          |
|--|--------------------------|--------------------------|
| (1) ever <i>found</i> you to have made a false statement or omission, or been dishonest, unfair, or unethical?   | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) ever <i>found</i> you to have been <i>involved</i> in a violation of <i>investment-related</i> regulations or statutes?  | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) ever <i>found</i> you to have been a cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted? | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) in the past ten years, entered an <i>order</i> against you in connection with <i>investment-related</i> activity?  | <input type="checkbox"/> | <input type="checkbox"/> |

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YES

NO

- |  |                          |                          |
|--|--------------------------|--------------------------|
| (5) ever denied, suspended, or revoked your registration or license or otherwise prevented you, by <i>order</i> , from associating with an <i>investment-related</i> business or restricted your activity? | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|

**E. Has any *self-regulatory organization* or commodities exchange ever:**

- |  |                          |                          |
|--|--------------------------|--------------------------|
| (1) <i>found</i> you to have made a false statement or omission?   | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) <i>found</i> you to have been <i>involved</i> in a violation of its rules?   | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) <i>found</i> you to have been the cause of an <i>investment-related</i> business having its authorization to do business denied, suspended, revoked, or restricted?      | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) disciplined you by expelling or suspending you from membership, barring or suspending you from association with other members, or otherwise restricting your activities? | <input type="checkbox"/> | <input type="checkbox"/> |

**F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you ever been revoked or suspended?**

**G. Are you now the subject of any regulatory *proceeding* that could result in a “yes” answer to any questions referenced above?**

**H. (1) Has any court:**

- |  |                          |                          |
|--|--------------------------|--------------------------|
| (a) in the past ten years, <i>enjoined</i> you in connection with any <i>investment-related</i> activity?  | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) ever <i>found</i> that you were <i>involved</i> in a violation of <i>investment-related</i> statutes or regulations?   | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) ever dismissed, pursuant to a settlement agreement, an <i>investment-related</i> civil action brought against you by a <i>financial regulatory authority</i> ? | <input type="checkbox"/> | <input type="checkbox"/> |

**(2) Are you now the subject of any civil *proceeding* that could result in an answer of yes to the above questions?**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

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**\*If any of the above information should change, you are responsible for updating the information and notifying the Risk Oversight Department or the Director of Administration.**

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**ASHMORE INVESTMENT MANAGEMENT LIMITED****CODE OF ETHICS****(Available to any client or prospective client on request)**

(Latest revision 26 April 2005)

**ASHMORE INVESTMENT MANAGEMENT LIMITED  
CODE OF ETHICS**

(Latest revision 26 April 2005)

**PURPOSE**

Ashmore Investment Management Limited (“Ashmore”) provides investment advisory services to various clients and accounts, which may include investment companies registered under the Investment Company Act 1940 as amended (“the Company Act”) of the United States (“the Funds”). Ashmore is registered in the United States as an investment adviser under the Investment Advisers Act 1940 (“the Advisers Act”).

In accordance with the Company Act Rule 17j-1 and the Advisers Act Rule 204A-1 (together “the Rules”) the Funds and their investment advisers must adopt a written code of ethics, which is reasonably designed to prevent specific individuals (“Access Persons” – see below) from conducting their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise to take unfair advantage of their relationship with clients. The Rules 17j-1 and 204-2 are similar – where duplication would arise, a single record is acceptable.

In recognition of this duty, Ashmore has adopted this Code of Ethics (“the Code”), which is in compliance with the Rules, and which shall be applied across all UK registered corporate entities within the Ashmore Group of Companies under the ownership of Ashmore Group Limited. Any references in the Code to “Ashmore” or “Ashmore Group” will be interpreted to mean any and all of such corporate entities.

Ashmore must submit the Code to the Funds’ boards of directors for approval before its initial appointment as investment adviser. Before doing so, Ashmore must certify to the Funds’ boards of directors that it has adopted procedures reasonably necessary to prevent Access Persons from violating the Code. Ashmore will submit subsequent material changes to the Code to the Funds’ boards of directors within three months of such changes coming into effect.

**RELATIONSHIP WITH ASHMORE COMPLIANCE MANUAL**

Ashmore maintains a detailed Compliance Manual which is intended to satisfy the wide range of rules and regulations of its primary regulator, the UK Financial Services Authority (FSA) that are relevant to the Ashmore Group’ s activities. Ashmore also maintains other written Policies and Procedures, which govern the way in which Ashmore Group staff fulfill their day-to-day responsibilities.

The Code comprises relevant extracts from Ashmore’ s Compliance Manual and Policies and Procedures documents (together “the Manual”), which separately are in compliance with individual sections of the Rule. Such extracts have been drawn together to create a single document

for registration as an exhibit to the necessary United States Securities and Exchange Commission (“SEC”) filings of the Funds. Accordingly, compliance with the Manual automatically confirms compliance with the Code.

Ashmore staff are required to sign a declaration that they have received, read and understood the Manual and the Code, and any changes thereto, and will abide by the policies therein at all times. Failure to observe compliance guidelines and policies may result in disciplinary proceedings against them. If you are aware of your own breach of the Code, you should immediately advise the Compliance Officer. Should you become aware of a breach of the Code by other persons, you should make a report following the procedure for “Whistleblowing” in Section 6.9 of the Compliance Manual.

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## **ACCESS PERSONS**

The Rules requires compliance with the Code by persons defined as “Access Persons”. Ashmore has examined such definition, and is fully satisfied that persons defined and referred to in the Manual and below as “Approved Persons” are at least equivalent to “Access Persons”. In certain circumstances, Ashmore requires compliance with the Code by all staff. Accordingly, Ashmore is satisfied that the Code more than meets the requirements of the Rules in this respect.

## **ASHMORE’ S COMPLIANCE AND REPORTING OBLIGATIONS**

Ashmore’ s Compliance Officer undertakes a regular compliance monitoring programme (“CMP”), the depth and frequency of its elements being structured to take account of compliance risk. Ashmore is satisfied that the CMP, which is sufficiently flexible to accommodate changes in business patterns, or to concentrate on specific areas that require attention, includes monitoring procedures that are capable of identifying material issues arising in connection with or material violations of the Code should they occur.

No less frequently than annually, Ashmore must furnish to the Funds’ board of directors, and the board of directors must consider, a written report that:

- a) Describes any issues arising under the Code or procedures since the last report to the board of directors, including, but not limited to, information about material violations of the Code or procedures and sanctions imposed in response to the material violations; and
- b) Certifies that Ashmore has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

## **EXTRACTS FROM THE MANUAL**

**(Numbering below is as established within the Manual)**

(Bracketed references are to specific rules and guidance in the FSA Handbook of Rules and Guidance)

### **2. THE FSA PRINCIPLES FOR BUSINESSES**

Ashmore’ s reputation is crucial to the continued success of its business - **Ashmore and its staff must adhere to the following FSA principles** (PRIN2.1.1R) in their business activities:

1. Integrity - A firm must conduct its business with integrity.
2. Skill, care and diligence - A firm must conduct its business with due skill, care and diligence.
3. Management and control - A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.
4. Financial prudence - A firm must maintain adequate financial resources.

5. Market conduct - A firm must observe proper standards of market conduct.
  6. Customers' interests - A firm must pay due regard to the interests of its customers and treat them fairly.
  7. Communications with clients - A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.
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8. Conflicts of interest - A firm must manage its conflicts of interest fairly, both between itself and its customers, and between a customer and another client.
  9. Customers: relationships of trust - a firm must take reasonable care to ensure the suitability of its advice and discretionary decisions for any customer who is entitled to rely upon its judgment.
  10. A firm must arrange adequate protection for clients' assets when it is responsible for them.
  11. A firm must deal with its regulators in an open and co-operative way and must disclose to the FSA appropriately anything relating to the firm of which the FSA would reasonably expect notice.

The FSA requires firms to apply these principles in whichever territory they conduct their business (or in respect of Principle 5 wherever contravention would have a negative effect on confidence the UK financial system). Additionally, if a regulation has a wider territorial scope than the UK, that wider scope must apply. Accordingly, these principles are intended to prevent "Unlawful Actions" as referred to in United States Investment Company Act 1940 Rule 17j-1b. Adherence with Section 5 of this Compliance Manual (The Approved Persons Regime and Code of Conduct) is also intended to prevent such "Unlawful Actions".

**Note to Ashmore staff:** this Compliance Manual includes a Code of Practice for Approved Persons and Statements of Principle to accompany it (in addition to the above Principles for Business). There is an emphasis on personal culpability, and if you breach the Code, sanctions against you may result - you may be fined, publicly censured or in extreme circumstances banned from employment in the financial services industry. For further information refer to Section 5 in this Compliance Manual.

This Section 2 forms part of the Code of Ethics required for the purposes of the United States Investment Company Act 1940 Rule 17j-1 and Rule 204A-1 of the Investment Advisers Act 1940. All records maintained in accordance with this section are to be made available to the SEC for their review on request

## 5. THE APPROVED PERSONS REGIME AND CODE OF CONDUCT

The Approved Persons Regime reflects the same broad tenets that have been in operation in the financial services industry for several years. In other words, a person who engages in regulated activities in a firm is responsible for the proper discharge of those activities.

However, with effect from N2 (1<sup>st</sup> December 2001), the FSA has defined specific functions within a firm that only a person whom the FSA has approved ("approved persons") may carry out. These functions are known as "controlled functions" (specified in rule SUP10.4.5R). The purpose of the Approved Persons Regime is to direct enforcement against people who do not observe the seven "Statements of Principle" for approved persons.

**Breaches may be dealt with by personal censure, fine or a ban from future employment in the industry. You should therefore be aware how the regime impacts upon you and your role at Ashmore.**

### 5.1 Controlled Functions

The underlying purpose of "controlled functions" is to establish and mark the boundaries of the Approved Persons Regime. They are the functions that the FSA sees as key to the operation of the FSMA2000 regulated activities. By establishing these functions, the FSA can

directly regulate an individual, thereby complementing the regulation of the authorised firm for which the “approved person” performs the function.

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The chart of Ashmore’s controlled functions is set out below:

Significant influence functions (the persons performing such functions are involved in development and operation of Ashmore’s governance, systems and controls, including business strategy and ethical standards)	Governing functions	CF1. Director CF2. Non-executive director CF3. Chief executive
	Required functions	CF8. Apportionment & oversight CF10. Compliance oversight CF11. Money laundering reporting
	Systems and control functions	CF13. Finance
	Customer functions	CF21. Investment adviser (not trainees) CF23. Corporate finance adviser CF26. Customer trading CF27. Investment management

The most current chart detailing those individuals to whom the above controlled functions have been allocated (and who are registered with the FSA as “approved persons”) is set out in [Appendix 5.1](#).

## 5.2 Approved Persons

An Approved Person covers more than someone who deals with or advises customers.

An Approved Person falls into either or both of two categories of activity:

You are an Approved Person if you deal directly with clients and client assets;

You are also an Approved Person if you exercise significant influence over a firm

**If you are an Approved Person, the most important issue is the emphasis placed by the FSA on the direct enforcement of your personal responsibility for the proper performance of your job function.**

If you are subject to the Approved Persons Regime, your name will appear alongside a Controlled Function in [Appendix 5.1](#).

If your name does not appear, you are still required to act in accordance with this Compliance Manual in carrying out your own role at Ashmore. The essence of a strong investment business is a positive compliance culture, and the Ashmore management expects consistent standards of conduct.

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## 5.3 The Code of Practice for Approved Persons

As part of the Approved Persons Regime, the FSA has set seven Principles for Approved Persons, and a Code of Practice. The Code provides examples of conduct that the FSA believes does not comply with the Principles. These will be summarised in [Section 5.4](#) below.

**Personal culpability** - an Approved Person will only breach a Principle where he is personally culpable. This new personal culpability feature will arise in two circumstances:

- If your action (or inaction) was deliberate;
- If your standard of conduct did not meet reasonable standards.

In making the determination of personal culpability, the FSA will take into account the precise circumstances of a situation, the characteristics of your function and the standards expected of a person in that function.

**Consequences** - a violation of the Principles can result in sanctions against Ashmore and its employees. The FSA can fine Ashmore, issue a public censure, or even review whether it continues to permit Ashmore to conduct business. **Similarly, the FSA can fine and publicly censure Approved Persons, and in extreme circumstances, ban them from the industry.**

## 5.4 The Code and the Principles

The Code sets out a Principle, and then specifies examples of conduct that in the opinion of the FSA violates the Principle. The examples set out below are not exhaustive - but they are illustrative of the FSA's approach under the Code.

### **Principle 1 - an Approved Person must act with integrity in carrying out his controlled function** (APER2.1.2P)

This requires an Approved Person to deal with others in an open, fair and honest manner.

#### **Conduct that violates Principle 1**

1. Deliberately misleading a client, Ashmore, its Compliance Officer or other officer, or the FSA by providing false or inaccurate information:
    - Falsifying or destroying documents or tapes;
    - Misleading a client about the risks of or charges for a transaction;
    - Misleading a client about likely investment performance by providing inappropriate projections of future investment returns;
    - Mismarking the value of an investment or a position - or procuring an unjustified alteration of prices on illiquid or off-exchange contracts;
    - Misleading Ashmore employees about the nature of risks being accepted;
    - Misrepresenting details of training received, qualifications, past employment or experience;
    - Failing to disclose personal dealings under the Ashmore Personal Account Dealing procedures.
  2. Deliberately carrying out a discretionary transaction that is unsuitable for a fund or segregated account.
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3. Deliberately failing to advise a customer or the FSA that they have misunderstood a material issue:
    - Failing to disclose the existence of a falsified document;
    - Failing to correct a mismarked position immediately.
  4. Deliberately preparing inaccurate records or returns:
    - Inaccurate or inappropriate performance reports for customers (such as relying on past performance without the required warnings);
    - Preparing inaccurate trade confirmations or other records of transactions or customer positions.
  4. Deliberately misusing a client's assets:

Churning a client' s account

Misappropriating a client' s assets or wrongly retaining its funds;

Wrongly using one client' s funds for another client' s or otherwise using a client' s funds for purposes other than those for which they were provided;

Wrongfully pledging a client' s assets as security or margin where not permitted to do so.

5 Deliberately designing a transaction to make it appear consistent with the FSA and other regulatory rules when it is not.

6 Deliberately not disclosing a conflict of interest.

**Principle 2 - an Approved Person must act with due skill, care and diligence in carrying out his controlled function** (APER2.1.2P)

This requires an Approved Person to adopt the same ethic as with Principle 1, but it requires you to be competent and to have the necessary qualifications to do your job.

**Conduct that violates Principle 2**

1. Not informing a customer or Ashmore of information you should know you ought to disclose:

Mismarking positions;

Giving inaccurate information to other Ashmore staff or the auditors.

2. Recommending or advising on a transaction where you do not have a reasonable understanding of the risk to the customer of that transaction:

Not understanding the customer' s actual or potential liability in a transaction;

3. Undertaking a transaction without understanding the risk exposure of the fund.

4. Not providing adequate control over a client' s assets:

Failing to process a fund transaction in a timely manner.

5. Continuing your job in a controlled function even though you have failed to meet the prescribed standards of knowledge and skill.

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**Principle 3 - an Approved Person must observe proper standards of market conduct in carrying out his controlled function** (APER2.1.2P)

This requires an Approved Person to comply with the many and various conduct of business rules and codes of conduct for investment business.

**Conduct that is consistent with Principle 3**

The code does not specify examples of violations - instead it states that compliance with the variety of market codes will suggest compliance with the Principle.

**Principle 4 - an Approved Person must deal with the FSA and with other regulators in an open and cooperative way and must disclose appropriately any information of which the FSA would reasonably expect notice.** (APER2.1.2P)



The FSA has considerable powers to gather information in their regulation of the industry. A failure to cooperate with the FSA or to deal with them openly can entail serious legal and reputation consequences for a firm or its employees.

#### **Conduct that violates Principle 4**

1. Failing to report promptly matters that are of material significance to Ashmore. Examples would include, without limitation, a potential rule violation, a customer complaint, a suspicion of money laundering, or a change in your personal circumstances.

Note: Under Ashmore's procedures, you should report such matters as referred to above to the Compliance Officer, who will take such further action as necessary.

2. Where the Approved Person is charged with the responsibility of making a report to the FSA, failing to make that report, whether in response to questions or otherwise.
3. Failing to answer accurately a question from a regulator - or failing to attend an interview requested or demanded by a regulator - or failing to provide a regulator with appropriate documents or information in response to that regulator's request.

**The Principles 1,2,3 and 4 set out above are applicable to all Approved Persons at Ashmore, including senior management. Principles 5,6 and 7 set out below are applicable to senior management only.**

**Principle 5 - an Approved Person performing a significant influence function must take reasonable steps to ensure that the business of the firm for which he is responsible in his controlled function is organized so that it can be controlled effectively.** (APER2.1.2P)

This requires the Chief Executive to implement clear apportionment and allocation of duties and responsibilities to management and staff, to keep them under review and update them as appropriate. It also requires all senior management to delegate duties to personnel with the appropriate levels of skill and experience.

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#### **Conduct that violates Principle 5**

1. Failing to make and maintain apportionment of responsibilities for all business areas and to allocate and communicate them clearly to Ashmore's directors and senior managers and other staff:

Implementing confusing or uncertain reporting lines, and authorization levels;

Implementing confusing or uncertain job descriptions and responsibilities;

Failing to review regularly the significant responsibilities and to take action as necessary.

2. Failing to ensure that responsibilities are allocated to suitable individuals:

Failing to review staff competence, knowledge, skills and performance to assess their suitability, despite evidence that their performance is unacceptable;

Giving undue weight to a fund manager's financial performance when considering whether he is or remains suitable for his role;

Allowing managerial vacancies to remain uncovered when risk of non-compliance with regulations might exist.

**Principle 6 - an Approved Person performing a significant influence function must exercise due skill, care and diligence in managing the business of the firm for which he is responsible in his controlled function.** (APER2.1.2P)

This requires all senior management to understand the areas of business for which they are responsible, to delegate responsibly, to monitor staff, contractors and practices, and to expand the business only after careful consideration of the risks involved.

### **Conduct that violates Principle 6**

1. Failing to take adequate steps to gain adequate information about the business area(s) for which you are responsible:
    - Permitting transactions without understanding the risks involved;
    - Permitting expansion of the business without considering the risks adequately;
    - Inadequately monitoring highly profitable or unusual transactions or business practices;
    - Accepting implausible or unsatisfactory explanations from staff without testing their veracity;
    - Failing to obtain independent expert opinion where necessary.
  2. Delegation internally or externally without proper understanding of the issue or consideration of the delegate's competence, knowledge, skill or capacity to deal with the issue:
    - Disregarding the issue or failing to obtain relevant reports once it has been delegated.
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3. Failure to supervise or monitor a delegated issue:
  - Failing to take personal action where progress is unreasonably slow or where you receive unsatisfactory explanations;
  - Failing to review the performance of an outside contractor to whom you have delegated an issue.

**Principle 7 - an Approved Person performing a significant influence function must take reasonable steps to ensure that the business of the firm for which he is responsible in his controlled function complies with the relevant requirements and standards of the regulatory system. (APER2.1.2P)**

This requires the Chief Executive and senior management to set up compliance procedures and controls, to monitor them, to examine breaches and to implement improvements where necessary.

### **Conduct that violates Principle 7**

1. Failing to take adequate steps to implement satisfactory systems of control, either personally or through a compliance department, and to monitor compliance with regulatory requirements.
2. Failing to consider and understand breaches that have occurred, and to correct them, if necessary with the help of outside experts.
3. Failing to ensure that systems, procedures and controls are reviewed, and improved as appropriate in a timely manner.
4. In the case of the Money Laundering Reporting Officer, failing to discharge the responsibilities imposed upon him in accordance with Chapter 8 of the Money Laundering sourcebook.

## **5.5 Reporting Requirements relating to Controlled Functions**

### 5.5.1 Annual Reporting of Controlled Functions

Ashmore is required (by SUP10.9.8R), no later than 31<sup>st</sup> July each year to advise the FSA of the names of the approved persons who are carrying out significant management functions, together with their brief job description (unless within the 12 months preceding 30<sup>th</sup> June an interim report has already been made).

### 5.5.2 Reporting of Changes in Controlled Functions and Approved Persons

The Compliance Officer maintains and monitors a control record of approved persons and controlled functions, supplemented by a file of correspondence and forms filed with the FSA.

Ashmore is required to notify the FSA of certain changes in respect of controlled functions. Any changes under the following headings must be notified to the Compliance Officer, who will carry out the notification as required on the prescribed FSA form:

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appointment of a candidate to a controlled function (Form A) (the individual may only perform the function after approval by the FSA (SUP10.12.1G));

withdrawal of an application for approval (Form B) (SUP10.12.13R);

change of responsibilities thereby creating a change from one controlled function to another (Form E) or adding an additional controlled function (Form A) (the individual may only perform the new function after approval by the FSA (SUP10.13.1G));

ceasing to perform a controlled function (Form C) (notification required within 7 days of the change (SUP10.13.6R));

changes to an Approved Person's title, name or National Insurance number (notification required within 7 days of the change (SUP10.13.14R)), but not a change to private address (Form D);

awareness of information, which would reasonably be material to the assessment of a candidate's or an Approved Person's fitness or propriety (notification required as soon as practicable (SUP10.13.16R)).

Where a change of employment is anticipated, where either a person is leaving Ashmore for another authorised firm, or joining Ashmore from another firm, both firms are required to act as soon as reasonably practicable in the appropriate exchange of information and references in accordance with rule SUP10.13.12R and guidance SUP10.13.13G.

This Section 5 forms part of the Code of Ethics required for the purposes of the United States Investment Company Act 1940 Rule 17j-1 and Rule 204A-1 of the Investment Advisers Act 1940. All records maintained in accordance with this section are to be made available to the SEC for their review on request

## 10. INSIDER DEALING

This section should be read in conjunction with Section 7.4 above (Market Abuse), and also with the Legal department memorandum entitled "Confidentiality Agreements/ Restricted List"

### 10.1 What Constitutes Insider Dealing?

In brief, insider dealing involves the use of non-public price sensitive information about a company to deal in securities on a recognised stock exchange in order to make a profit or avoid a loss. In the United Kingdom, insider dealing is a criminal offence leading to imprisonment and/ or a fine.

An individual who has non-public information must not:

deal in “price affected securities”, whether for himself or on behalf of Ashmore;

encourage another to deal in price affected securities (whether or not that other person knows they are price affected); or

disclose the information to another person (other than in the proper performance of his employment).

This prohibition applies to all securities traded on a regulated market and includes shares, corporate and government debt futures, options and warrants relating to those securities, index futures and options, OTC derivatives and other derivatives.

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“Inside information” means information which:

relates to particular securities or a particular issuer of securities (not to securities generally);

is specific or precise;

has not been made public but, if it were made public, would be likely to have a significant effect on the price of the securities (“price affected securities”).

Note that price affected securities may be those of another company in the same sector.

However, inside information does not include “market information” (essentially, information about purchases and sales of securities, the price at which securities are bought and the parties doing the buying and selling, as long as it is reasonable for an individual to have acted on the information).

For example, information about a secondary market placing would be market information, so it would not be insider dealing for salesmen to approach their clients in order to find places for the stock, thereby facilitating the transaction. There may be certain circumstances, however, where the size of the holding or its obvious origin could be deemed to be price sensitive information and the client should always be cautioned that the information is confidential and he should not therefore act on that information.

Information is regarded as being public if:

it is publicised in accordance with the rules of a regulated market in order to inform investors and their professional advisors;

it appears in records legally required to be open to public inspection;

it can be readily acquired by those likely to deal in the securities, or

it is derived from information, which is made public.

Information may be treated as being made public even though:

it can be acquired only by persons exercising diligence or expertise;

it is only communicated to a section of the public;

it can only be acquired by observation;

it can only be acquired on payment of a fee;

it is publicised only outside the particular country.

No Ashmore employee may dishonestly conceal any material facts for the purpose of inducing, or where he is reckless as to whether it may induce, another person (whether or not the person from whom the facts are concealed) to buy or sell an investment or to refrain from buying or selling an investment. This may include an Ashmore employee who conceals price sensitive information from a counter-party to induce him to deal if the concealment is dishonest.

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## **10.2 Confidentiality Agreements and Restricted List**

A substantial amount of Ashmore' s business involves loan structuring and trading. Many discussions are conducted within the confines of confidentiality agreements. In these and other circumstances, Ashmore employees may receive price sensitive information.

Ashmore' s Legal and Transaction Management department ("LTM") maintains a list of all Confidentiality Agreements, a summary record of the contents of each, and a summary record of any price sensitive information received other than pursuant to a Confidentiality Agreement. As part of its monitoring and control process of price sensitive information, and in its advisory capacity to Ashmore staff to prevent accidental passing on of inside information, it has issued a memorandum entitled Confidentiality Agreements/ Restricted List, the contents of which you should be aware.

From its analysis of the data held, LTM issues a restricted list, and a list of live confidentiality agreements, which are updated as restricted instruments are added or removed therefrom, or as agreements become live or no longer applicable. Instruments that appear on the list should only be transacted (bought from or sold to) with the group of persons who are in receipt of the same Price Sensitive Information that resulted in the restriction being placed.

This Section 10 forms part of the Code of Ethics required for the purposes of the United States Investment Company Act 1940 Rule 17j-1 and Rule 204A-1 of the Investment Advisers Act 1940. All records maintained in accordance with this section are to be made available to the SEC for their review on request

## **17. PERSONAL ACCOUNT DEALING**

**Principle 3 - Management and control - A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.**

**Principle 8 - Conflicts of interest - A firm must manage its conflicts of interest fairly, both between itself and its customers, and between a customer and another client.**

The following rules are established in order to:

maintain standards of conduct within Ashmore to the highest levels of integrity;

ensure that the interest of clients take precedence over the interests of Ashmore staff;

protect Ashmore staff from unfounded allegations of insider dealing or other abuses of confidential information.

The spirit, and not only the letter, of the rules should be observed.

## 17.1 Application of the rules

These rules apply to all personal dealings in securities (defined below) by you (and your spouse), as an employee and/or director of Ashmore and applies whichever company within Ashmore employs you and whether you are permanent, temporary, contract or on probation.

In addition to dealings by you for your own account the rules also apply to dealings by you:

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for the account of a “Connected Person” - that is, anyone connected with you by reason of a domestic or business relationship (other than solely because that person is a customer of Ashmore) such that you have influence over that person’s judgement as to how to invest his property or exercise any rights attaching to securities;

in your capacity as an executor or administrator of an estate, or as a trustee of a trust, in which a significant interest is held by you, or any associate of yours, or any company or partnership controlled by you or by such associate;

otherwise in your capacity as a personal representative or a trustee, except where you are relying entirely on the advice of another person from whom it is appropriate to seek advice in the circumstances; and

for the account of another person unless you do so in the course of your employment with Ashmore.

