

J.A. 3-397

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IN THE SUPREME COURT OF FLORIDA

CASE NO. 89,552

THE FLORIDA BAR FOUNDATION RE :
PETITION TO AMEND RULES :
REGULATING THE FLORIDA BAR, :
IOTA RULE 5-1.1(e) :

FILED

SID J. WHITE

FEB 21 1997

CLERK, SUPREME COURT

By _____
Chief Deputy Clerk

BRIEF OF RESPONDENT OPPOSING PETITION
OF FLORIDA BAR FOUNDATION

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REFERENCES TO THE APPENDIX AND PAGINATION

References to the Appendix appear in brackets as "App. x", where "x" is the page number of the Appendix. The Appendix is paginated in the left hand corner of each page as "A-x".

Certain materials in the Appendix are not referenced in the brief but are provided in the event that the Court wishes more information.

STATEMENT OF FACTS

Respondent is appearing herein in her own behalf as a member in good standing of the Florida Bar, and on behalf of several members of the financial industry, Makefield Asset Management, Inc., (hereinafter MAM) and Reich and Tang Asset Management, L.P. (hereinafter R & T).

The following is a summary of the information provided in the Appendix to this brief. In February, 1996, David Matthews, an officer of MAM, read in the Florida Bar News an article, "Foundation launches plan to generate millions more", discussing the low yields on IOTA accounts and a proposal to increase those yields by a change in the IOTA rule that would allow overnight investment of IOTA funds in repurchase agreements. [App. 5]. Previously, Matthews had learned from the Florida Bar Foundation that the banks were paying a much lower rate on the IOTA funds than could be obtained had they been invested in a money market fund invested in U.S. government securities. [App. 4] Together with R & T, Matthews had prepared a proposal to present to the Foundation for an alternative that would increase yield on the IOTA accounts and would provide some additional services for the Foundation and for lawyers simplifying the record-keeping required by the trust accounting rules for the Florida Bar. [App. 5]. He submitted it to the executive director of the Foundation, Elizabeth Jane Curran, who declined to review the it. [App. 5]. Subsequently upon publication in the Bar News of a request for comments on the proposed IOTA rule change, Matthews requested an

opportunity to make a presentation to the Foundation and Board of Governors, but this opportunity was never given. [App. 5]. R & T and MAM were prepared to present a voluntary program for Bar members whereby IOTA funds deposited in lawyer's bank of choice could be swept into a money market fund having a U.S. government portfolio and only the amounts needed to meet presentments against the IOTA account would be swept back to the bank for payment, thereby maximizing yields and reducing operating costs. [App. 5].

The rule change proposed by the Foundation would preserve the existing definition of "Eligible Financial Institutions" for the sweep of IOTA funds into repurchase agreements, which definition includes only those banks or savings and loans authorized to do business in Florida and "insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation" or any successor thereto. [App. 12a].

Repurchase agreements ("repos") are essentially collateralized loans whereby the buyer of the repo loans cash to the seller who provides securities as collateral. [App. 8]. They are not redeemable before maturity, and they are indivisible, i.e., they cannot be partially redeemed. [App. 78]. They are unregulated and uninsured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC) [App. 8]. In the event that the provider of the securities defaults on its obligation to repurchase them, the buyer would lose money if the proceeds from sale of the collateral were less than the purchase price. [App. 2] They are customarily offered in amounts of \$1

million or more, and the yield to the buyer is affected by the size of the repo. [App. 8]. The yield is also affected by the time of day it is purchased, the most attractive being sold by 11 a.m. [App. 9]. The published yields of overnight repos are those negotiated by dealers who resell them at markdowns, and do not reflect the yield to the ultimate purchaser. [App. 9]. Banks are not required to disclose the prices at which they acquire repos, the amounts by which they mark them down, nor in their advertising of a yield are they required to disclose all the charges they impose for sweeping a deposit into a repo. [App. 9].