The rules do **not** apply to any discretionary transaction entered into for you, and without prior communication with you, provided that the discretion is not exercised by Ashmore (see Section 17.7 below for investments in Ashmore funds), or any transaction by you concerning a life policy or units in an open-ended regulated collective investment scheme (authorised or recognised unit trust).

For the purpose of these rules “securities” includes stocks and shares, debentures, bonds, units in unregulated collective investment schemes, government and public securities, certificates of deposit, warrants, futures, options, collateralised bond obligations (CBOs) and contracts for differences (e.g. forward rate agreements, interest rate swaps, market indices), whether UK or foreign, and whether listed or unlisted. Bets placed on proprietary betting instruments (such as IG index, City Index or similar indices) are also covered, but the use of such instruments by Ashmore staff is discouraged.

“Securities” also includes any security as defined in section 2(a)(36) of the Investment Company Act of 1940 of the United States, and insofar as not included in the paragraph immediately above, includes any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a “security”, or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. This definition of “securities” does not include:

direct obligations of the Government of the United States;

bankers’ acceptances, bank certificates of deposit, commercial paper and high-quality short-term debt instruments, including repurchase agreements.

shares issued by money market funds, other open-ended funds (other than Ashmore funds), and investment trusts.

These rules also apply to making any formal or informal offer to buy or sell, taking up rights on a rights issue, exercising conversion or subscription rights, exercising an option and buying or selling an investment under any offer, including a takeover or tender offer, which is made to the public or all (or substantially all) the holders of the investment concerned.

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You must take reasonable steps to ensure that any Connected Person acting on his own account observes the requirements of these rules as though they applied to him as well.

## 17.2 General Rule

Ashmore staff may not invest in any emerging markets debt or equity except through Ashmore's own funds.

Subject to the limitations and prohibitions set out in these rules, you may otherwise deal in securities.

You must obtain the **prior written approval** of the Compliance Officer **before** undertaking transactions in futures, options, or contracts for differences. You must also obtain such **prior written approval** before undertaking transactions in an Initial Public Offering, or a Limited Offering (as such terms are defined in Rule 17j-1 (a) of the US Investment Company Act 1940). If it is the Compliance Officer wishing to undertake such transactions then the approval is from the Chief Executive. Any transaction approved by this procedure must be executed within 24 hours of the date of approval, or 4 weeks from the next dealing date in the case of Ashmore managed funds, otherwise the approval lapses.

You should note that it is the duty of the Compliance Officer to check compliance with the Personal Account Dealing rules and this will be done on a regular basis. Breaches will be recorded in Ashmore's Breaches Register, and will be reported at the next meeting of the Risk and Compliance Committee, which may ultimately result in disciplinary action.

## 17.3 Reporting Procedures

No later than 10 days after establishing the relationship, you must advise the Compliance Officer of any firm through which you transact any personal dealing and provide details of any discretionary investment management agreements you have entered into by providing the name of the party with whom you have such agreement, and the date of the agreement. The Compliance Officer will record this information in Ashmore's Personal Accounting Dealing files including the date on which you reported the relevant agreement.

The Compliance Officer will write to each firm (broker) used by staff, requesting them to send a copy of all contract notes to the Compliance Officer and all members of staff will provide their agreement to this request if their broker so requires. You must inform any authorised person with or through whom you effect any transaction that you are an employee of Ashmore.

The Compliance Officer will ensure that the contract notes received meet all the information that is required to be reported under Rule 17j-1(d) of the US Investment Company Act of 1940, so that with respect to any transaction during the quarter in which you had any direct or indirect beneficial ownership, they should state:

The date of the transaction, the title, the interest rate and maturity date (if applicable), the number of shares and the principal amount of each Covered Security involved;

The nature of the transaction (i.e., purchase, sale or any other type of acquisition or disposition);

The price at which the transaction was effected;

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The name of the broker, dealer or bank with or through which the transaction was effected; and

The date that the report was received.

### 17.3.1 Quarterly Declaration

Following the end of each calendar quarter, the Compliance Officer will provide you with a declaration that you must sign and return to him within 30 days of the end of that calendar quarter. You will be reminded of your obligations to clients, and your declaration will confirm that

you have met the requirements of Ashmore's Personal Account Dealing procedures, and that you have provided information in respect of all broker arrangements to ensure full and complete capture by the Compliance Officer of your personal dealings in securities. If you have not provided complete information, your response must include information in respect of the missing securities, in the detail required in the section above, and details concerning omitted broker agreements.

### **17.3.2 Annual Holdings Report**

In accordance with the requirements of the US Investment Company Act of 1940 Rule 17j-1 and the Investment Advisers Act 1940 Rule 204A-1, within 30 days of the end of each calendar year, you are required to provide the Compliance Officer with an Annual Holdings Report containing the following information (up to date to within 45 days of the date on which you submit the report):

The title, number of shares and principal amount of each security in which you had any direct or indirect beneficial ownership;

The name of any broker, dealer or bank with whom you maintain an account in which any securities are held for your direct or indirect benefit.

The Compliance Officer will record the date that your report is submitted to him, and as part of the CMP, will review all such reports for compliance with these procedures, and to identify whether there is evidence of any improper trades or patterns of trading.

The Compliance Officer will also provide you with a declaration that you must sign and return to him within 10 days of the end of that calendar quarter. The declaration will confirm that you have met the requirements of Ashmore's Personal Account Dealing procedures and that you have provided information in respect of all broker arrangements to ensure full and complete capture by the Compliance Officer of your personal dealings in securities. If you have not provided complete information, your response must include information in respect of the missing securities, in the detail referred to above, and details concerning omitted broker agreements.

These rules also apply to non-executive directors of Ashmore, each of whom is obliged to notify the Compliance Officer within 14 days of any personal account dealing he has undertaken. If a non-executive director is also an employee of a regulated firm which has similar personal account dealing rules, then an annual confirmation from that firm's compliance officer that their "PAD" rules have been adhered to is sufficient, although the Compliance Officer should be permitted to inspect their records at any time on request.

### **17.4 Conflicts of Interest and Duty**

You must not effect transactions in any security if to do so may, or may appear to, involve a conflict of your own interest with that of any customer or with your duty to any customer, or otherwise have an adverse effect upon the particular interests of any customer.

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You must not effect any transaction if you know or should know that Ashmore has accepted instructions from a customer, or has decided on behalf of a customer, to effect a transaction and the instructions or decisions have not yet been carried out. This applies whether or not Ashmore's transaction is likely to affect the price of the securities concerned, but it does not apply if Ashmore's order cannot be executed owing to a limit price attached to it or the order is of such a size that it cannot be completed.

You must not accept any gift or inducement from any person, which is likely to conflict with your duties to any customer of Ashmore.

You are not permitted to request or accept any financial accommodation, benefit or special dealing facilities from any stockbroker or dealer in securities outside the Ashmore group without the prior written consent of the Compliance Officer.

You may not deal for an employee of another firm if you know or suspect that that employee is seeking to contravene or evade the provisions of any insider dealing regulations, the rules of his own organisation or the rules of any regulatory body responsible for the regulation of that firm.



If you effect any transaction in securities with or on behalf of a customer whom you know to be an employee of a company or firm which carries on investment business and which relates to that particular investment, you must, unless you have good reason to believe that the company or firm has consented, inform the company or firm of the effecting of the transaction, its terms and the identity of the parties to it.

You must not effect any transaction in securities if you know or should reasonably know that Ashmore is prohibited from effecting the transaction for its own account or otherwise under the rules of its regulator.

If you are precluded by these rules from entering into a transaction, you must not procure any other person to enter into such a transaction or communicate any information or opinion to any person if you know, or have reason to believe, that the person will, as a result, enter into such a transaction, or counsel or procure some other person to do so.

### **17.5 Excessive and Speculative Dealing**

Your personal dealings must not interfere with the performance of your duties nor must they be of such nature or extent as to risk bringing the business of Ashmore into disrepute. In particular this means:

You must not carry out transactions, which you cannot afford to settle.

Bear transactions (i.e. the sale of securities not owned by the seller) and uncovered options are not permitted.

Same day trading in the same security and/or any related security of any type is prohibited other than in exceptional circumstances and then only if prior written permission has been obtained from the Compliance Officer.

### **17.6 Inside Information - Insider Dealing**

A summary of the main provisions of insider dealing is set out in [Section 10](#) and staff must observe at all times the provisions of these regulations. Alleged insider dealing and misuse of inside information is a very serious matter for Ashmore and its staff.

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### **17.7 Staff Dealing in Funds Where Ashmore is Investment Manager (“Ashmore linked products”)**

Ashmore staff investment in emerging markets has to be made through Ashmore’s own funds.

Staff should not be in any better position when investing in Ashmore linked products than other investors in those products. **Therefore, if you wish to make any purchase or sale you must commit yourself to doing so at least 14 days before the dealing date.** This period is to enable any unpublished price-sensitive information of which you may be aware, to become publicly available prior to the dealing date. **Should you therefore wish to deal, you should ensure that you have ample time to obtain compliance approval and to submit your order before the start of the two-week period. Otherwise, your purchase must be deferred until the next available dealing day.**

Any staff wishing to buy or sell any Ashmore funds must obtain the **prior** written approval of the Compliance Officer. Application should be made on the form in [Appendix 17.1 - Consent to Dealing in Ashmore- Linked Products](#).

**If you invest in Ashmore linked products you will not be permitted to sell them for a period of at least 6 months. You may however transfer them to your spouse with prior Compliance approval.**

The 14-day commitment period referred to above may be waived by the signature of both the Chief Executive and the Compliance Officer, but it should be noted that such waivers will not normally be given. Neither of the Compliance Officer or the Chief Executive can waive the requirement for himself. Where the Compliance Officer or the Chief Executive wishes to deal within the period, the requirement may be waived by the other one of them.

As with any personal trade, Compliance should be provided with a copy of the relevant contract note(s). When you place your order, if you are opening a new account with the administrator and a standing instruction is therefore not in place, you should inform the administrator:

that you are an Ashmore employee (or your spouse, partner, etc for whom the deal is intended is your associate and you are an Ashmore employee), and

that a copy of this and any future contract notes should be sent to the Ashmore Compliance Officer.

For clarification, the following currently represent the Ashmore linked products:

Ashmore Emerging Markets Liquid Investment Portfolio;  
Ashmore Local Currency Debt Portfolio;  
Ashmore Russian Debt Portfolio;  
Ashmore Asian Recovery Fund;  
Ashmore Russian Equity Fund  
Ashmore Emerging Economy Portfolio  
Ashmore SICAV Emerging Markets Debt Fund;  
Ashmore Emerging Markets Debt Fund;  
Ashmore Global Special Situations Fund;  
Ashmore Global Special Situations Fund 2;  
Ashmore Emerging Markets Debt and Currency Fund.  
Ashmore Fund of Funds.

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## **17.8 Existing Emerging Markets Portfolios**

Employees of Ashmore who were part of ANZ Group before the management buyout in February 1999 were subject to ANZ Group compliance procedures, which enabled them to hold emerging markets assets. When Ashmore compliance procedures were established after the buyout, there was no requirement to dispose of such assets. Such employees or their associates may therefore still be in possession of them.

If you held emerging markets assets at that time, and continue to hold them, you should inform the Compliance Officer. Such assets may continue to be held or disposed of (see below), but may not be replaced unless in accordance with the PA Dealing procedures in this chapter.

Before disposal, you must seek compliance approval, by completion of the form in Appendix 17.2 - Consent to Dealing in Emerging Markets Assets. Before a deal is compliance approved, the Compliance Officer will establish whether or not any fund will be dealing in the same asset. Approval will be granted for a period of 24 hours only - if you do not deal within this period, a fresh approval must be gained.

## **17.9 New employees**

New employees are required to read and provide a written acknowledgement that they have read Ashmore's Code of Ethics, which, inter alia, contains the Personal Account Dealing section of the Compliance Manual.

New members of staff may join with existing investment portfolios. No later than 10 days after the date of commencement of your employment, you must report the following information (an Initial Holdings Report) to the Compliance Officer: Your initial holdings report must be current as of a date no more than 45 days prior to the date of commencement of your employment.

The title, number of shares and principal amount of each security in which you had any direct or indirect beneficial ownership at the commencement date of your employment;

The name of any broker, dealer or bank with whom you maintained an account in which any securities were held for your direct or indirect benefit at that date; and

The Compliance Officer will record the date that your report is submitted.

If you commence employment in breach of the Ashmore Personal Account Dealing rules, you should take immediate steps to rearrange your portfolio, so that you do comply forthwith.

Details of the relevant breach should be brought to the attention of the Managing Director and Compliance Officer, who will agree and monitor your course of action.

In cases of hardship only, the Managing Director may agree that a rule be waived, subject to Compliance approval.

### **17.10 Record keeping**

In accordance with COB7.13.11R, the Compliance Department will keep individual records by employee, including reports, dealing permissions granted, together with contract notes/broker statements etc for a period of five years after the relevant employee has ceased employment, and in accordance with Ashmore's Retention of Records policy, which also meets the record keeping requirements of Rule 17j-1(f) of the United States Investment Company Act 1940 and Rule 204-2 of the Investment Advisers Act 1940.

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### **17.11 United States SEC Requirements**

The requirements of this whole Section 17 are considered to be materially in compliance with the requirements of the United States Investment Company Act 1940 Rule 17j-1 and Rule 204A-1 of the Investment Advisers Act 1940. All records maintained in accordance with this section are to be made available to the SEC for their review on request.

This Section 17 forms part of the Code of Ethics required for the purposes of the United States Investment Company Act 1940 Rule 17j-1 and Rule 204A-1 of the Investment Advisers Act 1940. All records maintained in accordance with this section are to be made available to the SEC for their review on request

### **RETENTION OF RECORDS POLICY**

This policy describes the required period for the retention of records and is based upon FSA Rules for record keeping, the record keeping requirements of the Investment Company Act of 1940 and the Investment Advisers Act 1940 in the United States, and the requirements of the Inland Revenue for financial records.

Current working files will be retained within lockable cabinets, which will be locked each evening. All files taken from the cabinets during the working day are to be returned to the cabinets each evening to ensure they are secured overnight.

Archived files will be kept in boxes and the boxes will be numbered and the contents listed on the outside of the box for ease of identification. A master list of all archive boxes and files will be maintained and a review of records in the archives will be undertaken at least once per annum to identify records, which can now be destroyed.

<b>Type of record</b>	<b>Minimum retention period</b>
Client files - current clients (includes general files, bibles and marketing files)	Indefinitely
Client files - terminated clients	3 years from date of termination

Client files - original documents	Indefinitely (safe custody)
Transaction records:	
Cash records	3 years
Trade tickets and confirmations	5 years from settlement
NAV / revaluations	Indefinitely
Deal Books	Indefinitely (safe custody)
Finance and accounting records (all)	7 years
Compliance files:	
Correspondence with regulators	Indefinitely
Advertising files	3 years
Personal Account Dealing records	5 years*
Customer categorisation	3 years from termination
Marketing categorisation	Indefinitely
Breaches and complaints	Indefinitely*
Compliance Manuals	Indefinitely*
Other compliance related records	As determined by compliance officer

Records relative to the US Investment Company Act of 1940 and Investment Advisers Act of 1940:	
Code of Ethics	5 years after the last date in effect
Employee acknowledgements of receipt of the Code	5 years from ceasing to be Access Person*
Code violations records	5 years*
Annual report submitted to the Board of a Fund (Rule 17j-1(c)(2)(ii))	
Record of all persons, who are or were required to make reports under Rule 17j-1, or who are or were responsible for reviewing such reports	5 years*
record of any decision (and reason for such decision) to approve the acquisition by investment personnel of IPOs or Limited Offerings	Record to reflect a complete five year history*5 years*

Counterparty documentation (ISDA/ISMA)	3 years from termination
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**\*Required to be kept on site at principal place of business.**

For any records not listed above, or in the case of any doubt, refer to the Compliance Officer for guidance.

This Retention of Records Policy forms part of the Code of Ethics required for the purposes of the United States Investment Company Act 1940 Rule 17j-1 and Rule 204A-1 of the Investment Advisers Act 1940. All records maintained in accordance with this section are to be made available to the SEC for their review on request

## JOINT CODE OF ETHICS

*Strategic Investment Partners, Inc. (“SIP”), Strategic Investment Management, L.P. (“SIM”), Strategic Investment Management International, L.P. (“SIMI”), Emerging Markets Investors Corporation (“EMI”) and Emerging Markets Management, L.L.C. (“EMM”) (collectively, the “Companies”) are committed to providing investment advice with the utmost professional integrity. In addition, as investment advisers, the Companies legally are considered fiduciaries of their clients’ accounts. This means that all Access Persons (as defined herein) of the Companies owe their clients undivided loyalty and must conduct their personal affairs in such a manner as to avoid: (1) serving their own personal interests ahead of the clients’ interests; (2) taking advantage of their respective positions; and (3) engaging in any activity that conflicts with the interest of any client.*

Because the Companies are affiliated with each other and share certain personnel and resources, the Compliance Committee (as defined herein) of each of the Companies have adopted this Joint Code of Ethics which is designed primarily to help avoid any potential conflicts that may arise when Access Persons of the Companies trade for their personal securities accounts. The Code sets forth guidelines and restrictions for personal securities trading, including an absolute prohibition against trading on the basis of “inside” (i.e., material, non-public) information. The Companies will provide a copy of this Joint Code of Ethics, along with any amendments, to each Access Person. Each Access Person will provide the relevant Company with a written acknowledgement of their receipt of the Code and any amendments. The form of this Acknowledgement is attached as Exhibit B to this Code of Ethics.

Adherence to this Code of Ethics is a condition of your employment. Please direct any questions to the Chief Compliance Officer (“CCO”) and/or General Counsel of your Company or, in his or her absence, to another member of the Compliance Committee. As discussed in greater detail below, Access Persons must promptly report any violations of the Code of Ethics to the CCO. All reported Code of Ethics violations will be treated as being made on an anonymous basis.

## **I. GUIDING PRINCIPLES AND STANDARDS OF CONDUCT**

The Code of Ethics is predicated on the principle that the Companies owe a fiduciary duty to each of their clients. Accordingly, the Companies’ Access Persons must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of their clients.

Access Persons must not place the Access Person’s or the Companies’ interests ahead of the clients’. As a fiduciary, each Company must act in its clients’ best interests. In other words, the Companies or their Access Persons may not benefit at the expense of advisory clients. This concept is particularly relevant when Access Persons are making personal investments in securities traded on behalf of advisory clients.

All Access Persons of the Companies will act with competence, dignity and integrity, in an ethical manner, when dealing with clients, the public, prospects, third-party service providers

and fellow Access Persons and employees. The following set of principles frame the professional and ethical conduct that the Companies expect from its Access Persons.

Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.

Place the integrity of the investment profession, the interests of clients, and the interests of the Companies above your own personal interests.

Adhere to the fundamental standard that you should not take inappropriate advantage of your position.

Conduct all personal securities transactions in a manner consistent with this policy.

Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.

Practice and encourage others to practice in a professional and ethical manner that will reflect credit on you and the profession.

Promote the integrity of, and uphold the rules governing, capital markets.

Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.

Comply with applicable provisions of the Federal Securities Laws (as defined herein), the Commodity Exchange Act, the Employee Retirement Income Security Act and other relevant laws.

## II. DEFINITIONS

“**Access Person**” as used in this Code, includes any director of any of the Companies who is involved in the day-to-day management of any of the Companies, or any officer, senior adviser or other employee (including interns and other temporary employees unless otherwise determined by the CCO) of one or more of the Companies. This Code recognizes, however, that different Access Persons have different responsibilities, different levels of control over investment decision-making for Client accounts, and different levels of access to information about investment decision-making and implementation. In general, those with greater control and greater access face greater potential for conflicts of interest in their personal investment activities and have more direct duties to Clients. For these purposes, the definition of “Access Person” is further divided into Investment Personnel, Management Personnel and Foundry Access Persons.

“**Automatic Investment Plan**” means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. An automatic investment plan includes a dividend reinvestment plan.

A Security is “**being considered for purchase or sale**” when a recommendation to purchase or sell a Security has been made and communicated and, with respect to the person making the recommendation, when such person seriously considers making such a recommendation.

“**Beneficial Ownership**” shall be interpreted in the same manner as it would be in determining whether a person is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 and the rules and regulations thereunder, except that the determination of direct or indirect Beneficial Ownership shall apply to all Securities which an Access Person or Relative has or acquires through decisions within his or her control. In general, a person is considered to have “Beneficial Ownership” of a Security - regardless of who is the registered owner - if the person enjoys economic benefits which are substantially equivalent to ownership through decisions within his or her direct or indirect control. This would include, for example:

1. Securities which a person holds for his or her own benefit either in bearer form, registered in his or her own name or otherwise regardless of whether the Securities are owned individually or jointly;
2. Securities held in the name of his or her spouse or minor children;
3. Securities held by a trustee, executor or administrator or by custodians, brokers or relatives;
4. Securities owned by a partnership of which the person is a general partner;
5. Securities held by a corporation which can be regarded as a personal holding company of a person; and
6. Securities recently purchased by a person and awaiting transfer into his or her name.

“**Client**” means any managed account for which any of the Companies serves as investment adviser. Because of the affiliation between the Companies, a Client of any one of the Companies shall be considered a Client of all of the Companies for purposes of this Code.

The members of the “**Compliance Committee**” for each Company for purposes of this Code are set forth in a list that shall be periodically provided to you as an attachment to this Code of Ethics.

“**Covered Account**” means: (1) any Securities account registered to an Access Person or a Relative; (2) any account or Securities transaction in which an Access Person or Relative has any direct or indirect “Beneficial Ownership” interest; (3) any account of an Investment Club in which the Access Person or Relative participates; and (4) any account for which the Access Person or Relative has the ability to make investment decisions, regardless of whether the Access Person or Relative has a Beneficial Ownership interest in that account.

“Covered Account” may include, for example, an Access Person’s or Relative’s personal account; any joint or tenant-in-common account in which an Access Person or Relative is a participant; any account for which an Access Person or Relative acts as trustee, executor or custodian; or any account of any entity controlled directly or indirectly by an Access Person or Relative. However, Covered Account does not include a Securities account over which the Access Person or Relative has no direct influence or control.

“**Emerging Market Country**” means any country in Asia (except for Japan, Australia and New Zealand), Latin America (including Central and South America and the Caribbean), Europe (except for member countries of the European Union as of September 1, 2002), the Middle East or Africa.

“**Emerging Market Security**” includes any Security of an issuer in an Emerging Market Country, any security listed on an Emerging Market Country exchange, and any single country fund or other instrument comprised of securities of an Emerging Market Country (including, without limitation, futures and options on single country Emerging Market Country indices).

“**Federal Securities Laws**” means the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the Securities and Exchange Commission or the Department of the Treasury.

“**Foundry Access Person**” means any Access Person designated as a Foundry Access Person on a list that shall be periodically provided to you as an attachment to this Code of Ethics.

“**Foundry Account**” means Foundry Fund, L.P., Foundry Fund LLC, Foundry Fund Inc., and any other Client account that follows a substantially similar strategy.

“**Investment Club**” shall mean a group of people who pool their assets in order to make joint investment decisions (except that Investment Club does not include professionally-managed investment companies). *The requirements of this Code of Ethics shall apply to the entire pooled vehicle* - not just to the Access Person’s share of the pooled vehicle. Thus, for example, an Access Person who participates in an Investment Club is required to pre-clear and report the trades of the entire pooled vehicle.

“**Investment Personnel**” includes any director of any of the Companies who is involved in the day-to-day management of any of the Companies, all portfolio managers, all other Access Persons such as analysts and research associates, who provide information and advice to one or more portfolio managers, all those who execute the portfolio managers’ decisions (*i.e.*, traders and settlement personnel), and certain additional Access Persons who have regular access to such information. For your convenience, a list of Access Persons who are considered Investment Personnel shall be periodically provided to you as an attachment to this Code of Ethics; however, the mere fact that an Access Person’s name is not on this list will not excuse that Access Person from compliance with the provisions of this Code that apply to Investment Personnel if he or she falls within the above definition.

“**Management Personnel**” includes any Access Person who is in a position to control investment decisions on behalf of a Client and certain supervisory Access Persons. For your convenience, a list of Access Persons who are considered Management Personnel shall be periodically provided to you as an attachment to this Code; however, the mere fact that an Access Person’s name is not on this list will not excuse that Access Person from compliance with

the provisions of this Code that apply to Management Personnel if he or she falls within the above definition.

“**Purchase or sale**” of a Security includes among other things, the writing of an option to purchase or sell, or the transfer or assignment of a Security.

“**Relative**” means any member of an Access Person’s immediate family (including in-laws) living in the Access Person’s household.

“**Security**” shall mean any: note; stock; treasury stock, security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription; transferable share; investment contract, voting trust certificate; certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights; depository receipt; put, call, straddle, option, future or privilege on any security or on any group or index of securities (including any interest therein or based on the value thereof); put, call, straddle, option or privilege entered into on a securities exchange relating to foreign currency; or, in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. “Security” includes any interest in any vehicle managed by the Companies or any of their affiliates. “Security” shall not include: bankers’ acceptances; U.S. bank certificates of deposit; commercial paper; securities issued by the Government of the United States; shares of U.S. registered open-end investment companies (except for shares of exchange-traded funds, single Emerging Market Country funds, or funds for which the Companies or any of their affiliates act as adviser or sub-adviser); shares of money market funds; and transactions in units of a unit investment trust if the unit investment trust is invested exclusively in unaffiliated mutual funds.

### III. GUIDELINES FOR PERSONAL INVESTING

#### A. Rules Applicable to Access Persons

##### 1. Securities Being Considered for Purchase or Sale on behalf of a Client

*An Access Person may not knowingly purchase or sell, directly or indirectly for a Covered Account, any Security that, at the time of such purchase or sale, is being considered for purchase or sale for a Client account.*

This prohibition is intended to prevent Access Persons from engaging in or appearing to engage in “frontrunning” or “scalping”: the buying or selling of Securities in a Covered Account, prior to a Client, in order to benefit from any price movement that may be caused by Client transactions.

If an Access Person *unknowingly* purchases or sells a Security for a Covered Account at the same time that the Security is being considered for purchase or sale for a Client account, it shall not constitute a violation of this Code; however, the Access Person may be required to disgorge any profits from such purchase or sale.

*Where trades in a Client account are effected by a sub-adviser, this prohibition shall apply only if the Access Person has actual knowledge that the Security is being considered for purchase or sale for a Client account by such sub-adviser.*

This exception takes into account that many Access Persons do not know or have access to information regarding the Securities being considered for purchase or sale by a sub-adviser. This exception also recognizes that it would be impractical (if not impossible) for the Companies to maintain accurate and current lists of any Securities being considered for purchase for any Client account by all of the sub-advisers to Client accounts.

##### 2. Blackout Periods for Trading in the Same Security as a Client

*Management Personnel may not buy or sell a Security for a Covered Account within seven (7) calendar days before or after any Client account which that Management Personnel manages trades in that Security. For trades placed on behalf of the Foundry Fund or any related strategy, the foregoing restriction shall apply to all Foundry Access Persons.*



The blackout period after a Client account trades is designed to allow dissipation of the market effect of the Client's trade before the Access Person trades. The blackout period before a Client account trades is aimed at preventing the appearance that an Access Person purchased or sold a Security for a Covered Account with the knowledge that the Security was being considered for purchase or sale for a Client account.

If an Access Person unknowingly purchases or sells a Security for a Covered Account within this seven (7) day period, it shall not constitute a violation of this Code; however, the Access Person may be required to disgorge any profits from such purchase or sale. For purposes of this restriction, the term "profits" has the following meaning.

(a) For purchases of Securities, the term "profits" means the excess, if any of (i) the price that the Access Person would have paid for the Security had the Access Person waited to purchase the Security until the seventh day following the date of the Client trade; over (ii) the actual price that the Access Person paid for the Security.

(b) For sales of Securities, the term "profits" means the excess, if any, of (i) the actual price received by the Access Person with respect to the sale of the Security; over (ii) the price that the Access Person would have received for the Security had the Access Person waited to sell the Security until the seventh day following the date of the Client trade.

*Where trades in a Client account are executed by a sub-adviser, this prohibition shall apply only if the Access Person has actual knowledge that the Security is being considered for purchase or sale for a Client account by such sub-adviser.*

### **3. Ban on Short -Term Trading**

*Investment Personnel may not engage in "short-term trading" which is defined to mean the purchase and sale, or sale and purchase, of the same (or equivalent) Security within 60 calendar days.*

The purpose of the ban on short-term trading profits is to discourage active trading which may not inure to the benefit of Clients.

### **4. Prohibition Against Trading in Emerging Market Securities**

*An Access Person may not purchase or sell any Emerging Market Security for a Covered Account; except that an Access Person may, subject to all of the requirements of this Code of Ethics, purchase or sell Emerging Market Securities that are (1) privately placed (i.e., Securities that are not offered to the public and that are purchased or sold in a privately negotiated, off-exchange transaction) or (2) shares of an open-end or closed-end investment company that has a global or regional emerging markets investment mandate (but not a single Emerging Market Country fund).*

This prohibition recognizes the greater likelihood of a potential conflict of interest given the fact that Emerging Market Securities tend to be more illiquid than the Securities of established markets. Because the vast majority of Securities purchased or acquired on behalf of Client accounts are Emerging Market Securities, the prohibition on Access Person transactions in Emerging Market Securities significantly reduces the potential for conflicts of interest and the possible appearance of impropriety in connection with Access Persons' personal Securities transactions.

### **5. Prior Approval of Personal Securities Transactions**

*Except as otherwise provided under "Exempt Transactions " in Section III.B. below, each Access Person is required to obtain written approval from Michael Duffy, or in his absence (or in the case of trades in a Covered Account of Michael Duffy), from a member of the Compliance Committee, before directly or indirectly buying or selling any Security for a Covered Account.*

This procedure is intended to help prevent an inadvertent violation of the prohibition against trading in Securities being considered for purchase or sale by a Client account, the blackout period, the ban on insider trading and other provisions of this Code.

*To request approval for a transaction, an Access Person must submit a Trade Authorization Request, attached to this Code as Exhibit C to Michael Duffy or, in his absence, to a member of the Compliance Committee. As part of this approval process, the Access Person shall provide notification of any personal conflict of interest relationship that may involve Clients and/or the Companies, such as the existence of any economic relationship between his or her transactions and a Security held or to be acquired by the Companies on behalf of any Client.*

Unless the Security is being considered for purchase or sale by a Client account, the Security is subject to a blackout period, the Companies may have inside information

regarding the Security, or the proposed transaction potentially conflicts with another provision of this Code, the request ordinarily will be approved promptly.

*The prior review of acquisitions of a Security in a private placement will take into account, among other factors: (1) whether the investment opportunity should be reserved for a Client account; and (2) whether the investment opportunity is being offered to an Access Person by virtue of his or her position with one or more of the Companies.*

Members of the financial press have suggested that emerging companies offer investment personnel the opportunity to participate in private placements in order to get those investment personnel to invest client assets in the company when it later undertakes an IPO. This produces a direct conflict since the client's investment may result in an increase in the value of the company's securities and, thus, an increase in the value of the Access Person's personal holdings. The Companies recognize that some private placements will not raise such conflicts, however, and that a complete prohibition could restrict legitimate investment opportunities.

*Further, any Access Person who has acquired beneficial ownership of an issuer through a private placement must disclose that interest to the CCO or the General Counsel prior to participating in any decision to recommend or to cause any Client to invest in any Securities of that same issuer.*

This obligation is not extinguished by any subsequent sale of the Securities acquired by the Access Person in the private placement or by the fact that the Securities are subsequently registered under the Securities Act of 1933. Once this disclosure is made, a review of the investment decision on behalf of the Client will be undertaken by Access Persons with no interest in that particular issuer.

## **6. Restriction on Purchases During Initial Public Offerings**

*Investment Personnel may not purchase Securities in an initial public offering ("IPO") without the prior approval of the Compliance Committee.*

The purchase of an IPO by Investment Personnel poses at least two potential conflicts of interest: First, the opportunity to invest in an IPO often is highly sought after and available only to a limited number of investors. Consequently, an opportunity to participate in a "hot issue" or other attractive IPO is not likely to be viewed as a random event. It also may create the impression that future investment decisions for Clients were pursued as a form of "compensation" for the opportunity to participate in the IPO instead of because they were in the best interests of Clients. Second, any short-term profits earned by Investment Personnel in an IPO may create at least the appearance that an investment opportunity that should have been available to clients was diverted to the personal benefit of Investment Personnel. Restricting the purchase of a Security in an IPO will help reduce these potential conflicts.

## B. Exempt Transactions

*The following transactions are specifically exempted from the requirements set forth in Section III.A.2. through Section III.A.5:*

1. transactions in securities listed on a United States securities exchange (excluding Emerging Market Securities and shares of funds for which the Companies serve as adviser or sub-adviser), provided that the dollar value of all purchases and sales of such securities in the aggregate within any six month period is less than or equal to \$25,000; and provided further that:
  - the six-month period is a “rolling period,” (*i.e.*, the limit is applicable between any two dates which are six months apart);
  - transactions in options, other than options on commodities, will be included for purposes of calculating whether the \$25,000 limit has been exceeded. Such transactions will be measured by the value of the Securities underlying the options; and
  - Access Persons comply with the prohibitions on Insider Trading and the reporting requirements imposed by this Code;\*\*
2. purchases or sales of exchange traded Securities (excluding Emerging Market Securities and shares of funds for which the Companies serve as adviser or sub-adviser) of companies having a market capitalization in excess of \$500 million;\*\*
3. purchases or sales of U.S. exchange-traded futures contracts and options on futures contracts (including, but not limited to S&P 500 futures, currency futures and other types of futures regulated by the U.S. Commodity Futures Trading Commission, but excluding futures and options on stocks and Emerging Markets Securities)\*\*

*The following transactions are specifically exempted from the requirements set forth in Section III.A.1 through Section III.A.6:*

4. purchases, sales, transfers or assignments that are non-volitional on the part of either the Access Person, or Relative;
5. purchases which are part of an Automatic Investment Plan;
6. purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its Securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired;
7. purchases or sales of Securities issued by any U.S. State or municipality or any multinational organization (such as the World Bank) and OECD government bonds (excluding Emerging Market Securities);

*The following transactions are specifically exempted from the requirements set forth in Section III.A.1 through Section III.A.5:*

8. purchases and sales (except for Emerging Markets Securities) occurring in an account that is managed on a fully-discretionary basis by an unaffiliated money manager, provided that the Access Person does not receive advanced notice of such purchases and sales;\*\*

9. purchases and sales of shares of exchange-traded funds that also qualify as U.S. registered open-end investment companies (except for shares of single Emerging Market Country funds, or funds for which the Companies or any of their affiliates act as adviser or sub-adviser).

**\*\* Note: The exemptions set forth in paragraphs 1, 2, 3 and 8 immediately above shall not apply to Foundry Access Persons.**

#### **IV. OTHER REQUIREMENTS AND RESTRICTIONS A.**

##### **A. Insider Trading Prohibition**

*Access Persons are strictly prohibited from trading either for a Covered Account or the account of any other person (including a Client) on the basis of material, non-public information, or communicating material, non-public information to others in violation of the law.*

In the course of their duties for the Companies, Access Persons may acquire “material, non-public information,” also referred to as “inside information,” regarding a company or its securities. Material, non-public information is any information that may influence an investment decision relating to a security, or that may affect an analysis of the value of a security, and that is not generally available to the public. Trading on the basis of material, non-public information - regardless of whether it is for a Client or for a Covered Account - is a violation of the federal securities laws, punishable by imprisonment and severe fines.

The Boards of the Companies have adopted an “Insider Trading Policy” that describes more fully what constitutes “insider trading” and the legal penalties for engaging in it. That policy is attached to this Code as Exhibit A. Access Persons should refer to the Insider Trading Policy (as well as this Code) whenever any question arises regarding what to do if an Access Person believes he or she may have material, non-public information.

##### **B. Access Person Affiliation with Securities Issuers**

*The Companies may not invest, on behalf of a Client, in a Security of an issuer if any Access Person has any current affiliation with such issuer (i.e., control or ownership interest greater than 5% or membership on the board of directors) unless:*

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1. none of the Investment Personnel responsible for making the investment decision has had any prior non-public communications with the affiliated Access Person concerning either the issuer or the purchase of the Security;
2. following the purchase of any such Security, the affiliated Access Person shall not participate in any discussions, or have any other communications, with any Investment Personnel concerning the issuer or the purchase, sale or holding of any of the affiliated issuer’s Securities;

AND

3. the affiliation is disclosed in the relevant Company’s Form ADV.

*This prohibition is not intended to apply to investments in vehicles managed or sponsored by the Companies or any of their affiliates.*

##### **C. Gifts**

*Except as provided below, Access Persons may not seek or accept anything of value, either directly or indirectly, from broker-dealers or other persons providing or seeking to provide services to a Client and/or the Companies.*

For the purposes of this provision, the following benefits, favors or gifts from persons providing or seeking to provide services to a Client and/or the Companies will not be considered to be in violation of this Code of Ethics:

an occasional business meal, sporting event or other entertainment event at the expense of the giver, provided that the expense is reasonable and both the giver and the Access Person are present. *If there is any doubt as to the reasonableness of any such expense, Access Persons must consult the CCO or the General Counsel.*

any situation in which the cost of returning an occasional gift would exceed its value or where the occasional benefit, favor or gift is of insignificant value (*i.e.*, less than \$100).

#### **D. Confidentiality of Client Information**

*An Access Person may not disclose to any person (including another Access Person) the Securities activities engaged in or contemplated for any Client account, except to the extent that such disclosure is necessary to, and within the scope of, the performance of such Access Person's duties.*

Each Access Person is expected to sign a confidentiality agreement with the Companies and renew the agreement annually thereafter. This prohibition is designed to help prevent the disclosure of "inside information" to persons outside the Companies and to minimize the opportunity for actual or apparent violations of this Code by Access Persons.

#### **E. Service as Director or Trustee**

*An Access Person may not serve on the Board of Directors of any publicly traded company, any issuer of Securities eligible for purchase by any of the Companies, or any other organization that might present a potential conflict of interest (such as a position with a Client organization or an organization affiliated with a Client) without prior authorization of the CCO or the General Counsel.*

Any such authorization will be based on a determination that the Board service would not be inconsistent with the interests of the Companies and their Clients.

#### **V. EXCEPTIONS**

There may be some circumstances where exceptions to these restrictions will be allowed upon request by an Access Person. Any such requests will be fully documented and reviewed on a case-by-case basis by the Compliance Committee. Such request will be granted only upon a determination by the Compliance Committee that the proposed activity does not create any actual or apparent conflicts with the interest of any Client that cannot be adequately addressed through appropriate disclosure.

#### **VI. ACCESS PERSON REPORTING AND CONFIDENTIALITY OF RECORDS**

##### **A. Confidentiality of Records**

All statements of holdings, duplicate trade confirmations, duplicate account statements, and reports required by this Code (as described below) may be provided to Carol Grefenstette, the General Counsel and the CCO, as well as their respective designees who need to know such information for purposes of carrying out their obligations under this Code of Ethics. In addition, Carol Grefenstette, the General Counsel or the CCO may provide access to any of those materials to the other members of the Compliance Committee and/or the Companies' Boards of Directors in order to resolve questions regarding compliance with this Code. Carol Grefenstette, the General Counsel and the CCO also may provide regulatory authorities access to those materials where required to do so under applicable laws, regulations, or orders of such

authorities. The Companies shall use reasonable efforts to maintain the confidentiality of such information and to not disclose the information other than as provided above.

## **B. Disclosure of Personal Holdings**

*Within 10 days of commencement of employment and annually thereafter by January 31 of each year, all Access Persons must submit to the CCO or his or her designee (or, in the case the Directors and the General Counsel, to Carol Grefenstette or her designee) information on all Securities in Covered Accounts using the Disclosure of Personal Holdings Form attached as Exhibit D. Information submitted at the commencement of employment must be current as of a date no more than 45 days prior to the commencement of employment. Information provided annually thereafter must be as of the previous calendar year end.*

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## **C. Annual Certification**

*Each Access Person also shall certify annually that:*

*he or she has read and understands the Code of Ethics and recognizes that he or she is subject thereto;*

*he or she has complied with the requirements of the Code of Ethics; and*

*he or she has reported all personal Securities transactions required to be reported under this Code.*

The Annual Certification shall be made on the form attached as Exhibit E.

## **D. Duplicate Copies of Broker Confirmations**

*Each Access Person must instruct each broker, bank, or other financial institution in which the Access Person has a Covered Account to send to the CCO or his or her designee duplicate copies of confirmations of all transactions in such Covered Account(s).*

The transactions reported on the broker confirmations will be reviewed and compared against approved Trade Authorization Requests, and are intended to allow the Companies to ensure the effectiveness of their compliance efforts.

*Access Persons shall not be required to submit transaction reports with respect to transactions effected pursuant to an Automatic Investment Plan.*

## **E. Quarterly Reports**

*Each Access Person must submit to the CCO or his or her designee quarterly information on any transactions for a Covered Account using the Quarterly Report of Securities Transactions Form attached as Exhibit F no later than 20 days following each quarter-end.*

Access Persons are required to report all transactions in a Covered Account, including purchases or sales of shares of any mutual funds for which the Company or any its affiliates is adviser or sub-adviser. Any such report may contain a statement that the report shall not be construed as an admission by the person making such report that he or she has any direct or indirect Beneficial Ownership in the Security to which the report relates. (The definition of Beneficial Ownership in this Code does not necessarily apply for purposes of other securities laws or for purposes of estate or income tax reporting or liability.)

These disclosures will help ensure that confirmations for all transactions are being sent to the CCO or his or her designee. They also will capture certain investments (e.g., private placements) that are not reflected in traditional broker-dealer accounts.

**ACCESS PERSONS ARE REMINDED THAT THEY MUST REPORT NOT ONLY THEIR OWN TRANSACTIONS BUT ALSO THE TRANSACTIONS BY THEIR “RELATIVES” AS DEFINED IN SECTION II ABOVE.**

**VII. COMPLIANCE PROCEDURES AND SANCTIONS**

The CCO and the members of the Compliance Committee will oversee compliance with this Code.

**A. Prevention of Violations**

To prevent violations of this Code and of the Insider Trading Policy:

Michael Duffy or, in his absence, a member of the Compliance Committee, will accept and review Trade Authorization Requests and either grant or deny such requests promptly.

The CCO, the General Counsel or his or her designee will:

Answer questions regarding this Code and the Insider Trading Policy;

Review all trading activity reports filed by each Access Person and coordinate the review with Michael Duffy and the members of the Compliance Committee as may be appropriate;

Promptly, upon learning of a significant violation of this Code or of the Insider Trading Policy, prepare a written report to the other members of the Compliance Committee providing full details and recommendations for further action.

The Compliance Committee will:

Resolve issues of whether information received by an Access Person is material and non-public;

Review on a regular basis (at least annually) and update as necessary this Code and the Insider Trading Policy; and

Upon a determination that an Access Person has violated this Code or the Insider Trading Policy, determine appropriate sanctions and take any action necessary to prevent further violations.

**B. Sanctions**

Upon discovering a violation of this Code, the Compliance Committee may impose such sanctions as it deems appropriate, including, but not limited to: requiring the Access Person to disgorge any profits realized as a result of the violation; requiring the Access Person to pay a

penalty in addition to any disgorgement; prohibiting the Access Person from selling any Security the purchase of which constituted a violation of this Code for a period of six (6) months after such purchase; placing a letter of censure in the Access Person's personnel file; or suspension or termination of the Access Person. Any payments required hereunder shall be paid to the affected Client(s) or to a charitable organization of the Companies' choosing.

### **C. Reporting Violations and Remedial Actions**

The Companies take the potential for conflicts of interest caused by personal investing very seriously. As such, the Companies require their Access Persons to promptly report any violations of the Code of Ethics to the CCO. The Companies' Management Personnel are aware of the potential matters that may arise as a result of this requirement, and shall take action against any Access Person who seeks retaliation against another for reporting violations of the Code of Ethics. The Companies have zero tolerance for retaliatory actions and therefore may subject offenders to severe action. In order to minimize the potential for such behavior, all reports of Code of Ethics violations will be treated as being made on an anonymous basis.

### **D. Reports to the Compliance Committee**

As applicable, the CCO shall prepare a report no less frequently than annually relating to this Code of Ethics to the Compliance Committee. Such report shall:

If applicable, identify any violations requiring significant remedial action during the past year; and

If applicable, identify any recommended changes in the existing restrictions or procedures based upon the Company's experience under its Code of Ethics, evolving industry practices or developments in applicable laws or regulations.

### **E. Recordkeeping**

The CCO or his or her designee shall maintain records in the manner and to the extent set forth below.

A copy of this Code of Ethics and any other code which is, or at any time within the past five years has been, in effect shall be preserved in an easily accessible place.

A record of any violation of this Code of Ethics and of any action taken as a result of such violation shall be preserved in an easily accessible place for a period of not less than five years following the end of the fiscal year in which the violation occurs.

A record of all written acknowledgements as required by this Code of Ethics for each person who is currently, or within the past five years was, an Access Person of the Companies shall be preserved in an easily accessible place.

A copy of each report made pursuant to this Code of Ethics by an Access Person, including any information provided in lieu of reports, shall be preserved by the Companies for at least five years after the end of the fiscal year in which the report is made or the information is provided, the first two years in an easily accessible place.

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A list of all persons who are, or within the past five years have been, required to make reports pursuant to this Code of Ethics or who are or were responsible for reviewing these reports, shall be maintained in an easily accessible place.

A record of any decision, and the reasons supporting the decision, to approve the acquisition of Securities by Access Persons that were acquired either (i) through an Initial Public Offering; or (ii) through a private placement.

### **F. Disclosure**

Each of the Companies shall describe its Code of Ethics to Clients in Part II of its Form ADV and, upon request, furnish Clients with a copy of the Code of Ethics. All Client requests for any of the Companies' Code of Ethics shall be directed to the CCO.

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## INSIDER TRADING POLICY

### I. GENERAL PRINCIPLES

It is the policy of the Companies that no Access Person may: (i) trade for any account (including, but not limited to, a Covered Account **or the account of any Client**) on the basis of material non-public information, or (ii) communicate material non-public information to others in violation of the law - conduct that is commonly called "insider trading." This policy extends to activities both within *and outside* of an Access Person's respective duties with the Companies. Each Access Person must read this policy statement and acknowledge his or her understanding of it. Terms used in this policy but not defined will have the same meanings given them in the Companies' Joint Code of Ethics.

The elements of insider trading and the penalties for it are discussed below. If, after reviewing this policy statement, you have any questions, you should consult the CCO or the General Counsel.

### II. DEFINITION OF MATERIAL NON-PUBLIC INFORMATION

Only information that is both "material" and "non-public" falls within the prohibition against insider trading.

#### A. Meaning of "Material"

Information is "material" if it is likely to be viewed by a reasonable investor as important in making a decision to buy, hold, or sell a security or if its disclosure is likely to have an effect on the value of a security. Information may be material even if it relates to speculative or contingent events. Information that is material to a decision to trade a security also is likely to be material to a decision to trade related derivatives.

Information provided by a company could be material because of its expected effect on a particular class of a company's securities, all of the company's securities, the securities of another company, or the securities of several companies. The misuse of material non-public information applies to all types of securities, including equity, debt, commercial paper, government securities and options.

Material information does not need to relate directly to a company's business. For example, material information about the contents of an upcoming newspaper column may affect the price of a security, and therefore considered to be material.

#### B. Meaning of "Non-Public"

Information should be considered "non-public" when it has not been disseminated publicly by means such as a press release carried over a major news service, an article in a major news publication, materials communicated to potential investors or customers, materials available from public disclosure services, or a public filing made with a regulatory agency.

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#### C. Examples

Material, non-public information can come from Access Persons as well as from persons outside the Companies. Examples of information that, depending on the circumstances, may be material and non-public include, without limitation:

undisclosed financial information (*e.g.*, company earnings information or estimates, fund performance, a change in dividend policy, liquidity problems or changed projections, significant litigation or developments for which reserves might be taken);

undisclosed operating developments (*e.g.*, new products or natural resource discoveries, changes in business operations or extraordinary management developments, large increases or decreases in orders, or potential governmental or regulatory developments);

proposed business activities (*e.g.*, mergers, acquisitions, sales or divestitures of substantial assets, restructuring, other market-sensitive transactions involving a fund or company, major investments, refinancing or extraordinary borrowings or, in certain circumstances, the mere retention of an investment bank);

a forthcoming change in rating by a well-known research analyst;

undisclosed events or problems that could affect the NAV or performance of a fund; and

even a pending order or decision to purchase or sell securities by a fund or Client.

Material, non-public information may include “tips” received directly or indirectly from corporate insiders whether or not in the context of a Client relationship.

However, information disclosed by an issuer to an Access Person because a Client is a major shareholder or because an Analyst or Portfolio Manager has asked for it generally will *not* be considered material non-public information unless there is any reason to believe that the information: (i) would not be furnished to other shareholders, analysts or other portfolio managers who asked for it; (ii) was otherwise disclosed improperly or without the authorization of the issuer; or (iii) was provided with the expectation that it would be maintained in confidence. Observations or judgments about a company made by a portfolio manager or analyst based on a company visit generally will not be considered material non-public information unless such observations or judgments are based on information of the kind outlined in (i), (ii) or (iii) above.

#### **D. Special Considerations for Emerging Markets Information**

The Companies are aware that, unlike in the U.S. and other developed markets where most material information regarding a company is routinely disseminated to the public, the bulk of material information regarding companies in many emerging markets may not be

disseminated regularly to the public. In many cases, such information is not disseminated to the public either because it is not local practice (or companies are not legally required) to make routine company information widely available and/or there are few or no vehicles or channels (*e.g.*, financial publications such as The Wall Street Journal) available to disseminate such information. The Companies take the position that the mere fact that material information about an emerging markets company is not regularly disseminated to the public does not *necessarily* mean that Access Persons are prohibited from trading on such information for Client accounts. However, Access Persons are required to take the following steps to determine whether it is appropriate to trade on the basis of such information:

An Access Person with material information regarding an emerging markets company should make a reasonable effort to determine whether such information has been disseminated to the public. If the information has been made available in at least one publication of general circulation or another widely available document, the Access Person generally may trade on the basis of such information without further analysis.

If the Access Person determines that such information has not been disseminated widely, the Access Person should determine why such information has not been publicly disseminated. If the information has not been disseminated or made available to the general public solely because it is not required by law or by local practice or because there are few means of distributing such information widely, the Access Person generally may trade on such information provided that the information: (i) would be furnished to other shareholders, analysts or portfolio managers who asked for it; (ii) was not disclosed improperly or without the authorization of the issuer; and (iii) was not provided

with the expectation that it would be maintained in confidence. If the information has not been disseminated to the public for reasons other than the ones set forth above, or if the information does not meet the requirements of (i), (ii) and (iii), the Access Person may not trade on the basis of such information.

If the Access Person has any doubts about why the information was not disseminated publicly or about whether the information meets the requirements of (i), (ii) and (iii) above, the Access Person should consult with the CCO or the General Counsel before trading on the basis of such information or communicating such information to another Access Person or person outside the Companies (please refer to the procedures in Section IV below).

### III. PENALTIES FOR INSIDER TRADING

The legal penalties for trading on or communicating material non-public information are severe. An Access Person (and in some cases the Companies) can be subject to some or all of the penalties below, even if the Access Person or the Companies do not benefit from the violation. Penalties include:

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civil injunctions;

damages in a civil suit as much as three times the amount of actual damages suffered by other buyers or sellers;

disgorgement of profits;

jail sentences;

fines for the person who committed the violation of up to three times the profit gained or loss avoided; and/or

prohibition from employment in the securities industry.

In addition, any violation of this Policy can be expected to result in serious disciplinary measures by the Companies, including termination of employment.

### IV. PROCEDURES TO IMPLEMENT THE INSIDER TRADING POLICY

The following procedures are intended to help Access Persons avoid insider trading and to aid the Companies in preventing, detecting and punishing insider trading. Every Access Person of the Companies must follow these procedures or risk the penalties described in Section III above. If you have any questions about these procedures, you should consult the CCO or the General Counsel.

#### A. Identifying Insider Information

Any time you think that you may have inside information about a company, before you can place any trade in that company's securities, either for a Covered Account or for others (including a Client) and before you advise anyone to trade in that company's securities, ask yourself the following questions:

*Is the information material?* Is this information that an investor would consider important in making his or her investment decisions? Is it information that would substantially affect the market price of the securities if it were generally disclosed?

*Is the information nonpublic?* To whom has this information been provided? Has it been effectively communicated to the marketplace by appearing in publications of general circulation? (For emerging markets information only: If applicable, why hasn't this information been disseminated widely?)

If after asking these questions (and considering the explanations of material non-public information in Part II of this Policy), you believe that the information is material and non-public, or if you have questions as to whether the information is material and non-public, you should take the following steps:

Report the matter immediately to the CCO or the General Counsel.

Do not purchase or sell the securities on behalf of a Covered Account or others (including a Client).

Do not communicate the information inside or outside the Companies, other than to the CCO or the General Counsel.

After the CCO or the General Counsel has reviewed the issue, you will be instructed to continue the prohibition against trading and communication, or you will be allowed to trade and communicate the information.

#### **B. Prevention of Insider Trading**

To prevent insider trading the Compliance Committee will:

Resolve issues of whether information received by an Access Person is material and non-public;

When it has been determined that an Access Person has material non-public information:

Implement measures to prevent the dissemination of such information; and

If necessary, restrict Access Persons from trading in the relevant security.

#### **C. Detection of Insider Trading**

To detect insider trading, the CCO or his or her designee will, on a quarterly basis:

Review all Quarterly Reports of Securities Transactions filed by each Access Person within a reasonable period of time after submission;

If necessary, coordinate the review of such reports with other members of the Compliance Committee; and

Be available to answer questions regarding or arising under this Policy.

In addition, upon learning of a significant violation of this Policy, the CCO or the General Counsel will prepare a report to the Compliance Committee providing full details and recommendations for further action.

### **ACKNOWLEDGEMENT**

I hereby acknowledge receipt of the Companies' Code of Ethics and Insider Trading Policy and I certify that I have read and agree to abide by these documents. I also confirm that I have instructed all brokerage houses where I maintain a Covered Account to supply duplicate copies of my confirmation statements to the CCO or his or her designee. I hereby certify that I have never been found civilly liable for or criminally guilty of insider trading and that no legal proceedings alleging that I have violated the law on insider trading are now pending or, to my knowledge, threatened by any person or authority.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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### TRADE AUTHORIZATION REQUEST

Name: \_\_\_\_\_

Date: \_\_\_\_\_

#### Transaction Information

Please check one: Purchase      Sale

Company Name:

Security:

Amount:      Approximate Price Per Share:

Recommended by (if applicable):

#### Account Information

Please check one: Cash      Margin

Account Name:

Account Number:

#### Access Person Representation and Signature

To the best of my knowledge, the above-described transaction is consistent with the Companies' Code of Ethics and Insider Trading Policy.

\_\_\_\_\_  
Access Person Signature

\_\_\_\_\_  
Date

**Authorized By:**

Name: \_\_\_\_\_

\_\_\_\_\_ Date

Signature: \_\_\_\_\_

This authorization is valid until the close of the business day following the date of approval.

**DISCLOSURE OF PERSONAL HOLDINGS**

This form is to be submitted by all Access Persons within 10 days of commencement of employment and annually thereafter (no later than January 31 of each year). Information submitted at the commencement of employment must be current as of a date no more than 45 days prior to the commencement of employment. Information provided annually thereafter must be as of the previous calendar year end.

I hereby certify that the following is a complete list of the Securities in which I have a direct or indirect beneficial ownership:

Security (Full Name of Issuer and Type of Security)	Ticker Symbol or CUSIP #	No. of Shares Or Principal Amount	Brokerage Account

I further certify that set forth below is a complete list of all of the brokers, dealers, banks and other financial institutions with which I maintain an account in which any securities are held for my direct or indirect benefit.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**ANNUAL CERTIFICATION**

I hereby certify that I have read and complied with the Companies' Code of Ethics and Insider Trading Policy for the year ending December 31, (or for such time as I have been employed by the Companies, if less than one year). I also confirm that, during this period, I instructed all brokerage houses where I maintained any Covered Account to supply duplicate copies of my confirmation statements to the Companies, Attn: Chief Compliance Officer; and that I reported all personal Securities transactions required to be reported under the Companies' Code of Ethics.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**QUARTERLY REPORT OF SECURITIES TRANSACTIONS**

The following is a record of all Securities transactions during the quarter ended in any Covered Account. (This form is to be submitted to the CCO or his or her designee by all Access Persons no later than 20 days after the end of every calendar quarter.)

<b>Name/ Description of Security</b>	<b>Number of Shares or Principal Amount (include coupon rate and maturity date if applicable)</b>	<b>Ticker Symbol or CUSIP #</b>	<b>Date of Transaction</b>	<b>Price at Which Effected</b>	<b>Market Cap of Company on Date of Purchase/Sale Over or Under \$500 million)?</b>	<b>Purchase or Sale</b>	<b>Broker- Dealer or Bank</b>

I hereby certify that I did not purchase any Emerging Market Security (other than as permitted by Section III.A.4 of the Code of Ethics) and that, if I qualify as Investment Personnel as defined in the Code of Ethics, that I did not purchase any Security in an initial public offering during the quarter covered by this report.

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

## McKINLEY CAPITAL MANAGEMENT, INC.

## CODE OF ETHICS AND PERSONAL TRADING POLICY

## AND POLICY STATEMENT ON INSIDER TRADING

**1. Statement of General Principles:**

This Code of Ethics and Personal Trading Policy and Policy Statement on Insider Trading (the “Code”) has been adopted by McKinley Capital Management, Inc. (“MCM”) in accordance with Rule 204A-1 and Section 204A under the Investment Advisers Act of 1940 (the “Advisers Act”), and Rule 17j-1 under the Investment Company Act of 1940 (the “Company Act”). The purpose of this Code is to set forth a standard of business conduct and fiduciary obligations that MCM requires of all its supervised persons called Access Persons. The Code also requires Access Persons to comply with the federal securities laws and to exhibit conduct premised on fundamental principals of openness, integrity, honesty and trust.

This Code regulates the personal securities trading of Access Persons, all of whom have access to nonpublic information regarding clients’ purchase or sale of securities, is involved in making securities recommendations to clients or has access to such recommendations that are nonpublic. A supervised person who has access to nonpublic information regarding the portfolio holdings of affiliated mutual funds is also an Access Person.

This Code is intended to minimize actual and potential conflicts and prevent improper behavior. It is designed to ensure that Access Persons conduct their personal transactions in a way that is not detrimental to clients and do not take improper advantage of their inside position. All personal securities transactions shall be conducted consistent with this Code.

MCM defines Access Persons as any partner, officer, director or employee of MCM, (or any person performing similar functions), or any person directly or indirectly controlling or controlled by MCM.

To comply with Rule 204A-1 and Section 204A under the Advisers Act and Rule 17j-1 under the Company Act, MCM has adopted and will enforce the following procedures regarding personal trading and prohibition against misuse of material nonpublic information:

**2. Personal Trading Policy:**

Each Access Person is required to comply with the procedures and restrictions on his or her activities summarized below:

- a. All Access Persons are required to receive written pre-clearance from MCM’ s Compliance Officer or designee (the “Compliance Officer”) of all personal transactions in covered securities (including IPOs and private placement securities), except that such pre-clearance is not required for transactions in accounts effected pursuant to an automatic investment plan, or transactions in accounts over which the access person had no direct or indirect influence or control. The Compliance Officer’ s personal trades will be pre-cleared by the Chief Executive Officer of MCM. Access Persons are prohibited from purchasing or selling covered securities on a day during which MCM has a pending “buy” or “sell” order in the same security until MCM’ s order is executed or withdrawn.

- b. All Access Persons are prohibited from selling a covered personal security at a profit within two calendar months plus one day from the date of purchase. For example, if 100 shares of xyz stock are purchased by the Access Person on February 17<sup>th</sup>, the 100 shares of stock could not be sold at a profit by the Access Person until April 18<sup>th</sup>. Exceptions to this short term trading profit restriction may be considered under unusual circumstances as determined by the Compliance Officer.



- c. Each Access Person is required to identify to the Compliance Officer within ten days of becoming an Access Person and whenever such Access Person establishes a new brokerage account, all brokerage accounts in which the Access Person has a Beneficial Ownership interest. Access Persons are required to cause their brokers to supply directly to the Compliance Officer duplicate copies of confirmations of all personal Securities transactions and copies of statements for all Securities accounts in which they have Beneficial Ownership. In addition, each Access Person must report to the Compliance Officer any private Securities transactions that are not carried out through brokerage accounts. The duplicate copies of confirmations and statements requirement may be satisfied with authorized access to DTC or other arranged electronic delivery method. In addition, Access Persons are required to report transactions in covered securities within ten days of the end of the calendar quarter.

Compliance with the reporting requirements imposed on Access Persons under Rule 17j-1(d) and Rule 204A-1 may be met if such confirmations and statements are received by MCM not later than ten days after the end of the calendar quarter in which the transaction to which the report relates is effected, and contain the following information:

- (i) The date of the transaction, the title and the number of shares, and the principal amount of each Security involved;
  - (ii) The nature of the transaction (that is, purchase, sale or any other type of acquisition or disposition);
  - (iii) The price at which the transaction is effected;
  - (iv) The name of the broker, dealer or bank with or through whom the transaction is effected; and
  - (v) The date that the report is submitted. Any such report may contain a statement that the report shall not be constructed as an admission by the person making such report that he or she has any direct or indirect Beneficial Ownership in the security to which the report relates.
- d. Upon becoming an Access Person and annually thereafter, each Access Person is required to certify to MCM, among other things, that such Access Person understands and has complied with MCM's policies regarding personal Securities transactions and has reported all transactions and holdings in accounts in which such Access person has a Beneficial Ownership interest, whether or not any trading has occurred.
- e. All accounts managed by MCM in which an Access Person has a Beneficial Ownership interest will be traded in MCM's normal batch trade process.

- f. Post-trade monitoring of personal Securities transactions may include monitoring Access Persons' accounts on Advent, verification of trade pre-approvals to determine if any potential conflict exists and review of brokerage statements.
- g. Personal trading will be monitored. Any Access person who violates any of the foregoing policies will be subject to termination or other disciplinary action, including, but not limited to one or more of the following actions:
- (vi) Written reprimand.
  - (vii) A requirement that any and all trading accounts be transferred to National Securities Corporation or such other broker/dealer as determined by McKinley Capital Management, Inc.
  - (viii) Prohibition from participating in any trading for a period of at least one (1) year.
  - (ix) Termination.

### 3. **Definitions:**

a. "Access Persons" means:

- (i) all officers, directors and employees of MCM;

- (ii) and, members of their immediate families.
- b. “Beneficial Owner” means any person who, directly or indirectly, through any contract arrangement, understanding, relationship or otherwise, has or shares a direct or indirect pecuniary interest in Securities, subject to the following:
  - (i) The term “pecuniary interest” in any class of equity Securities means the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the Securities.
  - (ii) The term “indirect pecuniary interest” in any class of equities Securities includes, but is not limited to”
    1. Securities held by members of a person’ s immediate family sharing the same household;
    2. The right to dividends that is separated or separable from the underlying Securities (a right to dividends alone does not otherwise represent a pecuniary interest in the Securities);
    3. An interest in Securities held by a trust; or
    4. The right to acquire equity Securities through the exercise or conversion of any derivative Security, whether or not presently exercisable.

- (iii) Indirect pecuniary interest can also include a general partner’ s proportionate interest in a limited partnership. An Access Person who is or is affiliated with a general partner in a limited partnership should contact the Compliance Officer to determine whether Securities transactions by the partnership should be reported.
  - (iv) A shareholder is not deemed to have a pecuniary interest in the portfolio Securities held by a corporation or similar entity in which the person owns Securities if the shareholder is not a controlling shareholder of the entity and does not have or share investment control over the entity’ s portfolio.
- c. “Covered Security” has the meaning set forth in section 2(a)(36) of the Company Act, except that it does not include shares of registered open-end investment companies (except those that MCM is a “control affiliate”), direct obligations of the Government of the United States or futures on those obligations, short term debt Securities which are “government Securities” within the meaning of section 2(a)(16) of the Company Act, bankers acceptances and bank certificates of deposit.

#### **4. Policy Statement on Insider Trading:**

This Statement applies to the Firm and all of its Employees. Each Employee should review this Statement carefully. Any questions should be directed to the Compliance Officer.

Although the law concerning insider trading is evolving, it generally prohibits:

Trading in securities by an insider while in possession of material, nonpublic information;

Trading in securities by a non-insider while in possession of material, nonpublic information, where the information either was disclosed to the non-insider in violation of an insider’ s duty to keep it confidential, or was misappropriated; and

Communicating material, nonpublic information to others, or recommending a securities transaction to others while in possession of material, nonpublic information about the security or the company in question (commonly called “tipping”).

The Firm forbids any of its Employees from (i) trading either personally or on behalf of others, including Client Accounts, on material, nonpublic information; (ii) communicating material, nonpublic information to others in violation of the law; or (iii) knowingly assisting someone engaged in these activities.

All information relating to the Firm's activities, including investment analyses, investment recommendations, and proposed and actual trades for the Firm or Client Accounts, is proprietary to the Firm and must be kept confidential. Such information should be treated as material, nonpublic information; that is, Employees must not trade on it for Proprietary Accounts and, without the prior approval of the Compliance Officer, must not disclose it to anyone inside or outside the Firm who does not need the information in the course of the Firm's business.

#### WHAT IS MATERIAL INFORMATION?

Information is "material" when there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions. Generally, this is information whose disclosure will have a substantial effect on the price of a company's securities. No simple

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"bright line" test exists to determine when information is material; assessments of materiality involve a highly fact-specific inquiry. For this reason, you should direct any questions about whether information is material to the compliance officer or your supervisor.

Material information often relates to a company's results and operations including, for example, dividend changes, earnings results, changes in previously released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidation problems, and extraordinary management developments.

Material information also may relate to the market for a company's securities. Information about a significant order to purchase or sell securities may, in some contexts, be deemed material. Similarly, pre-publication information regarding reports in the financial press also may be deemed material. For example, the Supreme Court upheld the criminal convictions of insider trading defendants who capitalized on pre-publication information about the WALL STREET JOURNAL'S *Heard on the Street* column.

#### WHAT IS NONPUBLIC INFORMATION?

Information is "public" when it has been disseminated broadly to investors in the marketplace. Tangible evidence of such dissemination is the best indication that the information is public. For example, information is public after it has become available to the general public through a public filing with the SEC or some other governmental agency, the Dow Jones "tape" or the *WALL STREET JOURNAL* or some other publication of general circulation, and after sufficient time has passed so that the information has been disseminated widely.

#### **5. *Gifts and outside affiliations:***

Employee shall not accept any gift or gratuity except for customary business amenities, with a total value in excess of \$100 from any broker-dealer or representative thereof, any issuer of securities or any person or entity which might have an interest in influencing McKinley Capital, including without limitation any person or entity which seeks to or does provide goods or services to McKinley Capital. Gifts may include meals, trips and any other goods or services having economic value. Should Employee be offered any gift or gratuity the receipt of which would violate this policy, Employee shall immediately report the offer to McKinley Capital's Compliance Officer. Employee is responsible for notifying his/her supervisor and Compliance Officer prior to receiving, if practical, gifts or entertainment that might be considered a non-customary business amenity.

Employee shall not engage in any outside business or employment without obtaining the written authorization of the Director of Human Resources. While employed by McKinley Capital, Employee shall not engage in, or make plans to engage in, any outside business or employment which competes directly or indirectly with McKinley Capital's business or interests.

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**Initial and Annual Code and Insider Trading Certification**

I certify that:

1. I have read and understand MCM's Code of Ethics and Personal Trading Policy and Statement on Insider Trading (the "Code") and acknowledge that I am subject to the Code.
2. Since the date on which I received a copy of the Code, or the date of my most recent Certificate of Compliance, whichever is later, I have complied with all respects with the Code and the Policy, and I have disclosed or reported to MCM all personal Securities transactions required to be disclosed or reported pursuant to the requirements of the Code.
3. I have provided a complete and accurate list of all accounts with any brokerage firm or financial institution through which I effected any transaction in, or hold, any Covered Securities in which I have a Beneficial Owner interest. I have instructed each such broker or financial institution to provide to the MCM Compliance Officer duplicate confirmations and statements for all of my personal transactions in Securities, and/or have authorized electronic access to my account information through DTC or other electronic methods.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**Annual Disclosure of Personal Brokerage Accounts**

Please complete with full account information. Answers such as "*same as last year*", "*same as on file*", are not acceptable answers.

Return to Compliance Officer.

Account Name	Broker/Dealer	Account Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

**Security Holdings**

**As of 12/31/2004**

Ticker/Cusip	Name of Security	Number of Shares	Date Acquired

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Printed Name

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### Quarterly Securities Transactions

Ticker/Cusip	Name of Security	Number of Shares	Date Acquired
_____			
_____			

**If No Transactions for the Quarter, Check Here**

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Printed Name

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**State Street Global Advisors Limited  
Rexiter Capital Management Limited**

**Code of Ethics**

**DECEMBER 2004**



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## **I. INTRODUCTION**

The Code of Ethics (the “Code”) is designed to reinforce State Street Global Advisors Limited’ s (“SSgA”) and Rexiter Capital Management Limited’ s (“Rexiter”) (“the Firms”) reputation for integrity by avoiding even the appearance of impropriety in the conduct of our business. The Code sets forth procedures and limitations which govern the personal securities transactions of every employee of the Firms.

The Firms and our employees are subject to certain laws and regulations governing personal securities trading. We have developed this Code to promote the highest standards of behaviour and ensure compliance with applicable laws.

Employees should be aware that they may be held personally liable for any improper or illegal acts committed during their course of employment, and that “ignorance of the law” is not a defence. Employees may be subject to civil penalties such as fines, regulatory sanctions including suspensions, as well as criminal penalties.

Employees must read the Code and comply with it. Failure to comply with the provisions of the Code may result in serious sanctions including, but not limited to: disgorgement of profits, dismissal, substantial personal liability and referral to law enforcement agencies or other regulatory agencies. Employees should retain a copy of the Code in their records for future reference. Any questions regarding the Code should be directed to the London Compliance and Risk team at london\_compliance@ssga.com.

### General Principles

Each employee is responsible for maintaining the very highest ethical standards when conducting business. More specifically, this means:

Each employee has a duty at all times to place the interests of our clients first;

All personal securities transactions must be conducted consistent with the Code and in such a manner as to avoid any actual or potential conflict of interest or other abuse of the employee’ s position of trust and responsibility; and

No employee should take inappropriate advantage of his/her position or engage in any fraudulent or manipulative practice with respect to our clients’ accounts.

## **II. APPLICABILITY**

### Employees

This Code is applicable to all the Firms’ employees. This includes full-time, part-time, benefited and non-benefited, and exempt and non-exempt employees. Additionally, each new employee’ s offer letter will include a copy of the Code of Ethics and a statement advising the individual that he/she will be subject to the Code of Ethics if he/she accepts the offer of employment.

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### Family Members and Related Parties

The Code applies to the accounts of the employee, his/her spouse or domestic partner, his/her minor children, his/her adult children living at home, and any relative, person or entity for whom the employee directs the investments or any associate with who a business or domestic relationship might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealing with third parties. Joint accounts will also need to be included if an employee is one of the joint account holders.

### Contractors and Consultants

Each contractor/consultant/temporary employee contract will include the Code as an addendum, and each contractor/consultant/temporary employee will be required to sign an acknowledgement that he/she has read the Code and will abide by it except for the pre-clearance and reporting provisions.

### Investment Clubs

An employee who is a member of an investment club is subject to the pre-clearance and reporting requirements of the Code with respect to the transactions of the investment club. Additionally, memberships in Investment Clubs will require prior approval of London Compliance.

## **III. KEY DEFINITIONS**

### **BENEFICIAL OWNERSHIP**

For purposes of the Code, “Beneficial Ownership” shall be interpreted in the same manner as it would be in Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (“Exchange Act”) in determining whether a person is subject to the provisions of Section 16 under the Exchange Act and the rules and regulations thereunder.

### **COVERED SECURITIES**

For purposes of the Code, “Security” shall have the meaning set forth in Section 2(a)(36) of the Investment Company Act of 1940 (“1940 Act”). This definition of “Security” includes, but is not limited to: any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificates of interest or participation in any profit-sharing agreement, any put, call, straddle, option or privilege on any Security or on any group or index of Securities, or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency. Further, for the purpose of the Code, “Security” shall include any commodity contracts as defined in Section 2(a)(1)(A) of the Commodity Exchange Act. This definition includes but is not limited to futures contracts on equity indices. For the purposes of the Code this definition also includes mutual funds advised or sub-advised by the Firms. Covered Securities also includes Spread bets on Securities covered in the definition within this Code.

Covered securities will also include exchange traded funds (“ETFs”) advised or sub-advised by the Firms or any equivalents in local non-US jurisdictions, single stock futures and both the U.S. Securities and Exchange Commission (“SEC”) and Commodity Futures Trading Commission (“CFTC”) regulated futures.

“Security” shall *not* include direct obligations of the government of the United States or any other

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sovereign country or supra-national agency, bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements, variable and fixed insurance products or mutual funds not advised or sub-advised by the Firms. Spread bets on the outcome of sporting events are not covered by the Code.

## **IV. PRE-CLEARANCE OF PERSONAL SECURITIES TRANSACTIONS**

Unless the investment type is exempted for pre-clearance purposes, all employees must request and receive pre-clearance prior to engaging in the purchase or sale of a security. Although a request may need to be pre-cleared, it may be subject to the de minimis exception which would



permit the trade to be automatically pre-approved due to its size. All pre-clearance requests will be made by submitting a Pre-Trade Authorization Form (“PTAF”) via the Code of Ethics Compliance System.

Pre-clearance approval is only good until midnight local time of the day when approval is obtained. “Good-till-cancelled” orders are not permitted. “Limit” orders must receive pre-clearance every day the order is open.

As there could be many reasons for pre-clearance being granted or denied, employees should not infer from the pre-clearance response anything regarding the security for which pre-clearance was requested.

### De Minimis Exception

Employee transactions effected pursuant to the de minimis exception remain subject to the pre-clearance and reporting requirements of the Code. A “de minimis transaction” is a personal trade that meets the following conditions: An equity transaction of less than US \$20,000 or the local country equivalent and not more than 1% of the average daily trading volume in the security for the preceding 5 trading days. For fixed income instruments a transaction is de minimis if it would be for less than \$20,000 or local equivalent. In determining whether or not an employee’s trading is de minimis, all trades in the same stock over a 5 day trading period are deemed to be one trade for the purposes of the de minimis calculation.

### Exempted Securities

Pre-clearance by employees is not required for the following transactions:

Transactions made in an account where the employee pursuant to a valid legal instrument has given investment discretion to an unaffiliated/unrelated third party;

Purchases or sales of direct obligations of the government of the United States or other sovereign government or supra-national agency, high quality short-term debt instruments, bankers acceptances, certificates of deposit (“CDs”), commercial paper, repurchase agreements, and securities issued by open-end investment companies (e.g., mutual funds);

Automatic investments in programs where the investment decisions are non-discretionary after the initial selections by the account owner (although the initial selection requires pre-clearance);

Investments in dividend reinvestment plans;

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Purchases or sales of broad-based stock indices;

Purchases or sales of variable and fixed insurance products;

Exercised rights, warrants or tender offers;

General obligation municipal bonds, transactions in ESOPs, and Share Builder and similar services; and

Securities received via a gift or inheritance.

### State Street Stock

Any discretionary purchase or sale of State Street stock (including the exercising of options) must be pre-cleared subject to the de minimis requirements. This does not affect the current policy where an employee may trade State Street stock (“STT”) or exercise options obtained pursuant to employee compensation plans on a specific day pursuant to State Street corporate policy.

## V. RESTRICTIONS

### BLACKOUT PERIODS

Subject to the de minimis exception, employees may not trade in a covered security on any day that a client has a pending buy or sell order in the same covered security.

In addition, subject to the de minimis exception, an employee may not buy or sell a security that a client account/fund has traded within 7 calendar days on either side of the fund's or account's execution date.

### INITIAL PUBLIC OFFERINGS AND PRIVATE PLACEMENTS

Employees are prohibited from acquiring securities through an allocation by the underwriter of an initial public offering ("IPO"). There is an exception for a situation where the spouse/domestic partner of an employee, with prior written disclosure to and written approval from a Senior Compliance Officer in the office where the staff member is principally employed, could acquire shares in an IPO of his/her employer.

In addition, employees are prohibited from purchasing securities in a private offering unless the purchase is approved in writing by a Senior Compliance Officer. Private placements include certain co-operative investments in real estate, commingled investment vehicles such as hedge funds, and investments in family owned businesses. Time-shares and cooperative investments in real estate used as a primary or secondary residence are not considered to be private placements.

### OPTIONS

Employees are prohibited from buying options. There is an exception for employees who have received options from a prior employer. In those instances, the exercising of options received from the prior employer is subject to the pre-clearance and reporting requirements of this Code.

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### MUTUAL FUNDS

Employee investments in any mutual funds that are advised or sub-advised by the Firms are subject to a ninety (90) day holding period. These transactions are subject to the reporting and the pre-clearance requirements of this Code.

The current list of the Firms' advised and sub-advised mutual funds is maintained by London Compliance and is located on the London Compliance Intranet page. Investments in money market funds or short-term income funds advised or sub-advised by the Firms or a member of the State Street Group are exempt from these requirements.

### SHORT-TERM TRADING AND OTHER RESTRICTIONS

The following restrictions apply to all securities transactions by employees:

*Short-Term Trading.* Employees are prohibited from profiting from the purchase and sale or sale and purchase of the same securities within sixty (60) calendar days. Mutual funds advised or sub-advised by SSgA or certain affiliates are subject to a ninety (90) calendar day holding period.

*Excess Trading.* While active personal trading may not in and of itself raise issues under applicable laws and regulations, we believe that a very high volume of personal trading can be time consuming and can increase the possibility of actual or apparent conflicts with portfolio transactions. Accordingly, an unusually high level of personal trading activity is strongly discouraged and may be monitored by the Compliance and Risk Management Group to the extent appropriate for the category of person, and a pattern of excessive trading may lead to the taking of appropriate action under the Code.

*Front Running.* Employees may not engage in “front running,” that is, the purchase or sale of securities for their own accounts on the basis of their knowledge of the Firms’ trading positions or plans.

*Material Non-public Information.* Employees possessing material non-public information regarding any issuer of securities must refrain from purchasing or selling securities of that issuer until the information becomes public or is no longer considered material. If an employee comes into possession of such information they should notify London Compliance as soon as practicable.

*Shorting of Securities.* Employees may not engage in the practice of shorting securities.

## **VI. REPORTING REQUIREMENTS**

All Securities are subject to the reporting requirements of the Code except the following:

For SSgA Ltd employees only, transactions made in an account where the employee pursuant to a valid legal instrument has given investment discretion to an unaffiliated/unrelated third party (as Rexiter is regulated by the SEC, Rexiter staff must report these types of transactions);

Direct Obligations of any sovereign government or supra-national agency;

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Bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements;

Shares issued by open-end mutual funds not advised or sub-advised by the Firms;

Investments in dividend reinvestment plans; and

Variable and fixed insurance products.

Employees must report holdings of or transactions in pension or retirement plans if they have a direct or indirect Beneficial Ownership interest in any Covered Securities held by the plan except for SSgA Ltd employees where such plans are managed on a discretionary basis by an unaffiliated/unrelated third party pursuant to a valid legal instrument.

Additionally, securities received via a gift or inheritance are required to be reported, but are not subject to the pre-clearance requirements of the Code.

### **a. Initial Holdings Reports**

Within ten (10) calendar days of being hired by one of the Firms, each employee must provide London Compliance with a statement of all securities holdings and brokerage accounts. More specifically, each employee must provide the following information:

The title, number of shares and principal amount of each Security in which the employee had any direct or indirect beneficial ownership when the person became an employee;

The name of any broker, dealer or bank with whom the employee maintained an account in which any securities were held for the direct or indirect benefit of the employee as of the date the person became an employee; and

The date the report is submitted by the employee.

b. Quarterly Transaction Reports

Each employee is required to submit quarterly his/her Quarterly Securities Report within ten (10) calendar days of each calendar quarter end to London Compliance.

Specific information to be provided includes:

1. With respect to any transaction during the quarter in a Security in which any employee had any direct or indirect Beneficial Ownership:

The date of the transaction, the title, the interest rate and maturity date (if applicable), the number of shares and the principal amount of each Security involved;

The nature of the transaction, (i.e., purchase, sale, or other type of acquisition or disposition);

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The price of the Security at which the transaction was effected;

The name of the broker, dealer or bank with or through which transaction was effected; and

The date that the report is submitted by the employee.

2. With respect to any account established by the employee in which any securities were held during the quarter for the direct or indirect benefit of the employee:

The name of the broker, dealer, or bank with whom the employee established the account;

The date the account was established; and

The date the report is submitted by the employee.

c. Annual Holdings Reports

Each employee is required to submit annually (i.e., once each and every calendar year) a list of holdings, which is current as of a date no more than thirty (30) calendar days before the report is submitted. In addition, each employee is required to certify annually that he/she has reviewed and understands the provisions of the Code. The forms for making these reports will be provided to each employee on an annual basis.

Specific information to be provided includes:

The title, number of shares and principal amount of each Covered Security in which the employee had any direct or indirect Beneficial Ownership;

The name of any broker, dealer or bank with whom the employee maintains an account in which any securities are held for the direct or indirect benefit of the employee; and

The date that the report is submitted by the employee.

## **VII. STANDARD OF CONDUCT**

### **PERSONAL TRADING**

All State Street employees, including the Firms' employees, are required to follow the provisions outlined in State Street Corporation's Corporate Standard of Conduct. The Standard of Conduct includes a policy on Personal Trading which all State Street employees must follow in addition to any additional personal trading policies implemented by their business areas. The policy includes the following list of provisions:

Employees will not buy or sell securities (or recommend their purchase or sale) based upon

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“inside information.”

Employees will not sell State Street securities short.

Employees will not engage in options trading or hedging transactions in State Street securities.

Employees will not sell the securities of a customer short when we, as individual employees, are directly responsible for providing services to that customer.

Employees will not buy options in the securities of a customer (unless conducted as part of a hedging strategy) when we, as individual employees, are directly responsible for providing services to that customer.

Employees will not purchase securities of an issuer when State Street is involved in the underwriting or distribution of the securities.

Employees will not buy or sell securities based upon our knowledge of the trading position or plans of State Street or a customer.

Employees will not buy or sell securities based upon anticipated research recommendations. (Employees are required to wait at least 3 business days following public dissemination of a recommendation made by State Street prior to making a person trade. Some business units may impose a longer restriction period.)

Employees will not use their influence as State Street employees to accept preferential treatment from an issuer or broker with respect to an investment opportunity, nor from a broker with respect to the fees charged in relation to conducting a personal securities transaction.

Employees will not originate a rumour nor participate in the circulation of one concerning any publicly traded security, particularly the securities of State Street or any customer of State Street.

Employees allow trading of customer accounts and for State Street's own account to precede personal trades if the personal trades could affect the market price of a security.

Employees will not invest in the securities of a supplier or vendor to State Street, if they as individual employees, have substantial responsibility for representing State Street in its relationship with that firm.

Employees will not, except in the proper course of their employment, procure any other person to enter into a transaction which this code would prohibit that employee from undertaking for their own account.

### **PROTECTING CONFIDENTIAL INFORMATION**

Employees may receive information about the Firm's, State Street Bank & Trust Company, State Street Corporation, their clients and other parties that, for various reasons, should be treated as confidential. All employees are expected to strictly comply with measures necessary to preserve the confidentiality of the information.

#### **Insider Trading and Tipping**

The misuse of material non-public information, or inside information, constitutes a fraud under the securities laws of the United States and is a criminal offence in the UK. Fraudulent misuse of inside information includes buying or selling securities while in possession of material non-public information for an employee or employee-related account, a proprietary account or for the account of any client. Fraudulent misuse of inside information also includes disclosing or tipping such information to someone else who then trades on it, or using such information as a basis for recommending the purchase or sale of a security. Information is material when it has market significance and there is a likelihood that a reasonable investor would consider the information

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important in deciding whether to buy or sell the securities of the company involved. It is non-public if it has not been broadly disseminated.

In no event, may any employee who receives inside information use that information to trade or recommend securities affected by such information for personal benefit, the benefit of the Firms or any affiliate or the benefit of a third party. More specifically:

No employee may, while in possession of inside information affecting a security, purchase or sell such security for the account of such employee, a client or any other person or entity.

No employee may disclose inside information to any person outside of the Firms. However, discussions with legal counsel and disclosures authorized by the client in furtherance of a related project or transaction are permitted.

No employee may recommend or direct the purchase from or sale of a security to anyone while in the possession of inside information, however obtained.

## **GIFTS AND ENTERTAINMENT**

All employees are required to follow the Corporate Standard of Conduct's Gifts and Entertainment Policy. The policy includes the following provisions:

Employees should avoid any excessive or disreputable entertainment that would reflect unfavourably on State Street;

Employees do not offer or accept cash or its equivalent as a gift;

Employees recognize that promotional gifts such as those that bear the logo of a company's name or that routinely are made available to the general public are generally acceptable business gifts;

Employees fully, fairly and accurately account on the books and records of the Firms for any expense associated with a gift or entertainment; and

Employees do not accept any gift or bequest under a will or trust from a customer of the Firms or the State Street Group.

For purposes of the Code, the gifts and entertainment limit will be £250.00. In order for an employee to accept a gift above the limit, he/she must obtain prior written approval from his/her manager and provide a copy of the approval to the Chief Compliance Officer. All gifts of whatever value should be reported to London Compliance.

## **SERVICE AS A DIRECTOR/OUTSIDE EMPLOYMENT AND ACTIVITIES**

All employees are required to comply with the Corporate Standard of Conduct's Conflicts from Outside Activities Policy. The policy includes the following provisions:

Employees are to avoid any business activity, outside employment or professional service that competes with the Firms or the State Street Group or conflicts with the interests of the Firms, State Street Group or their customers.

An employee is required to obtain the approval of his/her Area Executive before becoming a director, officer, employee, partner or sole proprietor of a "for profit" organization. The request for approval should disclose the name of the organization, the nature of the business,

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whether any conflicts of interest could reasonably result from the association, whether fees, income or other compensation will be earned and whether there are any relationships between the organization and State Street. The request for approval along with the preliminary approval of the Area Executive is subject to the final review and approval of the State Street General Counsel and Chief Executive Officer.

Employees do not accept any personal fiduciary appointments such as administrator, executor or trustee other than those arising from family or other close personal relationships.

Employees do not use the Firms' or the State Street Group's resources, including computers, software, proprietary information, letterhead and other property in connection with any employment or other activity outside State Street.

Employees disclose to their Area Executive any situation that could present a conflict of interest or the appearance of a conflict with the Firms or the State Street Group and discuss how to control the risk.

When completing their annual certification acknowledging receipt and understanding of the Code of Ethics, employees will be asked to disclose all outside affiliations. Any director/trustee positions with public companies or companies likely to become public are prohibited without prior written approval from the employees' Area Executive.

## **VIII. SANCTIONS**

Upon discovering a violation of this Code by an employee or his/her family member or related party, the Code of Ethics Review Committee may impose such sanctions as it deems appropriate, including, among other things, the following:

- A letter of censure to the violator;
- A monetary fine levied on the violator;
- Suspension of the employment of the violator;
- Termination of the employment of the violator;
- Civil referral to the SEC or other civil regulatory authorities determined by SSgA; or
- Criminal referral - determined by SSgA.

Examples of possible sanctions include, but are not limited to:

- A warning letter, with a cc: to the employee's manager, for a first time pre-clearance or reporting violation;
- Monetary fines and disgorgement of profits when an employee profits on the purchase of a security he/she should not purchase; and
- Recommendation for suspension or termination if an employee is a serial violator of the Code.

### Appeals Process

If an employee decides to appeal a sanction, he/she should contact Human Resources.

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**FULLER & THALER ASSET MANAGEMENT, INC.****CODE OF ETHICS**

Revised June 2005

To ensure the highest standards of integrity are maintained at all time, and to avoid possible conflicts of interest in carrying out our responsibilities to the clients of Fuller & Thaler or the public, and to avoid violating applicable securities laws, no employee will use their position, or the knowledge gained from their position, to create a conflict between their personal interest and those of Fuller & Thaler, or any client of Fuller & Thaler.

Fuller & Thaler is a fiduciary for the accounts it manages. Because of this fiduciary relationship Fuller & Thaler wants to avoid even the appearance that Fuller & Thaler's employees receive any improper benefit from information about account holdings or trading.

**EXPECTATION OF COMPLIANCE WITH CODE OF ETHICS**

Fuller & Thaler expects employees to comply with the spirit of the Code of Ethics (or "Code"), as well as the specific rules contained in the Code. Fuller & Thaler treats violations of this Code (including violations of the spirit of the Code) seriously. The Securities and Exchange Commission will also take violations of this Code seriously. If you violate either the letter or the spirit of this Code, Fuller & Thaler may require disgorgement of trading gains, restrict or eliminate your personal trading privileges, cut your compensation, demote you or suspend or terminate your employment. Improper trading activity can constitute a violation of this Code.

You can also violate this Code by failing to file required reports, or by making inaccurate or misleading reports or statements concerning trading activity or securities accounts. Your conduct can violate this Code even if client accounts are not harmed by your conduct. If you have any doubt or uncertainty about what the Code requires or permits, you should ask the Chief Compliance Officer.

Fuller & Thaler will provide each employee with a copy of this Code of Ethics, any amendments to the Code, acknowledgement forms. You are expected to return a written acknowledgment to indicate your receipt of this Code and of any amendments to it.

As you read this Code, any reference to Chief Compliance Officer means "Chief Compliance Officer or delegate, or in their absence Chief Operating Officer or President". So if the Chief Compliance Officer or their delegate is unavailable, you may turn to the Chief Operating Officer or in their absence the President of the firm for any question you may have or compliance service you may require. You are expected to follow compliance procedures and to seek solutions to compliance issues that may arise from time to time. If the Chief Compliance Officer is unavailable to assist you in a compliance matter this does not justify actions that would result in non-compliance with our Code of Ethics.

Terms in **boldface type** have special meanings as used in this Code. To understand the Code, you need to read the definitions of these terms. Definitions are listed at the end of the Personal Securities Transactions Policy section.

**NON-COMPLIANCE WITH CODE OF ETHICS**

Non-compliance with these policies will be considered a violation of Fuller & Thaler's Code of Ethics. The consequences of non-compliance will be commensurate with the violation(s) and may include any one or more of the following:

Immediate disgorgement of any profits resulting from a personal securities transaction that was not pre-authorized with the proceeds being donated to charity

A letter of warning to the employee with a copy in their personnel file



Temporary or permanent restriction or suspension of personal trading privileges

Impact on the employee's compensation, or

Demotion, suspension or termination of employment.

## **EMPLOYEE CONDUCT**

Fuller & Thaler requires all employees comply with applicable **Federal Securities Laws**. These requirements of these laws are incorporated into this Code of Ethics and the firm's Compliance Manual. All employees must report any violations of the Code of Ethics promptly to the Chief Compliance Officer.

No employee of Fuller & Thaler shall be permitted to:

Employ any device, scheme or artifice to defraud any client

Make to any client any untrue statement of a material fact or to omit material facts in order to mislead a client

Engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any client, or

Engage in any manipulative practice with respect to any client.

## **CONFLICTS OF INTEREST**

Fuller & Thaler strives to maintain the highest standards of ethical conduct in all its relationships. The firm also expects its employees to hold these standards. It is equally important that employees exercise good moral judgment at all times and no employee shall do anything illegal in the performance of his or her job. Employees should not put themselves in a position where someone could question the propriety of their actions from a legal, moral and/or conflict of interest standpoint.

Conflict of interest involves compromising or giving the appearance of compromising an employee's business ethics. Fuller & Thaler perceives any undisclosed employee business activity that is inconsistent with Fuller & Thaler's best business interest to be a conflict of interest. In order to avoid actual or potential conflicts of interest, employees should be aware of the standard of conduct expected in certain situations. While we cannot list all possible conflicts, following are some areas that we expect employees to avoid:

### **Financial Disclosure**

At the time of employment, each employee must make full disclosure of all known investments and financial interests in corporations or other business entities, which have any actual or potential business relationship with Fuller & Thaler (including any subcontractors or suppliers) or are in competition with the Fuller & Thaler. Similarly, relationships with a consulting firm which

renders services to Fuller & Thaler should also be disclosed. This disclosure should include investments, financial interests, and business relationships maintained by any immediate family member of the employee.

### **Use of Fuller & Thaler Business Relationships**

It is not permissible for any employee to take advantage of a business relationship established through Fuller & Thaler to elicit special consideration, extraordinary services, below-market pricing, etc. for a personal activity. This rule does not preclude arms-length negotiations

with an independent intermediary. In the event an employee, on a direct basis, does use subcontractors or suppliers that Fuller & Thaler uses, the employee should make full disclosure to their manager. No employee should seek discounts or other financial benefits from any person doing business with Fuller & Thaler by reason of such business; that is, employees should not use their firm affiliation to obtain concessions not otherwise available in exchange for any actual or implied commitment from Fuller & Thaler to do business with the concession grantor.

### **Acceptance of Tips, Gifts and Entertainment**

Employees shall not accept valuable gifts, money, discounts, tips, entertainment, referral fees, finder's fees, or any other financial reward or other favored personal treatment from a person doing business with Fuller & Thaler. However, employees are allowed to accept occasional business meals which do not involve any lavish entertainment and do have a legitimate business purpose.

This rule should not preclude an employee from having a social relationship with a person doing business with Fuller & Thaler which may include the giving and receiving of items of financial value such as theater or sporting event tickets, small gifts, favors, and promotional items, provided the relationship is purely social and involves no expressed or implied business commitment, public disclosure would not embarrass Fuller & Thaler, the relationships are consistent with Fuller & Thaler's business practices, the objects of value do not violate any applicable law and the value of them do not exceed \$100.

In the event gifts of greater value are received under circumstances where it is not feasible to return the item, it should be turned over to the employee's manager for disposition or use as corporate property.

### **Political Contributions**

Employees of Fuller & Thaler may not make political contributions to any political party, politician or political candidate who is involved with client public funds.

### **Outside Activities**

Employees are encouraged to participate in civic or trade associations provided such participation does not pose a conflict of interest with the employee's position at Fuller & Thaler and does not interfere with the performance of the employee's duties at Fuller & Thaler.

An employee must disclose any potential conflicts of interest to their manager as soon as the employee is aware of the potential conflict. Their manager and/or the President will make a determination of the existence of such a conflict of interest. If an actual or potential conflict is determined, Fuller & Thaler may take whatever disciplinary action appears appropriate according to the circumstances, up to, and including termination. Failure to disclose facts shall constitute grounds for disciplinary action.

## **INSIDER TRADING POLICY**

Fuller & Thaler has established the following policies and procedures designed to detect and prevent insider trading. Fuller & Thaler's policy applies to every employee and extends to activities within and outside their duties at Fuller & Thaler. All employees must read, understand and comply with the following procedures. If, after reviewing this policy statement, you have any questions you should consult the Chief Compliance Officer.

Fuller & Thaler forbids any employee from trading (either personally or on behalf of others including accounts managed by Fuller & Thaler) on material nonpublic information or communicating material nonpublic information to others in violation of the law. This conduct is frequently referred to as "insider trading."

The term “insider trading” is not defined in the federal securities laws, but generally is used to refer to the use of material nonpublic information to trade in securities (whether or not one is an “insider”) or to communications of material nonpublic information to others.

While the law concerning insider trading is not static, it is generally understood that the law prohibits:

- 1) Trading by an insider, while in possession of material nonpublic information, or
- 2) Trading by a non-insider, while in possession of material nonpublic information, where the information either was disclosed to the non-insider in violation of an insider’s duty to keep it confidential or was misappropriated, or
- 3) Communicating material nonpublic information to others. The elements of insider trading and the penalties for such unlawful conduct are discussed below.

### **Who is an Insider?**

The concept of “insider” is broad. It includes employees of a company. In addition, a person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for the company’s purposes. A temporary insider can include, among others, a company’s attorneys, accountants, consultants, bank lending officers, and the employees of such organizations. According to the United States Supreme Court, a company must expect a temporary insider to keep the disclosed nonpublic information confidential and the relationship must at least imply such a duty before the outsider will be considered an insider.

### **What is Material Information?**

Trading on inside information is not a basis for liability unless the information is material. “Material information” generally is defined as information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a substantial effect on the price of a company’s securities. Information that employees should consider material includes, but is not limited to:

Dividend changes

Earnings estimates

Changes in previously released earnings estimates

Significant merger or acquisition proposals or agreements

Major litigation

Liquidation problems, and

Extraordinary management developments.

Material information does not have to relate to a company’s business. For example, the United States Supreme Court has held that certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a security constituted material information. In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not.

## What is Nonpublic Information?

Information is nonpublic until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally available to the public. For example, information found in a report filed with the SEC, or appearing in Dow Jones, Reuters Economic Services, The Wall Street Journal or other publications of general circulation would be considered public.

## Penalties for Insider Trading

Penalties for trading on or communicating material nonpublic information are severe, both for individuals involved in such unlawful conduct and their employers. A person can be subject to some or all of the penalties below even if he or she does not personally benefit from the violation. Penalties include:

Civil injunctions

Treble damages

Disgorgement of profits

Jail sentences

Fines for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited, and

Fines for the employer or other controlling person of up to the greater of \$1,000,000 or three times the amount of the profit gained or loss avoided

In addition, any violation of this policy statement can be expected to result in serious sanctions by Fuller & Thaler, including dismissal of the person(s) involved.

## Procedures to Implement Insider Trading Policy

The following procedures have been established to aid the employees of Fuller & Thaler in avoiding insider trading, and to aid Fuller & Thaler in preventing, detecting and imposing sanctions against insider trading. If you have any questions about these procedures you should consult the Chief Compliance Officer.

## Identifying Inside Information

Before trading for yourself or others, including investment companies or private accounts managed by Fuller & Thaler, in the securities of a company about which you may have potential inside information, ask yourself the following questions:

- I. **Is the information material?** Is this information that an investor would consider important in making an investment decision? Is this information that would substantially impact the price of a security if generally disclosed?
- II. **Is the information nonpublic?** To whom has this information been provided? Has the information been effectively communicated to the public by being published in

If, after consideration of the above, you believe that the information is material and nonpublic, you should take the following steps:

- 1) Report the matter immediately to the Chief Compliance Officer
- 2) Do not purchase or sell the securities on behalf of yourself, others, or for accounts managed by Fuller & Thaler.
- 3) Do not communicate the information to others.

After the Chief Compliance Officer has reviewed the issue, you will be instructed to continue the prohibitions against trading and communication, or you will be allowed to trade and communicate the information.

### **Resolving Issues Concerning Insider Information**

If, after consideration of the items set forth here, doubt remains as to whether information is material or nonpublic, or if there is any unresolved question as to the applicability or interpretation of the foregoing procedures, or as to the propriety of any action, you must discuss the issue with the Chief Compliance Officer before trading or communicating the information to anyone.

### **Restricting Access to Material Nonpublic Information**

Information in your possession that you identify as material and nonpublic may not be communicated to anyone, including persons within Fuller & Thaler, except as provided in the above paragraphs. In addition, care should be taken so that such information is secure. For example, files containing material nonpublic information should be sealed and access to computer files containing material nonpublic information should be restricted.

### **PERSONAL SECURITIES TRANSACTIONS POLICY**

Fuller & Thaler allows its employees and the members of employees' **Family/Household** to maintain personal securities accounts provided any such personal securities trading is conducted in accordance with the following policies and procedures.

These policies and procedures apply to securities trading in which an employee or a member of an employees' **Family/Household** hold **Beneficial Interest**. These policies only apply to personal securities transactions of Reportable Securities. Employees are responsible for understanding all aspects of this policy and all definitions, listed below. Ask the Compliance Officer for any clarification.

#### **Prohibited Personal Securities Transactions**

No employee of Fuller & Thaler shall be permitted:

To purchase a security within three (3) business days after the security has been approved for purchase and is being actively traded in client portfolios

To sell a security within three (3) business days after the security has been sold in any client portfolio

To purchase an IPO

To participate in an investment club

Engage in a **Private Placement** (a/k/a "limited offering") without prior written approval of the Chief Compliance Officer

Trade excessively (trading which is judged to interfere with one's job responsibilities)

Place an order which is good for more than one day (a "good-till-canceled order"), or

Buy or sell a security of any entity to which Fuller & Thaler provides investment management services EXCEPT for trades in Managed Funds to the extent permissible by this Policy.

### Personal Securities Transactions Pre-Approval Process

Prior to entering any order for a personal securities transaction in a **Reportable Security**, employees must submit to the Chief Compliance Officer a written request regarding the proposed transaction using the *Personal Securities Transaction Authorization Form* located on the firm's common, or "X:", Drive. If the Chief Compliance Officer is not available, an employee must seek the approval of the Chief Operating Officer. Any **Reportable Securities** transactions requested by the Chief Compliance Officer must be approved by the Chief Operating Officer.

The reviewer of personal securities transactions determines whether or not transactions are permissible based on the criteria in Prohibited Personal Securities Transactions section, above. Approvals and denials of permitted transactions will be documented in writing. All approved or denied requests will be maintained in a confidential file.

### Reporting

All employees of Fuller & Thaler must submit reports of transactions and holdings of Reportable Securities according to the following guidelines. The Chief Compliance Officer will review all employees' holdings and transactions reports to determine if employees are in compliance with this Code of Ethics.

**Initial Holdings Reporting** No later than **10 days** after you become an employee, you must file with the Chief Compliance Officer an *Initial Holdings Form*. This form requires you to list all **Reportable Securities** in which you or members of your **Family/Household** have **Beneficial Interest**. It also requires you to list all brokers, dealers and banks where you maintained an account in which any securities (not just **Reportable Securities**) were held for the direct or indirect benefit of you or a member of your **Family/Household**. The information may be no older than 45 days prior to the date you became an employee. Furthermore, this form requires you to confirm that you have read and understand this Code that you understand that it applies to you and members of your **Family/Household**.

**Quarterly Transaction Reporting** No later than **25 days** after the end of March, June, September and December each year, every employee must provide to the Chief Compliance Officer a *Personal Securities Quarterly Transactions Form*. This form requires you to report all transactions made during the quarter of **Reportable Securities** in which you or a member of your **Family/Household** had **Beneficial Interest**.

The *Personal Securities Quarterly Transaction Form* also requires you to list all **new** accounts established, since last quarterly reporting, at brokers, dealers and banks by you or a member of your **Family/Household** in which any securities (not just **Reportable Securities**) were held for the direct or indirect benefit of you or a member of your **Family/Household**.

**Annual Holdings Reporting** No later than **25 days** after the end of each year, you must file with the Chief Compliance Officer an *Annual Holdings Form*. This Form requires you to list all **Reportable Securities** in which you or a member of your **Family/Household** had **Beneficial Interest** as of December 31 of the year just ended. It also requires you to list all brokers, dealers and banks where you or a member of your **Family/Household** maintained an account in which

any securities (not just **Reportable Securities**) were held for the direct or indirect benefit of you or a member of your **Family/Household** as of a date not preceding December 15 of the year just ended.

### Brokerage Statements

Employees of Fuller & Thaler who elect to make personal securities transactions may, in lieu of providing transaction and holdings detail on the reports noted above, provide copies of brokerage or account type statements and/or trade confirmations for accounts in which **Reportable Securities** are maintained. Statements should be provided together with the forms noted above and according to the deadlines for those forms.

## Managed Funds

Fuller & Thaler provides investment management advice to clients that are investment companies registered under the Investment Company Act of 1940 (“mutual funds”), limited partnerships and limited companies (together “hedge funds”). Fuller & Thaler is also general partner to hedge funds. Together, for the purposes of this Code, these types of fund clients are called “Managed Funds”. The firm is deemed to have control over these funds because of the services the firm provides to them. Additionally, the firm possesses insider knowledge of these funds’ investments, investment strategies, and management.

Fuller & Thaler employees and members of their **Family/Household** are permitted to trade Managed Funds in accounts for which they hold **Beneficial Interest**. Because the firm possesses insider knowledge of these funds has control over these funds, special considerations must be made by the firm when allowing employees and members of their **Family/Household** to trade Managed Funds. The personal securities transactions policy for Managed Funds is designed to prevent misuse of insider information and control authority an employee may have over Managed Funds.

As such, all aspects of Fuller & Thaler’ s Personal Securities Transactions Policy apply to Managed Funds investments in any account for which an employee or member of their **Family/Household** hold **Beneficial Interest**. One EXCEPTION to this policy is that employees are not required to pre-clear regular, scheduled (such as monthly) purchases of Managed Funds. These types of transactions may occur in an employee’ s 401(k) account. However, any ACTIVE trades of Managed Funds must be pre-cleared. Active trades include unscheduled purchases or sales of Managed Funds and rebalancing of Managed Fund holdings in an employees’ 401(k) account. For example, if an employee wished to move their 401(k) holdings in to or out of a Managed Fund, this type of trade must be pre-cleared in the manner this Prohibited Personal Securities Transactions policy prescribes.

## Mixed Accounts

A “Mixed Account” is a limited partnership or other pooled investment vehicle, advised by Fuller & Thaler, where board members, officers and employees of Fuller & Thaler (and members of their Family/Household) collectively own or hold, directly or indirectly, beneficial interest in the profits or losses therein. Employees are required to disclose holdings of Mixed Accounts according to the reporting provisions of this Code.

Securities within these accounts may be traded “on par”, but not ahead of, other client accounts; or may be traded independently from other client accounts; and without pre-approval, PROVIDED THAT:

1. Trades must be done as block trades
  - a) simultaneously with trades in other client account(s), and
  - b) last in an order for trades that may not be completed at the same time (e.g., trading an illiquid security over a number of days); or,
2. If trading a security that no other account is trading
  - a) such trade may not be placed less than three days before or after any trade of that security in any client account, unless trade in client account is directed by client, and

- b) prior to placing trade, Trader is required to ascertain from all Portfolio Managers whether or not the security is anticipated for trading in any other client account within three days and refrain from trading in Mixed Account(s) if so.
3. No IPOs are permitted.
4. Investments in **Private Placements** must be approved, in advance, by the Chief Compliance Officer.

### **Exceptions to Personal Securities Transactions Prohibitions**

The prohibitions of this Code do not apply to the following transactions:

1. Purchases or sales of Exchange Traded Index Shares (ETFs). For the purposes of this policy, transactions in ETFs shall be regarded in the same manner as open-end mutual funds. HOWEVER, holdings of ETFs must be reported in a manner consistent with this policy, as described above.
2. Purchases or sales that are non-volitional on the part of either the employee (or **Family/Household** member), including purchases or sales upon the exercise of puts or calls written by the employee (or **Family/Household** member) and sales from a margin account pursuant to a bona fide margin call.
3. Purchases made solely under, and with the dividend proceeds received in, a dividend reinvestment plan.
4. Purchases by an employee of **Reportable Securities** issued by the employee's employer under an automatic payroll deduction plan.
5. Purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities, to the extent such rights were acquired from such issuer, and sales of rights so acquired.

### **Other Persons to Whom Personal Securities Transactions Policy Applies**

Any person contracted or otherwise employed, even temporarily, by Fuller & Thaler who, in connection with his or her regular functions or duties, makes, participates in or obtains information regarding the purchase or sale of a **Reportable Security** for any client account, or whose functions relate to the making of any recommendations with respect to purchases or sales for any client account must abide by these policies and procedures.

### **Definitions**

These terms have special meanings in this Code of Ethics:

#### **Federal Securities Laws**

#### **Private Placement**

#### **Beneficial Interest**

#### **Reportable Security/Reportable Securities**

#### **Family/Household**

The special meanings of these terms as used in this policy are explained below. Some of these terms (such as "beneficial interest") are sometimes used in other contexts, not related to Codes of Ethics, where they have different meanings. For example, "beneficial interest" has a different meaning in this Code of Ethics than it does in the SEC's rules for proxy statement disclosure of corporate directors' and officers' stockholdings, or in determining whether an investor has to file 13D or 13G reports with the SEC.



**IMPORTANT: If you have any doubt or question about whether an investment, account or person is covered by any of these definitions, ask the Chief Compliance Officer.**

**Federal Securities Laws** means the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the SEC under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the SEC or the Department of the Treasury.

**Private Placement** For the purposes of this policy, a private placement is defined to be any security such as a stock, bond, or derivative instrument which is exempt from the registration requirements of the SEC. ..

**Beneficial Interest** means any opportunity, directly or indirectly, to profit or share in the profit from any transaction in securities. It also includes transactions over which a person exercises investment discretion (other than for a client of the Fuller & Thaler with which the person is associated), even if the person does not share in the profits of the transaction. **Beneficial Interest** is a very broad concept. Some examples of forms of **Beneficial Interest** include:

Securities held in a person's own name, or that are held for the person's benefit in nominee, custodial or "street name" accounts.

Securities owned by or for a partnership in which the person is a general partner (whether the ownership is under the name of that partner, another partner or the partnership or through a nominee, custodial or "street name" account).

Securities that are being managed for a person's benefit on a discretionary basis by an investment adviser, broker, bank, trust company or other manager, unless the securities are held in a "blind trust" or similar arrangement under which the person is prohibited by contract from communicating with the manager of the account and the manager is prohibited from disclosing to the person what investments are held in the account.

Securities in a person's individual retirement account.

Securities in a person's account in a 401(k) or similar retirement plan, even if the person has chosen to give someone else investment discretion over the account.

Securities owned by a trust of which the person is either a trustee or a beneficiary.

Securities owned by a corporation, partnership or other entity that the person controls (whether the ownership is under the name of that person, under the name of the entity or through a nominee, custodial or "street name" account).

This is not a complete list of the forms of ownership that could constitute **Beneficial Interest** for purposes of this policy. You should ask the Chief Compliance Officer if you have any questions or doubts at all about whether you or a member of your **Family/Household** would be considered to have **Beneficial Interest** in any particular situation.

**Reportable Security/Reportable Securities** means anything that is considered a "security" under the Investment Company Act of 1940, such as any stock, note, treasury stock, security

future, bond, limited partnership, hedge fund, or debenture EXCEPT, for the purposes of this Code:

Direct obligations of the U.S. Government

Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements

Shares of open-end investment companies that are registered under the Investment Company Act (mutual funds), EXCLUDING any such company to which Fuller & Thaler provides investment advice (a "Managed Fund" as described above), and

Shares of publicly traded Exchange Traded Funds (“ETFs”) that are organized as open-end investment funds or that invest only in open-end investment funds. However, ETFs such as SPDR and QQQQ that are organized as Unit Investment Trusts ARE Reportable Securities.

This is a very broad definition of security. It includes most kinds of investment instruments, such as including things that you might not ordinarily think of as “securities,” such as:

Options on securities, on indexes and on currencies

Any put, call, straddle, or privilege on any security or group or index of securities, or entered into on a national securities exchange relating to foreign currency.

Investments in all kinds of limited partnerships or hedge funds, including any for which Fuller & Thaler is general partner or investment advisor

Investments in foreign unit trusts and foreign mutual funds, and

Investments in private investment funds and investment clubs.

For purposes of this policy, a “Reportable Security being purchased” by an account means any **Reportable Security** that (1) within the most recent three days has been purchased by a client’s account, or (2) is being or has been considered for purchase for a client’s account.

**Family/Household** Members of your Family/Household include:

Your spouse or domestic partner (unless they do not live in the same household as you and you do not contribute in any way to their support).

Your children under the age of 18.

Your children who are 18 or older (unless they do not live in the same household as you and you do not contribute in any way to their support).

Any of these people who live in your household: your stepchildren, grandchildren, parents, stepparents, grandparents, brothers, sisters, parents-in-law, sons-in-law, daughters-in-law, brothers-in-law and sisters-in-law, including adoptive relationships.

There are a number of reasons why this Code covers securities transactions in which members of your **Family/Household** have **Beneficial Interest**. First, the SEC regards any benefit to a person that you help support financially as indirectly benefiting you, because it could reduce the amount that you might otherwise contribute to that person’s support. Second, members of your household could, in some circumstances, learn of information regarding Fuller & Thaler’s trading or recommendations for client accounts, and must not be allowed to benefit from that information.

## **RECORDKEEPING**

Fuller & Thaler will keep copies of its Codes of Ethics, records of violations and actions taken as a result thereof, and copies of supervised persons’ acknowledgement of receipt of the code in an

easily accessible location for five years, the first two years of which in the firm’s offices. Codes of Ethics will be retained for five years after the date on which they were last in effect. Employee Code acknowledgements will be retained for five years after the person ceases to be an

employee. A list of employees and other persons to whom the Code applies within the past five years will be retained by the Chief Compliance Officer.

Personal Securities  
Trading Policy

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## INTRODUCTION

As a leader in the financial services industry, Prudential Financial, Inc. (“Prudential” or “Company”) aspires to the highest standards of business conduct. Consistent with this standard, Prudential has developed a Personal Securities Trading Policy (“Policy”) incorporating policies and procedures followed by leading financial service firms. This Policy is designed to ensure Prudential and its associates comply with various securities laws and regulations including the Insider Trading and Securities Fraud Enforcement Act of 1988 (“ITSFEA”) and the National Association of Securities Dealers (“NASD”) Conduct Rules, and to ensure that its associates conduct their personal trading in a manner consistent with Prudential’s policy of placing its shareholders’ and customers’ interests first.

This Policy sets forth insider trading standards and requirements, trade monitoring procedures, and personal trading restrictions for Prudential associates.

Section I sets forth Prudential’s Policy Statement On Insider Trading that applies to all Prudential associates. It is important that all Prudential associates read and understand this policy, which sets forth their responsibilities in connection with the use and disclosure of material nonpublic information.

Section II sets forth Prudential’s trade monitoring procedures and trade reporting obligations for Covered and Access Persons, including the authorized broker-dealer requirement introduced in 2002.

Section III sets forth Prudential’s policy and restrictions relating to personal trading in securities issued by Prudential for Designated Persons and all other Prudential associates. Responsibilities for Section 16 Insiders are covered under a separate policy.

Section IV sets forth the additional trading policies and procedures applicable to associates of a Prudential broker-dealer.

Section V sets forth the additional trading policies and procedures applicable to associates of a Prudential portfolio management unit or trading unit.

Section VI sets forth the additional trading policies and procedures applicable to associates of the private asset management units of Prudential Investment Management (“PIM”).

Section VII sets forth the additional trading policies and procedures applicable to associates of Prudential Equity Group, Inc. (“PEG”).

If you are unclear as to your personal trading and reporting responsibilities, or have any questions concerning any aspect of this Policy, please contact the Securities Monitoring Unit, Compliance Department.

The personal trading policy and trade monitoring procedures described in this Policy reflect the practices followed by leading financial service firms. No business unit or group may adopt policies or procedures that are inconsistent with this Policy. However,

business units may, with the prior approval of the Securities Monitoring Unit, adopt policies and procedures that are more stringent than those contained in this Policy.

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## **I. PRUDENTIAL' S POLICY STATEMENT ON INSIDER TRADING**

Prudential aspires to the highest standard of business ethics. Accordingly, Prudential has developed the following standards and requirements to ensure the proper protection of material nonpublic information and to comply with laws and regulations governing insider trading.

### **A. Use of Material Nonpublic Information**

In the course of your work at Prudential, you may receive or have access to material nonpublic information about Prudential or other public companies. Company policy, industry practice and federal and state laws establish strict guidelines regarding the use of material nonpublic information.

You may not use material nonpublic information, obtained in the course of your employment, for your personal gain or share such information with others for their personal benefit;

You must treat as confidential all information that is not publicly disclosed concerning Prudential' s financial information and key performance drivers, investment activity or plans, or the financial condition and business activity of Prudential or any company with which Prudential is doing business; and

If you possess material nonpublic information, you must preserve its confidentiality and disclose it only to other associates who have a legitimate business need for the information.

Under federal securities law, it is illegal to buy or sell a security while in possession of material nonpublic information relating to the security.(1) It is also illegal to “tip” others about inside information. In other words, you may not pass material nonpublic information about an issuer on to others or recommend that they trade the issuer’ s securities.

Insider trading is an extremely complex area of the law principally regulated by the Securities and Exchange Commission (“SEC”). If you have any questions concerning the law or a particular situation, you should consult with the Securities Monitoring Unit, Compliance Department or the Law Department. If you believe that you may have material nonpublic information about a public company obtained in the course of your position, or if you are in a portfolio or asset management unit and you believe you may have material nonpublic information regardless of the source, you should notify your Chief Compliance Officer or the Securities Monitoring Unit so that the securities can be monitored and/or placed on a restricted list as appropriate.

(1) In some circumstances, additional elements may be required for there to be a violation of law, including scienter and breach of a duty.

### **B. Prudential Insider Trading Rules**

Below are three rules concerning insider trading. Failure to comply with these rules could result in violations of the federal securities laws and subject you to severe penalties described in Section H. Violations of these rules also may result in discipline by Prudential up to and including termination of employment.

- (1) You may not buy or sell securities issued by Prudential or any other public company if you are in possession of material nonpublic information relating to those companies. This restriction applies to transactions for you, members of your family, Prudential or any other person for whom you may buy or sell securities. In addition, you may not recommend to others that they buy or sell that security.
- (2) If you are aware that Prudential is considering or actually trading any security for any account it manages, you must regard that as material nonpublic information. Accordingly, you may not make any trade or recommendation involving that security, until seven calendar days after you know that such trading is no longer being considered or until seven calendar days after Prudential ceases trading in that security.(2)
- (3) You may not communicate material nonpublic information to anyone except individuals who are entitled to receive it in connection with the performance of their responsibilities for Prudential (i.e., individuals with a “need to know”).

### **C. What is Nonpublic Information?**

Nonpublic information is information that is not generally available to the investing public. Information is public if it is generally available through the media or disclosed in public documents such as corporate filings with the SEC. If it is disclosed in a national business or financial wire service (such as Dow Jones or Bloomberg), in a national news service (such as AP or Reuters), in a newspaper, on the television, on the radio, or in a publicly disseminated disclosure document (such as a proxy statement or prospectus), you may consider the information to be public. If the information is not available in the general media or in a public filing, you should consider it to be nonpublic. Neither partial disclosure (disclosure of part of the information), nor the existence of rumors, is sufficient to consider the information to be public. If you are uncertain as to whether information is nonpublic, you should consult your Chief Compliance Officer, the Securities Monitoring Unit or the Law Department.

While you must be especially alert to sensitive information, you may consider information received directly from a designated company spokesperson to be public information unless you know or have reason to believe that such information is not generally available to the investing public. An associate working on a private securities transaction who receives information from a company representative regarding the transaction should presume that the information is nonpublic.

Example:



When telling a Prudential analyst certain information about the company, a company representative gives indication that the information may be nonpublic by saying “This is

(2) For restrictions applicable to PEG trading department associates, see Section VII.

not generally known but . . . .” In such a situation, the analyst should assume that the information is nonpublic.

#### **D. What is Material Information?**

There is no statutory definition of material information. You should assume that information is material if an investor, considering all the surrounding facts and circumstances, would find such information important in deciding whether or when to buy or sell a security. In general, any nonpublic information that, if announced, could affect the price of the security should be considered to be material information. If you are not sure whether nonpublic information is material, you should consult the Law Department, the Securities Monitoring Unit or your Chief Compliance Officer.

Material information may be about Prudential or another public company.

##### Examples:

Information about a company’ s earnings or dividends (e.g., whether earnings will increase or decrease);

Information about a company’ s physical assets (e.g., an oil discovery, a fire that destroyed a factory, or an environmental problem);

Information about a company’ s personnel (e.g., a valuable employee leaving or becoming seriously ill);

Information about a company’ s pension plans (e.g., the removal of assets from an over-funded plan or an increase or decrease in future contributions);

Information about a company’ s financial status (e.g., financial restructuring plans or changes to planned payments of debt securities); or

Information about a merger, acquisition, tender offer, joint venture or similar transaction involving the Company generally should be considered material.

Information may be material even though it may not be directly about a company (e.g., if the information is relevant to that company or its products, business, or assets).

##### Examples:

Information that a company’ s primary supplier is going to increase dramatically the prices it charges; or

Information that a competitor has just developed a product that will cause sales of a company’ s products to plummet.

Material information may also include information about Prudential’ s activities or plans relating to a company unaffiliated with Prudential.

##### Example:

Information that Prudential is going to enter into a transaction with a company, such as, for example, awarding a large service contract to a particular company.

### **E. “Front-running” and “Scalping”**

Trading while in possession of information concerning Prudential’ s trades is prohibited by Prudential’ s insider trading rules and may also violate federal law. This type of trading activity is referred to as “front running” and “scalping”.

Front running occurs when an individual, with knowledge of Prudential’ s trading intentions, knowingly makes a trade in the same direction as Prudential just before Prudential makes its trade. Examples include buying a security just before Prudential buys that security (in the expectation that the price may rise based on such purchase) or selling a security just before Prudential sells such security (in the expectation that such sale will lead to a drop in price).

Scalping is making a trade in the opposite direction just after Prudential’ s trade, in other words, buying a security just after Prudential stops selling such security or selling just after Prudential stops buying such security.

#### **Example:**

Prudential is planning to sell a large position in ABC Co. If you sell ABC Co. securities ahead of Prudential in expectation that the large sale will depress its price, you are engaging in front running. If you purchase ABC Co. securities after Prudential has completed its sale to take advantage of the temporary price decrease, you are engaging in scalping.

### **F. Private Securities Transactions**

The antifraud provisions of the federal securities laws apply to transactions in both publicly traded securities and private securities. However, the insider trading laws do not prohibit private securities transactions where both parties to the transaction have possession of the same material nonpublic information.

### **G. Charitable Gifts**

If you are in possession of material nonpublic information concerning a security you hold, you may not gift the security to a charitable institution and receive a tax deduction on the gift.

### **H. Penalties for Insider Trading(3)**

(3) In addition to the penalties listed in this section, Prudential and/or Prudential associates could be subject to penalties under the Employee Retirement Income Security Act of 1974 (ERISA) if the insider trading occurs in connection with an ERISA plan’ s investment.

#### **1. Penalties for Individuals**

Individuals who illegally trade while in possession of material nonpublic information or who illegally tip such information to others may be subject to severe civil and criminal penalties including disgorgement of profits, substantial fines and imprisonment. Employment consequences of such behavior may include the loss or suspension of licenses to work in the securities industry, and disciplinary action by Prudential up to and including termination of employment.

#### **2. Penalties for Supervisors**

The law provides for penalties for “controlling persons” of individuals who commit insider trading. Accordingly, under certain circumstances, supervisors of an associate who is found liable for insider trading may be subject to criminal fines up to \$1 million per violation, civil penalties and fines, and discipline by Prudential up to and including termination of employment.

### **3. Penalties for Prudential**

Prudential could also be subject to penalties in the event an associate is found liable for insider trading. Such penalties include, among others, harsh criminal fines and civil penalties, as well as, restrictions placed on Prudential’s ability to conduct certain business activities including broker-dealer, investment adviser, and investment company activities.

## **II. SECURITIES TRADE MONITORING FOR COVERED AND ACCESS PERSONS**

### **A. The “SMARTS” System**

Federal Law requires all broker-dealers and investment advisers to establish procedures to prevent insider trading by their associates. In addition, the Federal Sentencing Guidelines require companies to establish reasonable procedures to prevent and detect violations of the law. To comply with these and other similar laws and rules, Prudential has developed the Personal Securities Trading Policy to prevent the misuse of material nonpublic information about Prudential or other public companies. All employees are held to the general principles of the Policy to ensure the proper use of material nonpublic information.

However, certain employees are required to have their personal trading activities monitored and may be subject to additional restrictions. Prudential has established a program to monitor the personal securities trading of associates with routine access to nonpublic corporate information about Prudential or any external public company, portfolio management activities, or other sensitive information. These individuals are required to have their personal securities transactions monitored in the securities trade monitoring system known as “SMARTS” (Securities Monitoring Automated Reporting and Tracking System).

### **B. Covered and Access Persons**

Certain employees are classified as “Covered” or “Access” Persons (as defined below). These individuals are categorized based on the information to which they have access. Covered and Access Persons are required to conform to the authorized broker-dealer requirements (discussed below).

“Access Persons” - Associates who work in or support portfolio management activities. See Section V for specific requirements.

“Covered Persons” - Associates, other than Access Persons, who may have access to material nonpublic information about external public companies or those individuals who have a regulatory obligation to be monitored.

If you are unsure as to whether you are an Access or Covered Person, contact your Chief Compliance Officer or the Securities Monitoring Unit.(4)

(4) PEG monitors the personal trading of its associates in conformity with applicable NYSE and NASD rules, through its own process utilizing SMARTS technology. See Section VII.

### **C. Trade Reporting Requirements**

## 1. Authorized Broker-Dealer Requirements

Covered and Access Persons are required to maintain personal brokerage accounts at an authorized broker-dealer. The authorized firms are Wachovia Securities (for accounts that were previously maintained at Prudential Securities), Pruco Securities, Charles Schwab, E\*TRADE, Fidelity Investments, and Merrill Lynch. Covered and Access Persons can find information about each firm through the authorized broker-dealer website at <http://njplazx51/authorizedbrokerdealers>. The account types that are subject to the authorized broker-dealer requirements are listed below in [Section C. 4](#).

Prudential Financial, Inc. securities held at EquiServe Trust Company, N.A. are not required to be transferred.

New Associates who are subject to this requirement will be required to transfer accounts to an authorized broker-dealer within 60 days of becoming a Covered and/or Access Person. Associates must instruct their brokers to send trading activity (written confirmations and statements) to the Securities Monitoring Unit while they are in the process of transferring their accounts. A sample letter to a brokerage firm is provided as [Exhibit 1](#) to this Policy.

## 2. Authorized Broker-Dealer Exceptions

Exceptions to the authorized broker-dealer requirement are limited and should be submitted to the Chief Compliance Officer responsible for your business unit who will submit the request to the appropriate Business Unit or Corporate Department Executive at the Senior Vice President level or above for review. Documentation for all exceptions must be forwarded to your business unit compliance officer for review. Exceptions will be evaluated on a case-by-case basis based on the following criteria:

Accounts held jointly with or accounts for spouses who are subject to the same type of personal trading requirements that pre-date this policy (June 27, 2002) or that were established prior to being subject to this policy.

Accounts in which the employee has a formal investment management agreement that provides full discretionary authority to a third party money manager. A copy of the management agreement must be submitted to the business unit compliance officer.

Blind trusts and family trusts. A copy of the trust agreement must be submitted to the business unit compliance officer.

Accounts for international employees in locations where there is no local presence or access to one of these firms.

Accounts holding non-transferable securities that may not, due to their nature, be liquidated without undue hardship to the employee (new purchases generally will not be permitted.)

Direct stock purchase or dividend reinvestment plans that are established directly with a public company.

## 3. Trade Reporting Requirements for Exception Accounts

If you are granted an exception to the authorized broker-dealer requirement, you must direct the brokerage firm(s) that maintains your securities account(s) to send duplicate copies of your trade confirmations and account statements (“trading activity”) to the Securities Monitoring Unit. A sample letter to a brokerage firm is provided as [Exhibit 1](#) to this Policy. Remember, accounts maintained at Wachovia Securities (for accounts that were previously maintained at Prudential Securities), Pruco Securities, Charles Schwab, E\*TRADE, Merrill Lynch, and Fidelity Investments are exempt from this requirement.(5)

## 4. Personal and Family Member Accounts

You are required to maintain in the manner described above, all securities accounts in which you have a beneficial interest, including the following:

- (1) Personal accounts;

- (2) Accounts in which your spouse has beneficial interest;
- (3) Accounts in which your minor children or any dependent family member has a beneficial interest;
- (4) Joint or tenant-in-common accounts in which you are a participant;
- (5) Accounts for which you act as trustee, executor or custodian;
- (6) Accounts over which you exercise control or have any investment discretion; and
- (7) Accounts of any individual to whose financial support you materially contribute.(6)

Accounts restricted solely to the purchase and sale of mutual funds and/or 529 College Savings Plans are not subject to the Policy and do not require disclosure.(7) However, if the account may trade other securities, it is subject to the Policy even if it holds only mutual funds.

All monitored associates are required to complete and sign an annual Acknowledgment Form, attached as Exhibit 2, identifying and listing the location of all reportable brokerage accounts, including those held at authorized broker-dealers and those held at non-authorized firms. For the latter, your signature on the Acknowledgment Form will confirm that you have instructed all brokers for such accounts to send duplicate copies of account statements and trade confirmations to the Securities Monitoring Unit.

(5) Information concerning securities transactions at the authorized broker-dealers is fed by computer link directly to Prudential' s trade monitoring system, SMARTS.

(6) For example, this would include individuals with whom you share living expenses, bank accounts, rent or mortgage payments, ownership of a home, or any other material financial support.

(7) Investment Personnel and Access Persons are subject to certain trading restrictions and reporting requirements with respect to mutual fund transactions and holdings. See Section V.B.

Acknowledgment forms, which are supplied to you electronically by the Securities Monitoring Unit, must be completed annually.(8)

## **5. Reportable Securities Transactions**

In general, all securities transactions are reportable by Access and Covered Persons except for purchases and sales of variable insurance products (including annuities), certificates of deposit and certain United States government securities. In addition, Covered Persons are not required to report purchases and sales of open-end mutual funds. However, Access Persons must report transactions and holdings of certain open-end mutual funds as described in Section V. The chart attached as Exhibit 3 identifies the personal securities transactions that are reportable.

## **6. Confidentiality of Trading Information**

The Securities Monitoring Unit is responsible for maintaining SMARTS, and recognizes that your investment records are highly confidential. Accordingly, the Securities Monitoring Unit follows careful procedures for the collection and review of associate trading information to ensure that such records are kept in the strictest confidence. Other than exception reports, which are reviewed by business unit heads and business unit compliance personnel, the only persons who have access to this information are a small group within the Compliance Department.

## **7. Additional Requirements**

Additional information and guidance can be found in the following Sections:

Requirements for Designated Person - [Section III](#).  
Requirements for Associates of Broker Dealers - [Section IV](#).  
Requirements for Portfolio Management Units - [Section V](#).  
Requirements for Private Asset Management Units - [Section VI](#).  
Requirements for associates of PEG - [Section VII](#).

(8) The Securities Monitoring Unit administers the processing of annual acknowledgment forms. If you are a reporting associate, and have not completed an acknowledgment form, please contact the Securities Monitoring Unit.

### **III. POLICY AND RESTRICTIONS FOR PERSONAL TRADING IN SECURITIES ISSUED BY PRUDENTIAL BY**

#### **DESIGNATED PERSONS**

This Section specifically addresses the requirements for those associates who have routine access to material nonpublic information about Prudential. These requirements are consistent with policies of leading financial service firms. Specific policies and procedures relating to Section 16 Insiders are addressed in a separate policy statement, which is available through the Securities Monitoring Unit.

##### **A. Designated Persons**

A “**Designated Person**” is an employee who, during the normal course of his or her job, has routine access to material nonpublic information about Prudential, including information about one or more business units or corporate level information. Employees at the corporate rank of Executive Vice President (“EVP”) and above are deemed to be Designated Persons. Direct reports to each Vice Chairman and EVP and their direct reports are also deemed to be Designated Persons.

The Vice Presidents (“VP’s”) of Finance for each business unit must identify additional employees in each unit who, regardless of level, have routine access to material nonpublic information about Prudential. It is the responsibility of the VPs of Finance to notify the Securities Monitoring Unit of any changes to this list.

Finally, management of all other business groups and corporate departments are required to identify and inform the Securities Monitoring Unit of any additional employees, who through the performance of their jobs, have regular access to material nonpublic information.

Employees who have been classified as a Designated Person, but believe that they do not have access to material nonpublic information, may request an exception to this requirement. Requests should be forwarded to the Securities Monitoring Unit, who in consultation with the Law Department, will review and facilitate the request. Certain exceptions must be approved by Prudential’s General Counsel.

##### **B. Specific Trading Requirements**

All employees are prohibited from trading securities issued by Prudential while in possession of material nonpublic information regarding the Company. All employees are also prohibited from selling short including “short sales against the box” and from participating in any options transactions on any securities issued by Prudential. Employees are also discouraged from engaging in speculative transactions in securities issued by Prudential and are encouraged to hold Prudential securities for long-term investment.

Designated Persons are required to preclear all transactions in Company securities prior to execution through the Securities Monitoring Unit. This requirement excludes

transactions in Prudential mutual funds and annuities. Trades will be approved only during open “trading windows.” Designated Persons are also subject to the general prohibition relating to short sales and options transactions. These restrictions apply to all accounts in which a Designated Person has a direct or indirect beneficial interest including, but not limited to, accounts for spouses, family members living in your household, and accounts for which the Designated Person or his/her family member exercises investment discretion.

### **1. Brokerage Account Requirements for Designated Persons**

Designated Persons are required to hold and trade Prudential Financial, Inc. common stock and related equity derivative securities (“PRU”) only at an authorized broker-dealer. The authorized firms are Wachovia Securities (for accounts that were previously maintained at Prudential Securities), Pruco Securities, Charles Schwab, E\*TRADE, Fidelity Investments, and Merrill Lynch.

Designated Persons can access information about each firm through the authorized broker-dealer website at <http://njplazx51/authorizedbrokerdealers>.

This requirement applies to accounts for you, your family members, or accounts in which you have a beneficial interest or over which you have trading authority. See [Section II.C.4.](#) for a complete list of applicable accounts. You may still maintain your accounts at non-authorized broker-dealers for your non-PRU positions, however those accounts are still subject to Prudential’s monitoring procedures outlined below in [Section B.2.](#)

While PRU stock held by you at EquiServe Trust Company, N.A., (“EquiServe”) is subject to the provisions of this Policy (e.g., transactions are subject to preclearance and trading window requirements), Designated Persons are not required to transfer PRU positions held at EquiServe to an authorized broker-dealer.

### **2. Trade Reporting Requirements for Accounts with Non-Authorized Broker-Dealers**

Designated Persons who maintain brokerage accounts with brokerage firms (for their non-PRU positions) other than the authorized broker-dealers listed in [Section B.1.](#) above, must direct the brokerage firm(s) to send duplicate copies of trade confirmations and account statements to the Securities Monitoring Unit.<sup>(9)</sup> A sample letter to a brokerage firm is provided as [Exhibit 1](#) to this Policy.

### **3. Trading Windows/Blackout Periods**

Designated Persons are permitted to trade in securities issued by Prudential only during open trading windows. Approximately 24 hours after the Company releases its quarterly earnings to the public, the trading window generally opens and generally will remain open until approximately two weeks before the end of each quarter. In addition, the Company may notify Designated Persons regarding unscheduled blackout periods. For example, in the event the Company decides to make an unscheduled announcement (e.g., a pre quarter-end earnings estimate), Prudential may restrict trading activity

<sup>(9)</sup> Information concerning securities transactions at the authorized broker-dealers is fed by computer link directly to SMARTS. For accounts held at unauthorized firms, the Securities Monitoring Unit must receive paper copies of all confirms and monthly statements.

during a normally permissible trading window. The Securities Monitoring Unit will notify Designated Persons of the opening of trading windows and the commencement of blackout periods.

### **4. Preclearance of Trading in Securities Issued by Prudential**

Designated Persons are required to preclear all transactions in securities issued by Prudential through the Securities Monitoring Unit. Designated Persons should submit requests electronically through the SMARTS Preclearance Intranet site. Designated Persons will be sent a link to the Preclearance site from the Securities Monitoring Unit, and a link is also available from the Compliance Department’s Intranet site.

All approved transactions are valid until the close of business on the day in which preclearance is granted. Therefore, Designated Persons may not enter into “good until cancelled” or “limit” orders involving Prudential securities that carry over until the next trading day. (See [Exhibit 6](#) for sample SMARTS Preclearance Request Form.)

Transactions that require preclearance include, but are not limited to, the following:

Open market transactions through a broker/dealer;

Prudential securities transactions executed in EquiServe accounts;

Gifts received or given;

Stock option, restricted stock and performance share plan exercises; and

Prudential Employee Savings Plan (“PESP”) and Deferred Compensation Plan Company Stock Fund transactions. Purchases through automatic payroll deductions need only be precleared at the time the election is made. Preclearance requests for automatic payroll elections will only be accepted during open trading windows.

## **5. Prohibited Transactions**

All employees are prohibited from selling short including “short sales against the box” and from participating in any options transactions on any securities issued by Prudential. In addition, Designated Persons are prohibited from exercising their employee stock options during a blackout period, regardless of whether the transaction involves the sale of Prudential securities. As a result, controls have been established to prevent option exercises during closed trading windows.

## **6. PESP**

Certain controls have been established to prevent trading activity in PESP during closed trading periods. PESP transactions that are blocked include exchanges, deferral rate and allocation changes, loans and distributions. Remember, it is the Designated Person’s obligation to comply with this Policy including the preclearance and trading window requirements. If a blocking system fails, the employee will be responsible for the exception to the Policy.

## **C. Supervisory Responsibilities**

The VP’s of Finance, in conjunction with the Business Unit and Department Heads or

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their designees, are responsible for identifying changes to the Designated Persons list in their areas and informing the Securities Monitoring Unit, and, with the Securities Monitoring Unit, facilitating employee understanding of and conformity with this Policy. The trade monitoring process is conducted by the Securities Monitoring Unit with matters brought to the attention of Business Unit/Department Head management as needed.

## **D. Violations to the Policy**

Violations or other exceptions to this policy including the preclearance and trading window requirements are reviewed by the Designated Persons Personal Trading Policy Committee. Policy violations or exceptions that may result in disciplinary action, other than an educational reminder, will be resolved with the employee’s supervisor. Individuals who do not comply with the Policy are subject to disciplinary action up to and including termination of employment.

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## IV. TRADING RESTRICTIONS FOR ASSOCIATES OF BROKER-DEALERS

### **A. Trade Monitoring for Associates of Pruco Securities Corporation and Prudential Investment Management Services, LLC.**

Pruco Securities Corporation (“Pruco”) is a full service broker-dealer whose business is limited to the facilitation of non-solicited customer orders of general securities and the distribution of investment company and variable contract products. Prudential Investment Management Services LLC. (“PIMS”) and American Skandia Marketing, Incorporated (“American Skandia”) are a full service broker-dealers whose primary business is restricted to the facilitation of customer orders in and distribution of Prudential mutual funds, annuities, and 529 plan interests.

Unlike Prudential units that participate in the Personal Trade Monitoring System, the nature and scope of Pruco’s, PIMS’, and American Skandia’s business is such that their associates do not have access to material nonpublic information concerning publicly traded securities through their employment.(10) Accordingly, Pruco, PIMS and American Skandia associates are generally not required to participate in SMARTS. However, pursuant to SEC and NASD regulations, Pruco and PIMS Registered Representatives must comply with the following reporting requirements:(11)

#### **1. Notification Requirements for Personal Securities Accounts**

In accordance with NASD Rule 3050, Pruco and PIMS Registered Representatives (“Registered Representatives”) must notify Pruco/PIMS, in writing, prior to opening an account at another broker-dealer, and must notify Pruco/PIMS of any accounts opened prior to becoming a Pruco/PIMS Registered Representative. Registered Representatives must also notify broker-dealers, prior to opening such accounts, that they are Registered Representatives of Pruco/PIMS. However, if the account was established prior to the association of the person with Pruco/PIMS, the Registered Representative must notify the broker-dealer in writing promptly after becoming so associated.

These notification requirements apply to all personal securities accounts of Registered Representatives and any securities accounts over which they have discretionary authority.

Registered Representatives are not required to report accounts that are limited to the following types of investments: (1) mutual funds; (2) variable life and variable annuity contracts; (3) unit investment trusts; (4) certificates of deposit; (5) 529 Plans; and (6) money market fund accounts.(12)

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(10) Certain PIMS personnel employed by portfolio management units may be subject to the personal securities trading restrictions set forth in Section V. due to their association with portfolio management activities in addition to the restrictions set forth in this Section.

(11) American Skandia associated persons follow policies and procedures outlined in American Skandia’s compliance manual that are generally consistent with the requirements of this Section.

(12) Associated persons who are also Access Persons are required to report certain mutual fund transactions and holdings as described in Section V.

#### **2. Annual Compliance Training and Sign-off**

The NASD/NYSE Joint Memorandum on Chinese Wall Policies and Procedures (NASD Notice to Members 91-45) provides that firms that do not conduct investment banking research or arbitrage activities still must have “reasonable procedures for the education and training of its associates about insider trading” in order to be in compliance with ITSFEA. Consistent with this Notice, Pruco/PIMS includes a statement concerning insider trading in its annual Compliance Overview. Annually, all Registered Representatives are required to sign a statement

affirming that they have read and understand Pruco' s/PIMS' policy concerning insider trading as described in the Insurance Division or the PIMS Compliance Manual and as set forth in Prudential' s Policy Statement On Insider Trading contained in Section I of this Policy.

## **B. Restrictions on the Purchase and Sale of Initial Equity Public Offerings**

NASD Rule 2790 prohibits broker-dealers from purchasing or retaining “new issues” in their own accounts and from selling new issues to a restricted person. Restricted persons are defined as directors, officers, general partners, employees, associated persons and agents engaged in the investment banking or securities business of any broker-dealer. “New Issues” are any initial public offerings of an equity security.

These basic prohibitions also cover sales of new issues to accounts in which any restricted person may have a beneficial interest and, with limited exceptions, to members of the immediate family of such persons. A Restricted Person is permitted to have an interest in an account that purchases new issues (i.e., collective investment accounts including hedge funds, investment partnerships, investment corporations, etc.) provided that the beneficial interests of all restricted persons do not in aggregate exceed 10% of the total account.

The overall purpose of this prohibition is to protect the integrity of the public offering process by requiring that NASD members make a bona-fide public distribution of securities by not withholding such securities for their own benefit or using the securities to reward other persons who are in a position to direct future business to the firm.

To ensure compliance with this Rule, associated persons of Prudential' s broker-dealers are prohibited from purchasing securities in any public offerings of equity securities. This prohibition includes all associates of Prudential' s broker-dealers including PIMS, PRUCO, American Skandia and PEG (See Section VII for a full discussion of requirements and restrictions applicable to PEG associates.)

The policy applies to all public offerings of equity securities, whether or not the above broker-dealers are participating in the offering. There are no prohibitions on purchases of public offerings of, investment grade asset-backed securities, open-end mutual funds, preferred securities, convertible securities or any debt securities, including but not limited to municipal or government securities.

### ***Which accounts are restricted:***

Accounts of all persons associated with the above broker-dealers and their immediate

families are restricted from purchasing equity public offerings of securities. The term “immediate family” includes parents, mother-in-law, father-in-law, spouse, siblings, brother-in-law, sisters-in-law, children and their spouses, or any other person who is supported (directly or indirectly) to a material extent by the associated person.

The prohibition does not apply to sales to a member of the associate' s immediate family who is not supported directly or indirectly to a material extent by the associate, if the sale is by a broker-dealer other than that employing the restricted person and the restricted person has no ability to control the allocation of the new issue. For information on this exception, please contact your broker-dealer compliance officer.

## **C. Private Securities Transactions**

In accordance with NASD Rule 3040, all associates of PIMS, Pruco and PEG must notify their broker-dealer, in writing, and obtain written approval from the broker-dealer, prior to engaging in any private securities transaction. Private securities transactions include, but are not limited to, transactions in unregistered offerings of securities, and purchases or sales of limited partnership interests.

Such notification should be made to the compliance officer for the broker-dealer or the compliance officer' s designee who will be responsible for approving private securities transactions. This notification requirement does not apply to those trades for which duplicate confirmations

are provided by the executing broker. For associates who are subject to preclearance, the preclearance form will satisfy the notification requirement.

#### **D. Additional Restrictions for PEG Associates**

PEG associates are subject to certain additional personal trading restrictions, which are set forth in Section VII.

### **V. TRADING RESTRICTIONS FOR PORTFOLIO MANAGEMENT AND TRADING UNITS**

Rule 17(j) under the Investment Company Act of 1940 requires that every investment company adopt procedures designed to prevent improper personal trading by investment company personnel. Rule 17(j) was created to prevent conflicts of interest between investment company personnel and shareholders, to promote shareholder value, and to prevent investment company personnel from profiting from their access to proprietary information.

In light of the adoption of Rule 17(j) and the growing concern that the mutual fund industry needed to police itself, the Investment Company Institute (“ICI”), an industry group, assembled a blue ribbon panel and, in 1994, issued a report setting forth a series of recommendations concerning personal trading by investment personnel. These recommendations, known as the “ICI rules”, have been praised by the SEC, and have been adopted by the majority of the asset management industry associated with U.S. registered investment companies.

It is the duty of all Access Persons to act in a manner that avoids any conflict of interest or the appearance of a conflict of interest with Prudential’s customers or shareholders. In addition, it is the responsibility of each Access Person to comply with all applicable Federal Securities Laws. In keeping with our ethical standards and the practices of the industry leaders, Prudential has adopted the ICI rules for all of its portfolio management units. The ICI rules concerning personal trading are set forth below and are applicable to these portfolio management units and certain associates outside the specific business unit who provide direct support to these units.<sup>(13)</sup> In addition, the ICI rules, with certain exceptions, have also been adopted for other investment management units within Prudential including, for example, Prudential Investments LLC.<sup>(14)</sup>

#### **A. Definitions**

The following terms are defined for purposes of this policy:

“Access Persons” are employees or officers of a mutual fund or investment adviser, who, in connection with their normal responsibilities, make, participate in, or obtain

<sup>(13)</sup> Certain PIMS personnel employed by portfolio management units may be subject to the personal securities trading restrictions set forth in this section due to their association with portfolio management activities in addition to the restrictions set forth in Section IV.

<sup>(14)</sup> Certain individuals of Prudential Investments with access to material nonpublic information, including portfolio trading activity, are subject to this Section. In addition, employees of Prudential Investments who are not deemed Access Persons may still be subject to personal trade monitoring due to their specific job responsibilities and the information to which they have access. In addition, certain international units may also be subject to the requirements of this Section. Individuals should consult the applicable business unit compliance officer for additional information.

current or pending information regarding the purchase or sale of a security by the Complex (Complex defined below).<sup>(15)</sup>

“Investment personnel” are Access Persons who are portfolio managers, analysts, traders, or certain other individuals as designated by the compliance officer. (For restrictions applicable to PEG Trading Desk personnel, see [Section VII](#)).

A “pending buy or sell order” exists when a decision to purchase or sell a security has been made and communicated.

The “Complex” includes all portfolios managed by the business unit or group of units to which an individual is deemed to have access.

## **B. Mutual Fund Reporting and Trading Restrictions**

Investment Personnel and Access Persons are prohibited from market timing any proprietary mutual funds, as well as non-proprietary funds subadvised by Prudential, and must comply with any trading restrictions established by Prudential and its clients to prevent market timing of these funds.

To deter the market timing in proprietary and non-proprietary funds subadvised by Prudential, Investment Personnel and certain officers of Prudential Investment Management (“PIM”) and Prudential Investments LLC (“PI”) are required to hold any proprietary or non-proprietary subadvised mutual funds for a period of 90 days. Investment Persons and Access Persons are also required to report mutual fund transactions covered under this policy as described below.

### **1. Mutual Fund Holding Period**

Investment Personnel and certain PIM and PI employees are required to hold proprietary and non-proprietary subadvised mutual funds, excluding money market funds, purchased for a period of 90 days.<sup>(16)</sup> Proprietary funds include JennisonDryden, Strategic Partners, Target, and American Skandia Advisor Funds (“American Skandia Funds”). Non-proprietary subadvised funds are defined in [Exhibit 7](#). Specifically, Investment Personnel and certain PIM and PI employees are prohibited from executing a purchase and a sale of the same proprietary or non-proprietary subadvised mutual fund during any 90-day period.<sup>(17)</sup> This restriction applies to accounts for which Investment Personnel and certain PIM and PI employees have a direct or indirect beneficial interest, including household members. See [Section II.C.4](#). Profits realized on such transactions

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(15) Officers listed on PI’s Form ADV and mutual fund officers are also classified as Access Persons.

(16) PIM and PI employees will be identified by the President of PIM in consultation with the PIM Chief Compliance Officer. The PIM Chief Compliance Officer will be responsible for maintaining the list and submitting any changes to the Securities Monitoring Unit.

(17) For the Prudential Employee Savings Plan and the Jennison Associates Savings and Pension Plans, only exchanges of proprietary and non-proprietary subadvised funds are subject to the 90-day holding period. Purchases due to automatic payroll deductions and company match and automatic rebalancing transactions are exempt from this requirement.

must be disgorged to the applicable mutual fund or client, or as otherwise deemed appropriate by the Committee.<sup>(18)</sup>

### **2. Policies Relating to Reporting and Trading Mutual Funds**

Access Persons are required to report all transactions of proprietary and non-proprietary subadvised mutual funds. This requirement applies to accounts for which Access Persons have a direct or indirect beneficial interest, including household members. See [Section II.C.4](#).

Access Persons may hold and trade proprietary and non-proprietary subadvised mutual funds only through one of the authorized broker/dealers, directly with Prudential Mutual Fund Services (“PMFS”), the Prudential Employee Savings Plan (“PESP”), or the Jennison Associates (“Jennison”) Savings and Pension Plans.<sup>(19)</sup> However, non-proprietary subadvised funds may be traded directly with the fund provided that duplicate account statements and trade confirmations are sent directly to the Securities Monitoring Unit, Compliance Department. For non-proprietary subadvised funds, Access Persons must notify fund complexes within 60 days of receipt of this policy

requesting that duplicate statements and confirmations be forwarded to the Securities Monitoring Unit. Investment elections or transactions executed in the executive deferred compensation plans are not subject to this requirement.(20)

Investment Personnel and Access Persons must notify the Securities Monitoring Unit of any mutual fund accounts, including accounts of all household members, held directly with the fund for all non-proprietary subadvised mutual funds. In addition, Investment Personnel and Access Persons must contact these funds to request that duplicate statements and confirmations of mutual fund trading activity be sent to the Securities Monitoring Unit. A sample letter to a brokerage firm is provided as Exhibit 1 to this Policy.

### **C. Additional Trading Restrictions**

The following restrictions and requirements apply to all accounts in which Access Persons and Investment Personnel have a direct or indirect beneficial interest, including accounts of household members as described in Section II.C.4.

(18) Discipline and sanctions relating to violations occurring in the Prudential Employee Savings Plan or the Jennison Savings or Pension Plans will be determined separately by the Personal Securities Trading/Mutual Fund Code of Ethics Committee.

(19) Mutual fund transactions executed through PMFS, PESP and the Jennison Savings and Pension Plans will be sent to Compliance through a daily electronic trading feed.

(20) Prudential's deferred compensation plans (including The Prudential Insurance Company of America Deferred Compensation Plan, the Amended and Restated American Skandia Lifestyle Security Plan, and the Trust Agreement Between Jennison Associates LLC and Wachovia Bank, N.A.) are not susceptible to market timing due to the fact that the plans only permit one transaction per month. Therefore, transactions in these plans are exempt from both the 90-day holding period and reporting requirements.

#### **1. Initial Public Offerings**

Investment personnel are prohibited from purchasing initial public offerings of securities. For purposes of this policy, "initial public offerings of securities" do not include offerings of government or municipal securities.

#### **2. Private Placements**

Investment personnel are prohibited from acquiring any securities in a private placement without express prior approval. Such approval must be obtained from the local business unit head in consultation with the business unit compliance officer (such person having no personal interest in such purchases or sales), based on a determination that no conflict of interest is involved.

Investment personnel must disclose their private placement holdings to the business unit compliance officer and the business unit's chief investment officer when the investment personnel play a part in the consideration of any investment by the portfolio in the issuer. In such circumstances, the portfolio's decision to purchase securities of the issuer will be subject to independent review by appropriate personnel with no personal interest in the issuer.

#### **3. Blackout Periods – "7 Day Rule"**

Access Persons are prohibited from executing a securities transaction on a day during which any portfolio in their Complex has a pending buy or sell order in the same or an equivalent security and until such time as that order is executed or withdrawn.(21) This prohibition will not apply to purchases and sales executed in a fund or portfolio that replicates a broad based securities market index.

Investment personnel are prohibited from buying or selling a security within seven calendar days before or after a portfolio in their Complex trades in the same or an equivalent security. Nevertheless, a personal trade by any investment personnel shall not prevent a portfolio in the same business unit from trading in the same or an equivalent security. However, such a transaction shall be subject to independent review by their business unit compliance officer.(22) This prohibition will not apply to purchases and sales executed in a fund or portfolio that replicates a broad based securities market index.

Profits realized on transactions that are executed during blackout periods may be required to be disgorged to the business unit. Transactions inadvertently executed by an Access Person during a blackout period will not be considered a violation and disgorgement will not be required provided that the transaction was effected in accordance with the preclearance procedures and without prior knowledge of any pending purchase or sale orders in the Complex in the same or equivalent security. All disgorged profits will be donated to a charitable organization in the name of the Company or to an account or client for which the security is held or traded.

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(21) There is no presumption that Access Persons have knowledge of actual trading activity.

(22) Properly precleared personal trades executed within seven days prior to a portfolio trading will be presumed not violative of the 7 day rule provided there was no additional evidence to the contrary.

#### **4. Short-Term Trading Profits**

Investment personnel are prohibited from profiting from a purchase and sale, or sale and purchase, of the same or an equivalent security within any sixty calendar day period. Profits realized on such proscribed trades must be disgorged to the business unit. All disgorged profits will be donated to a charitable organization in the name of the Company or to an account or client for which the security is held or traded.

#### **5. Short Sales**

Access Persons may not sell any security short which is owned by any portfolio managed by the business unit. Access Persons may, however, make short sales “against the box.” A short sale “against the box” refers to a short sale when the seller owns an equivalent amount of the same securities.

#### **6. Options**

Access Persons may not write naked call options or buy naked put options on a security owned by any portfolio managed by the business unit. Access Persons may purchase options on securities not held by any portfolio managed by the business unit, or purchase call options or write put options on securities owned by any portfolio managed by the business unit, subject to preclearance and the same restrictions applicable to other securities. Access Persons may write covered call options or buy covered put options on a security owned by any portfolio managed by the business unit at the discretion of the business unit compliance officer. However, investment personnel should keep in mind that the short-term trading profit rule might affect their ability to close out an option position at a profit.

#### **7. Investment Clubs**

Access Persons may not participate in investment clubs.

### **D. Preclearance**

Access Persons must preclear all personal securities transactions with the exception of those identified in Section V.E. below. Preclearance is also not required for both proprietary and non-proprietary subadvised mutual funds. All requests for preclearance must be submitted to the business unit compliance officer for approval using the automated preclearance website which may be accessed via [http://smartspreclearance.prudential.com/smarts\\_preclearance/](http://smartspreclearance.prudential.com/smarts_preclearance/).(23), (24)

All approved orders must be executed by the close of business on the day in which preclearance is granted; provided however that approved orders for securities traded in foreign markets may be executed within two business days from the date preclearance is

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(23) Paper preclearance forms may be used for international units and in certain hardship cases. Paper Forms are available from the business unit compliance officer.

(24) Access Persons should submit their preclearance forms to the business unit compliance officer of the Complex to which they are deemed to have access.

granted. If any order is not timely executed, a request for preclearance must be resubmitted.(25)

## **E. Exemptions**

The black out periods and the short-term trading profit rule do not apply to any of the following activities. In addition, the mutual fund 90-day holding period does not apply to items 4,7,8, and 9. Preclearance is not required for items 4, 5, 6, and 7.

### **1. Ineligible securities.**

Purchases or sales of securities (or their equivalents) that are not eligible for purchase or sale by any portfolio in the business unit.

### **2. Exercise of rights issued by issuer.**

Purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired.

### **3. De minimis trades.**

Any trades, or series of trades effected over a 30 day calendar period, involving 500 shares or less in the aggregate of an equity security, provided that the securities are listed on the New York Stock Exchange or have a market capitalization greater than \$1 billion, and the Access Person has no prior knowledge of activity in such security by any portfolio in the business unit.

Any fixed-income securities transaction, or series of related transactions effected over a 30 day calendar period, involving 100 units (\$100,000 principal amount) or less in the aggregate, if the Access Person has no prior knowledge of transactions in such security by any portfolio in the business unit.

### **4. Discretionary accounts.**

Purchases or sales of securities effected in any account over which the Access Person has no direct or indirect influence or control or in any account of the Access Person which is managed exclusively on a discretionary basis by a person other than such Access Person and with respect to which such Access Person does not in fact influence or control such transactions.(26) Access Persons must provide written documentation that evidences he/she does not have authority to participate in the management of the account and must receive written permission from the business unit compliance officer.

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(25) Exceptions to the requirement to resubmit preclearance requests may be granted in advance by the business unit compliance officer for unusual circumstances.

(26) Such accounts must receive written approval in advance from the Securities Monitoring Unit. In such cases, the employee must give exclusive discretion to his/her broker or investment adviser. A copy of such notification should be sent to the Securities Monitoring Unit. Such accounts are required to be reported and monitored as provide under Section II.A.

### **5. Index options.**

Any transactions in index options effected on a broad-based index. (See Exhibit 4.)

### **6. Unit investment trusts and open-end mutual funds.**

### **7. Non-volitional transactions and dividend reinvestment plans.**

### **8. Exceptions by prior written approval.**

Purchases or sales of securities which receive prior written approval of the business unit compliance officer (such person having no personal interest in such purchases or sales), based on a determination that no conflict of interest is involved and that such purchases or sales are not likely to have any economic impact on any portfolio in the business unit or on its ability to purchase or sell securities of the same class or other securities of the same issuer.

With respect to the mutual fund 90-day holding period requirement, only certain limited exceptions will be approved including, but not limited to, hardships and extended disability. Mutual fund 90-day holding period exceptions must be approved by the Business Unit Head and the PIM Chief Compliance Officer prior to execution.(27)

#### **9. Automatic Investment/Withdrawal Programs and Automatic Rebalancing.**

Purchases or sales of securities that are part of an automatic investment/withdrawal program or resulting from an automatic rebalancing.

#### **F. Personal Trade Reporting**

All Access Persons must participate in Prudential's Personal Trade Monitoring System as described in Section II of this Policy. In addition, all Access Persons must preclear all private securities transactions immediately and report completion of the transaction promptly, in any event not later than ten days following the close of each quarter in which the trade was executed. Forms to report such private securities transactions are available from your business unit compliance officer or the Securities Monitoring Unit.

#### **G. Personal Securities Holdings**

Within ten days of becoming an Access Person, and thereafter on an annual basis, Access Persons (other than disinterested directors/trustees) must disclose personal securities holdings, including all holdings of private securities (e.g., limited partnership interests, private placements, etc.) and all holdings of proprietary and non-proprietary subadvised mutual funds, excluding money market funds. Holdings must be as of the date of becoming an Access Person for the initial report and on an annual basis.

(27) For purposes of this policy, Business Unit Head is defined as the executive in charge of Fixed Income Trading, Jennison, PI or his/her delegate. Delegation of this responsibility must be done in writing and submitted to the PIM Chief Compliance Officer.

However, Annual Reports must include information that is current within the previous 30 days. (See Exhibit 5 for the Holdings Report Form.)

#### **H. Service as a Director**

Consistent with Prudential policy, Investment Personnel are prohibited from serving on the board of directors of publicly traded companies, absent prior authorization from the business unit compliance officer based upon a determination that the board service would not be inconsistent with the interests of the investment company or other clients. In the limited instances that such board service may be authorized, Investment Personnel will be isolated from those making investment decisions affecting transactions in securities issued by any publicly traded company on whose board such Investment Personnel serves as a director through the use of a "Chinese Wall" or other procedures designed to address the potential conflicts of interest.

#### **I. Gifts**

Consistent with Prudential's Gift and Entertainment Policy, Access Persons are prohibited from receiving any gift or other thing that would be considered excessive in value from any person or entity that does business with or on behalf of Prudential. Access Persons must comply with Company limits and reporting guidelines for all gifts and entertainment given and/or received.



## **J. Code Violations and Sanctions**

Violations and other exceptions to the Policy will be provided to the business unit Chief Compliance Officer or his/her designee and the Personal Securities Trading/Mutual Fund Code of Ethics Committee (“Committee”). The Committee, comprised of business unit executives, compliance and human resource personnel, will review all violations of this Policy. The Committee will determine any sanctions or other disciplinary actions that may be deemed appropriate.

## **K. Reports to Clients**

The Board of Directors/Trustees of any investment company client will be provided, as requested by client or otherwise required by regulation, with an annual report which at a minimum:

Certifies that the portfolio management unit has adopted procedures reasonably necessary to prevent its Access Persons from violating this policy;

Summarizes existing procedures concerning personal investing and any changes in the procedures made during the preceding year;

Identifies material violations of this policy and sanctions imposed in response to those violations; and

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Identifies any recommended changes in existing restrictions or procedures based upon experience under the policy, evolving industry practices, or developments in applicable laws and regulations.

## **L. Conflicts of Interest**

All Access Persons must act in accordance with the following general principles:

It is the duty at all times to place the interests of investment company shareholders and other clients first.

Access Persons should scrupulously avoid serving their own personal interests ahead of clients’ interests in any decision relating to their personal investments.

All personal securities transactions must be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual’ s position of trust and responsibility.

Access Persons must not only seek to achieve technical compliance with this Policy, but should strive to abide by its spirit and the principles articulated herein.

### ***Example:***

An appearance of a conflict of interest may occur if, following a meeting with a representative of an issuer, an analyst buys the issuer’ s securities for his or her personal account, but does not recommend his or her client purchase such securities.

Access Persons may not take inappropriate advantage of their positions.

Access Persons must avoid any situation that might compromise, or call into question, their exercise of fully independent judgment in the interest of shareholders or clients, including, but not limited to the receipt of unusual investment opportunities, perquisites, or gifts of more than de minimis value from persons doing or seeking business with their portfolios.

Access Persons may not bunch a personal order with a client order.

Access Persons may not conduct personal business with brokers who execute trades for their portfolios.

## **VI. TRADING RESTRICTIONS OF PRIVATE ASSET MANAGEMENT UNITS**

In addition to the personal securities trade reporting requirements set forth in Section II above, all associates of Private Asset Management units of Prudential Investment Management (“PIM”) are subject to certain trading restrictions as set forth below. The Private Asset Management units of PIM are as follows: Prudential Capital Group (“PCG”), Prudential Real Estate Investors (“PREI”), Private Equity and Prudential Mortgage Capital Company (“PMCC”).

Such restrictions apply to transactions in any securities accounts for which the associate maintains a beneficial interest, including the following:

Personal accounts;

Joint or tenant-in-common accounts in which the associate is a participant;

Accounts for which the associate acts as trustee, executor or custodian;

Accounts in which the associate’s spouse has a beneficial interest;

Accounts in which the associate’s minor children or any dependent family member has a beneficial interest;

Accounts over which the associate exercises control or has any investment discretion; and

Accounts of any individual to whose financial support the associate materially contributes.

### **A. Private Side Monitored List**

Under Prudential’s Chinese Wall Policy, the Private Asset Management units are required to maintain a Private-Side Monitored List (“PSML”) containing the names of publicly-traded issuers about which they possess material nonpublic information. Associates of each of these units are restricted from purchasing or selling securities of the issuers on the PSML. This restriction applies to all accounts in which the associate is deemed to have a beneficial interest as listed above.

Associates should not, however, provide the PSML to individuals outside of their business unit. The associate should instruct individuals who exercise control or have investment discretion over an account in which the associate has a beneficial interest to check with the associate prior to purchasing or selling any security for such account to ensure that no trade is placed in a security on the PSML.

If the security is on the PSML, the associate should instruct the individual exercising control over the account that he or she is prohibited from trading the security because of his or her employment with Prudential. In the case of a discretionary account with a brokerage firm, the preceding rule does not apply and the associate must not disclose any security or issuer with the broker in advance of any trade. In addition, a copy of the signed discretionary account agreement should be sent to the Securities Monitoring Unit.

Associates of Private Asset Management units may not advise a person not employed by Prudential, or a Prudential employee on the Public Side of the Chinese Wall that a security is restricted because Prudential is in possession of material nonpublic information.

## **B. Investment Clubs**

All associates of Private Asset Management units are prohibited from participating in investment clubs.

## **C. Additional Restrictions for Certain Units**

### **1. Real Estate Units**

To ensure compliance with ITSFEA and to prevent actual and apparent conflicts of interest in the Private Asset Management Real Estate units, all associates of PREI and PMCC who are located in the U.S. (and functional associates who are co-located with PREI) are prohibited from purchasing interests in publicly-traded real estate investment trusts (“REITs”) and real estate-related securities.

PIM Compliance maintains a list of real estate security issuers in the PIM Compliance Library, accessible via Lotus Notes. Please note however, that this prohibition applies to all REITs and real estate-related securities, whether they are on the list or not.

Associates who hold REIT securities or real estate securities prior to the institution of this policy or joining PREI or PMCC must obtain written approval from PIM Compliance prior to the sale of such securities. Associates of the Private Asset Management Real Estate units will be permitted to purchase shares of open end mutual funds that invest in REITs or real estate securities.

### **2. Prudential Capital Group**

To insure compliance with ITSFEA and to prevent actual or apparent conflicts of interest in PCG, all associates of PCG (and functional associates who support PCG) are prohibited from purchasing securities of companies listed on PCG’s 90 Day Pricing Summary Update for Public Companies (90 Day Pricing List). PIM Compliance maintains this list in the PIM Compliance Library, accessible via Lotus Notes.

## **VII. POLICY FOR PRUDENTIAL EQUITY GROUP, INC.**

### **A. Associated Persons’ Securities Accounts**

#### **1. Trade Monitoring at PEG**

In addition to the requirements of ITSFEA and the NASD Conduct Rules, PEG is required by New York Stock Exchange rules to review transactions in all accounts of its associated persons and their family members. To ensure compliance with these requirements, PEG associates are prohibited from opening or maintaining any “employee account or employee-related account,” as defined below, at a firm other than the following authorized broker-dealers: Wachovia Securities (for accounts that were previously maintained at Prudential Securities), Charles Schwab, E\*Trade and Fidelity Investments. (Note: Monitored employees of other Prudential business groups may also open accounts with Pruco Securities and Merrill Lynch. These options are not available to PEG associates.) Prudential has arranged to obtain electronic feeds of all trading data in accounts with the authorized firms. In addition, paper monthly statements must also be submitted to PEG Compliance.

Exceptions to this policy will be granted only in unusual circumstances. Any exception to this policy requires the prior written approval of the associate’s supervisor and the PEG Compliance Department. In those cases where accounts are approved to be held at an unauthorized firm, the Compliance Department will make arrangements to have duplicate copies of all confirmations and monthly statements sent to the

associate's supervisor and the Compliance Department. Exceptions may be granted for "employee-related accounts" in rare circumstances where the employee can demonstrate that he or she has no financial interest in such account.

## **B. Definition of "Employee Account" and "Employee Related Account"**

"Employee accounts" include the following securities and/or commodities accounts:

Any personal account of an employee;

Any joint or tenant-in-common in which the employee is a participant;

Any account for which the employee acts as the trustee, executor or custodian;

Any account over which the employee has investment discretion or otherwise can exercise control (other than non-related client's accounts over which associates have investment discretion - Note: PEG trading personnel are not permitted to exercise discretion over client accounts); and

Any other account in which an employee is directly or indirectly financially interested.

"Employee-related accounts" include the following securities and/or commodities accounts:

Accounts of the employee's spouse;

Accounts of the employee's minor and/or any dependent family members; and

Accounts of any individual to whose financial support the employee materially contributes.

## **C. Investment Clubs**

PEG sales, trading, research and/or investment associates are not permitted to participate in Investment Clubs. Other associates must contact the PEG Compliance Department if they wish to participate in an Investment Club. An Investment Club account will be considered an Employee Account for purposes of this Policy and must be maintained at one of the authorized broker-dealers.

## **D. Personal Trading Restrictions**

### **1. Purchases of Public Equity Offerings**

All PEG associates must comply with NASD Rule 2790 as set forth in Section IV.B of this Policy. This includes a prohibition on purchasing new equity offerings directly from a syndicate member.

### **2. Private Securities Transactions**

In accordance with NASD Rule 3040, all associates of PEG must notify the PEG Compliance Department, in writing, and obtain written approval from the broker-dealer, prior to engaging in any private securities transaction. Private securities transactions include, but are not limited to, transactions in unregistered offerings of securities, and purchases or sales of limited partnership interests.

### **3. Annual Compliance Training**

The NASD/NYSE Joint Memorandum on Chinese Wall Policies and Procedures (NASD Notice to Members 91-45) provides that firms which do not conduct investment banking research or arbitrage activities still must have “reasonable procedures for the education and training of its associates about insider trading” in order to be in compliance with ITSFEA. Consistent with this Notice, PEG covers insider trading issues with applicable associates as part of its annual training program.

#### **4. 24 - Hour Research Report Restriction**

PEG associates are prohibited from effecting transactions in a company’ s securities when PEG initiates coverage of the company, or upgrades or downgrades a research opinion or recommendation. This prohibition generally applies for a 24-hour period after the release of the research. If the investing public has had time to receive and react to the release of the research report, the 24-hour restriction may be shortened by the Compliance Department. The 24-hour rule becomes effective when the research is issued.

PEG associates are also prohibited from engaging in transactions in a security when the associate knows that a research report relating to the security is in preparation.

Securities subject to the 24-hour rule appear on PEG’ s Restricted List. Although only the

symbol for the common stock may be indicated on the Restricted List, all related securities (including common and preferred stock, convertibles, options, warrants and rights) of the companies listed (and debt securities, if indicated) are subject to restriction.

#### **E. Restricted List**

PEG’ s Restricted List is a confidential list of securities that are subject to certain research, sales and trading restrictions. Securities may be placed on the Restricted List for a variety of reasons designed to ensure compliance with regulatory requirements and Company policy. For example, as stated above, securities that are subject to the 24-hour rule are placed on the Restricted List. Employees may not purchase or sell securities for their personal accounts if such transactions are prohibited by the Restricted List. Although only the symbol for the common stock may be indicated on the Restricted List, all securities from the same issuer (including common and preferred stock, convertibles, options, warrants and rights of the companies listed (and debt securities, if indicated)) are subject to restriction.

#### **F. Additional Trading Restrictions for Certain PEG Departments**

##### **1. Trading Restrictions**

###### ***a. Research Department***

Personal trading by Research Analysts is subject to the requirements and restrictions set forth in the *Equity Research Manual* available on the Compliance page of the Capital Markets Intranet site. <http://psibranch.cs.prusec.com/complian/capital.htm>. All questions should be referred to the PEG Compliance Department.

###### ***b. Trading Department***

Trading Department associates must preclear trades of all equity securities.

For securities over which the Trading Department has trading or market-making responsibility, an employee of the Trading Department may not sell any such security that (s)he has purchased within the prior 30 calendar days or purchase any such security that (s)he had sold within the prior 30 calendar days. Under very limited circumstances, exceptions to this 30 day holding period may be granted by obtaining prior written approval from the Compliance Department.

##### **2. Preclearance Procedures**

All requests for preclearance must be submitted to the Business Unit head and PEG Compliance for approval. All approved orders must be executed by the close of business on the day preclearance is granted.

## EXHIBITS

### Exhibit 1 - Sample Letter to Brokerage Firm

TO: Broker-Dealer

RE: Account #:  
Date of Establishment:

Dear Sir/Madam:

Please furnish to Prudential Financial, Inc. ("Prudential"), copies of all trade confirmations and account statements with respect to all transactions for the above listed account(s). Please include all transactions in shares of unit investment trusts and all closed-end mutual funds.

Copies of these confirmations and statements should be sent to Prudential, as trades are effected, addressed as follows:

Prudential Financial, Inc.  
Compliance Department  
P.O. Box 919  
Newark, NJ 07101-9998

This request is being made pursuant to Rule 3050 of the Conduct Rules of the NASD and/or Rule 204-2(a) of the Investment Advisers Act, as applicable.

Very truly yours,

cc: Ellen McGlynn Koke,  
Vice President, Securities Compliance  
Compliance Department

### Exhibit 2 – Acknowledgment of the Personal Securities Trading Policy

For employees required to report their transactions in SMARTS as described in Section II of this policy, please complete the following acknowledgment and send it to:

Prudential Financial, Inc.  
Compliance Department  
P.O. Box 919

I have read and understand the Personal Trading Policy and have and will continue to comply in all respects with the rules contained therein.

I confirm that I have instructed in writing all brokers for all securities accounts in which I maintain a beneficial interest, as described immediately below, to send duplicate copies of all confirmations covering any transactions **as trades are effected** and all account statements to the address listed above. I understand that for accounts maintained at Charles Schwab, E\*Trade, Merrill Lynch, Fidelity Investments, Pruco Securities, or Wachovia Securities (accounts formerly maintained at Prudential Securities), I do not need to contact these brokers in writing. Beneficial interest includes the following:

- personal accounts;
- accounts in which my spouse has a beneficial interest;
- accounts in which my minor children or any dependent family member has a beneficial interest;
- joint or tenant-in-common accounts in which I am a participant;
- accounts for which I act as trustee, executor or custodian;
- accounts over which I exercise control or have investment discretion; and
- accounts of any individual to whose financial support I materially contribute.

Set forth below (and on accompanying pages if necessary) is a list of all such accounts (including Charles Schwab, E\*Trade, Merrill Lynch, Fidelity Investments, Pruco Securities, and Wachovia Securities (formerly Prudential Securities)) including the individual holding the account, the social security number of that individual, the name of the institution, and the account number. I understand that I must promptly advise the Compliance Department of any change in this information. I understand that if I have been classified as a Covered or Access Person that in the event circumstances change for an account for which I have been granted an exception to maintain at a non-authorized brokerage firm, I must notify the Compliance Department immediately and request that the account be reviewed in light of the changed circumstances.

Full Name of Employee	Business Unit/Location
Signature	Date
Social Security Number of Employee	

List of all Accounts

Name of Individual	Social Security Number	Name of Institution	Account Number

**Exhibit 3 - Compliance and Reporting of Personal Transactions**

Investment Category/ Method	Sub-Category	Reportable (Yes/No)	Comments
Bonds	ABS	Yes	
	Agency	Yes	
	CMO' s	Yes	
	Convertibles	Yes	

	Corporates	Yes	
	MBS	Yes	
	Municipals	Yes	
	Public Offerings	Yes	
	Treasury Bills, Notes, Bonds	No	
Stocks (Purchases and sales of Individual Stocks)	Common	Yes	
	Optional Dividend Reinvestments	Yes	
	Preferred	Yes	
	Public Offerings (Initial & Secondary)	Yes	
	Rights	Yes	
	Warrants	Yes	
	Automatic Dividend Reinvestments	No	
Private Placements		Yes	
Limited Partnerships		Yes	
Open End Mutual Funds	Proprietary	No	Transactions of the Prudential Financial, Inc. Common Stock Fund executed in the PESP plan are fed electronically to SMARTS.
	Non Proprietary	No	
	Prudential Financial, Inc. Common Stock Fund	Yes	
Open End Mutual Funds - For Investment Personnel and Access Persons	Proprietary Non-Money Market	Yes	Proprietary Funds include JennisonDryden, Strategic Partners, Target, and American Skandia Advisor funds. A list of non - proprietary subadvised funds can be found in Exhibit 7.
	Non-proprietary subadvised Non-Money Market	Yes	
	Money Market Funds	No	
	Non Affiliated	No	
Closed End Mutual Funds & Unit Investments Trusts	Affiliated Mutual Funds	Yes	
	Affiliated Unit Investment Trusts	Yes	
	Non-Affiliated Mutual Funds	Yes	
	Non-Affiliated Unit Inv. Trusts	Yes	
Derivatives	Any Exchange Traded, NASDAQ, or OTC Option or Future Including But not Limited To:		
	Futures (Including Financial Futures)	No	
	Options on Foreign Currency	Yes	
	Options on Futures	Yes	
	Options on Indexes	Yes	
	Options on Securities	Yes	
Foreign Currency		No	Exchanges made for personal travel are not reportable.
Commodities	Security Futures	Yes	
	Other Commodities	No	



Annuities & Life Insurance Contracts w/Investment Components (e.g. Variable Life)	Affiliated Non Affiliated	No No	
Bonuses			
Prudential Employees	Shares or Options received as part of Compensation	Yes	Prudential employee stock or option bonus awards are electronically reported to the Securities Monitoring Unit.
(Non-Pru Employee/ Household Member)	Shares or Options received as part of Compensation	No	For Non-employee stock or option bonus awards, the receipt is not reportable. However, the sale of stock or the exercise of an option is a reportable event.
Gifts			For non-Prudential securities, a gift given to a charity is reportable, however, the receipt of a gift is not a reportable transaction under the Personal Securities Transaction Policy. Please see the Gift and Entertainment Policy for additional reporting requirements for gifts.
Prudential securities	Gifts given and received	Yes	
All other gifts	Given by Employee - Bonds and/or Stock Received by Employee - Bonds and/or Stock	Yes No	

#### **Exhibit 4 - Index Options On a Broad-Based Index**

<b>TICKER SYMBOL</b>	<b>DESCRIPTION</b>
NIK	Nikkei 300 Index CI/Euro
OEX	S&P 100 Close/Amer Index
OEW	S&P 100 Close/Amer Index
OEY	S&P 100 Close/Amer Index
SPB	S&P 500 Index
SPZ	S&P 500 Open/Euro Index
SPX	S&P 500 Open/Euro Index
SXZ	S&P 500 (Wrap)
SXB	S&P 500 Open/Euro Index
RUZ	Russell 2000 Open/Euro Index
RUT	Russell 2000 Open/Euro Index
MID	S&P Midcap 400 Open/Euro Index
NDX	NASDAQ- 100 Open/Euro Index
NDU	NASDAQ- 100 Open/Euro Index
NDZ	NASDAQ- 100 Open/Euro Index
NDV	NASDAQ- 100 Open/Euro Index
NCZ	NASDAQ- 100 Open/Euro Index
QQQ	NASDAQ- 100 Index

SML	S&P Small Cap 600
TPX	U.S. Top 100 Sector
SPL	S&P 500 Long-Term Close
ZRU	Russell 2000 L-T Open./Euro
VRU	Russell 2000 Long-Term Index

**Exhibit 5 - Personal Securities Holdings Report**

Reviewed by: \_\_\_\_\_ Initials: \_\_\_\_\_ Date: \_\_\_\_\_

Personal Securities Holdings Report

To: Jennifer Brown,  
Compliance Department

From: \_\_\_\_\_ SS#: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Listed below are all securities which I held, including those in which I had a direct or indirect beneficial interest, as of the most recent month end or the date on which I was designated as an Access Person if more recent, as required by the Personal Securities Trading Policy and the Mutual Fund Code of Ethics.

<u>Title of Security</u>	<u>Number Of Shares</u>	<u>Principle Amount</u>	<u>Broker/Dealer/Bank</u>
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Public Securities

Private Securities (e.g., limited partnerships, private placements).

**Exhibit 6 – Section 16 Insiders and Designated Persons Preclearance Request Form**

This form is for preclearing transactions in Prudential securities. Please include all requested information. The Securities Monitoring Unit, Compliance Department will review and respond to all requests. You will receive a response indicating that your request has either been approved or denied. A request is not considered approved until you receive a confirmation of approval from the Securities Monitoring Unit. Preclearance is only valid until the close of business on the day approval is granted. Preclearance Forms should be faxed to the Securities Monitoring Unit at (973) 802-7454.

Part I - Information on Individual Requesting Preclearance:

Name: Phone #: Fax #:

Department: Division:

Are you currently aware of any material non-public information regarding Prudential Financial?

Part II - Transaction Information:

Date:

Transaction Type:

- Buy
- Sell\*
- Cashless Exercise (Exercise and Sell all Options)
- Exercise & Sell to Cover (Exercise and Sell only enough shares to cover option cost and taxes)
- Exercise & Hold (Exercise options and hold shares - no sale involved)
- Exchange (into or out of Company Stock Fund)
- Allocation Change (Company Stock Fund)
- Catch-up Contribution (Company Stock Fund)
- Deferral Rate Change (Company Stock Fund)
- Disbursement (from Company Stock Fund)
- Loans (impacting Company Stock Fund)
- Deferred Compensation Elections (impacting Company Stock Fund)
- MasterShare Elections (impacting Company Stock Fund)

Number of Shares/Options:

Asset Type:  Common Stock  Employee Stock Option  
 Preferred Stock  Company Stock Fund  
 Convertible Bond  Other  
 Non-convertible Bond

\* Do you currently hold securities to cover this transaction? (Note that this question applies to all sales due to the fact that short sales are prohibited.)

Account in which transaction will take place: Brokerage Firm

Account No.

Comments:

Part III - Information To Be Completed by Section 16 Insiders Only:

Have you traded the same or equivalent security for your personal account, accounts in which you have a beneficial interest, such as accounts of your spouse or family members, or accounts over which you maintain investment discretion within the past six months?

If yes, Compliance may contact you for additional information.

Comments:

Part IV - Compliance Response :

APPROVED :                    DENIED:

REVIEWER :                    DATE/TIME:

**Comments:**

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**Exhibit 7 – Non Proprietary Subadvised Mutual Funds**

**PIM Subadvised Funds**

SEI Institutional Investors Trust Fund

**Jennison Subadvised Funds**

Harbor Fund - Harbor Capital Appreciation Fund  
The Hirtle Callaghan Trust - The Growth Equity Portfolio  
IDEX Mutual Funds - IDEX Jennison Equity Opportunity  
The MainStay Funds - MainStay MAP Fund  
The Preferred Group of Mutual Funds - Preferred Large Cap Growth Fund  
Scudder Focus Value Plus Growth Fund - Scudder Focus Value+Growth Fund

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**SEI LIQUID ASSET TRUST**  
**SEI TAX EXEMPT TRUST**  
**SEI DAILY INCOME TRUST**  
**SEI INDEX FUNDS**  
**SEI INSTITUTIONAL MANAGED TRUST**  
**SEI INSTITUTIONAL INTERNATIONAL TRUST**  
**SEI ASSET ALLOCATION TRUST**  
**SEI INSTITUTIONAL INVESTMENTS TRUST**  
**SEI INSURANCE PRODUCTS TRUST**

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned trustee of the above referenced funds (the "Trusts"), a business trust organized under the laws of The Commonwealth of Massachusetts, hereby constitutes and appoints Edward D. Loughlin, Timothy D. Barto and Peter A. Rodriguez, each of them singly, his true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, to sign for his and in his name, place and stead, and in the capacity indicated below, to sign any and all Registration Statements and all amendments thereto relating to the offering of each Trust' s shares under the provisions of the Investment Company Act of 1940 and/or the Securities Act of 1933, each such Act as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, acting alone, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ William M. Doran

William M. Doran, Trustee

Date: 11/10/03

**SEI LIQUID ASSET TRUST**  
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connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, acting alone, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ Wendell Gooch  
F. Wendell Gooch, Trustee

Date: 11/12/03

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IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ James M. Storey  
James M. Storey, Trustee

Date: 11/10/03

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IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ Robert A Neshner  
Robert A. Neshner, Trustee

Date: 11/10/03

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**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned officer of the above referenced funds (the "Trusts"), a business trust organized under the laws of The Commonwealth of Massachusetts, hereby constitutes and appoints Timothy D. Barto and Peter A. Rodriguez, each of them singly, his true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, to sign for him and in his name, place and stead, and in the capacity indicated below, to sign any and all Registration Statements and all amendments thereto relating to the offering of each Trust' s shares under the provisions of the Investment Company Act of 1940 and/or the Securities Act of 1933, each such Act as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, acting alone, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ Edward D. Loughlin  
Edward D. Loughlin

Date: 11/10/03

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IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ George J. Sullivan Jr.  
George J. Sullivan, Jr., Trustee

Date: 11/10/03

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Statements and all amendments thereto relating to the offering of each Trust' s shares under the provisions of the Investment Company Act of 1940 and/or the Securities Act of 1933, each such Act as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, acting alone, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ Rosemarie B. Greco  
Rosemarie B. Greco, Trustee

Date: 11/10/03

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**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned officer of the above referenced funds (the "Trusts"), a business trust organized under the laws of The Commonwealth of Massachusetts, hereby constitutes and appoints Edward D. Loughlin, Timothy D. Barto, Timothy W. Levin, Jennifer M. Leach and Sean Graber, each of them singly, his true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, to sign for him and in his name, place and stead, and in the capacity indicated below, to sign any and all Registration Statements and all amendments thereto relating to the offering of each Trust' s shares under the provisions of the Investment Company Act of 1940 and/or the Securities Act of 1933, each such Act as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, acting alone, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ Stephen F. Panner  
Stephen F. Panner  
Controller and Chief Financial Officer

Date: 10/26/05

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SEI INSURANCE PRODUCTS TRUST**

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned trustee of the above referenced funds (the "Trusts"), a business trust organized under the laws of The Commonwealth of Massachusetts, hereby constitutes and appoints Edward D. Loughlin, Timothy D. Barto and Peter A. Rodriguez, each of them singly, her true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, to sign for her and in her name, place and stead, and in the capacity indicated below, to sign any and all Registration Statements and all amendments thereto relating to the offering of each Trust' s shares under the provisions of the Investment Company Act of 1940 and/or the Securities Act of 1933, each such Act as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, acting alone, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal as of the date set forth below.

/s/ Nina Lesavoy

Nina Lesavoy, Trustee

Date: 11/12/03