The money market fund was invented in 1974, for the purpose of providing all investors, therein, small or otherwise, the maximum yields available only on the largest denominations of cash equivalent instruments. [App. 10]. An investment in a money market fund with a portfolio of U.S. government securities represents an undivided interest in the entire portfolio. [App. 2]. The portfolio consists of the largest and thus the highest yielding government securities, with laddered maturities so that there are always some instruments maturing daily, with an average maturity on the portfolio not to exceed ninety (90) days. [App. 2]. They are required by the Securities and Exchange Commission (SEC) to disclose all fees and expenses within the first six pages of the prospecti under which they are sold. [App. 2]. Published yields of money market funds must be net of all expenses. [App. 2]. There is no holding period, and shares are issued and redeemed at a constant value of one dollar (\$1.00) per share. [App. 2].

There is no requirement that all shares of an account be redeemed at the same time. [App. 2]. Money market funds vary in their respective minimum purchase requirements, with many funds allowing \$1000.00 or less for a minimum purchase. [App. 2].

SUMMARY OF THE ARGUMENT

Respondent opposes the adoption of the IOTA rule change proposed by the Florida Bar Foundation and approved by the Board of Governors, requesting the use of overnight repurchase agreements for investment of IOTA accounts of over \$30,000.00, because of concern that the proposed rule change has not received enough study and background investigation of facts. There is no record that adequate research and study have been addressed to such things as the risk factors involved and alternatives to repurchase agreements, in order to present to this Court a solid basis for an informed decision. Respondent submits that any change in the IOTA rule concerning investment of short-term funds should not only insure the availability of IOTA funds upon demand and without delay, but also provide for a choice by IOTA account holders of an optimum investment vehicle, from an array of appropriate vehicles, in terms of both safety and rate of return for the Florida Bar Foundation.

I. The Proposed Rule Change Should Not Limit Investment Vehicles to Bank Repurchase Agreements.

The Foundation seeks to have the IOTA rule amended to allow IOTA account holders to "sweep" trust funds overnight into repurchase agreements offered by "eligible financial institutions". Both the existing and the proposed amended IOTA rules define "eligible financial institutions" as banks or savings and loan associations authorized by federal or state laws to do business in Florida and "insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or any successor insurance corporation established by federal or state laws." (sic) [App. 12a]

There is, in fact, no such "insured" institution. The FDIC and FSLIC do not insure banks or savings and loan associations, they insure customer deposits. 12 U.S.C. §1811 et seq. There is a significant difference. Investments of a bank's assets are not insured by FDIC or FSLIC. Repurchase agreements sold by banks are not insured by FDIC or FSLIC. [App.]

The wording of the proposed amendment to the IOTA rule would allow IOTA monies to be invested in instruments that are not insured by FDIC or FSLIC, while leaving unchanged the definition of eligible institutions, thereby preserving the banking industry's monopoly of the management of IOTA funds. The petition of the Foundation has alleged no good reason why such monopoly should be preserved, and Respondent knows of no such reason. In the use of uninsured vehicles, it is eminently unfair to favor banks and savings and loans over other financial institutions offering

equally safe or safer investment vehicles with higher returns.

The news media have been reporting recently that banks are lobbying Congress to repeal the Glass-Steagall Act so that they can compete with other financial institutions in offering investment securities, which obviously would not be insured by the FDIC nor by FSLIC. Why should banks remain protected by the proposed IOTA rule amendment from competition from other financial institutions in the management of IOTA funds that will not be insured by the FDIC or the FSLIC while they are invested in repurchase agreements? Surely it should not be a policy of the Supreme Court to protect one type of financial institution against competition from another type. Respondent submits that the definition of the term "eligible financial institution" should be modified to include those entities that offer other investment vehicles which have been determined by the Florida legislature to be appropriate without limitation for investment of fiduciary, municipal, county, and state government funds, provided such vehicles can be redeemed for cash upon demand and without delay. See, Fla. Stat. §§ 125.31, 166.261, 215.47, 218.345, 219.075, 236.24, 280.13, 651.033, 660.415.

II. Risk Factors and Other Drawbacks of Repurchase Agreements.

The sworn statements of the experts from MAM and R & T reflect a number of features that diminish the attractiveness of repos as safe harbors for IOTA funds. They are essentially loans collateralized by securities. [App.]. See, Department of Revenue v. Page, 541 So.2d 1270 (Fla. 5th DCA 1989). First of all,

there is the risk that the provider of the securities to collateralize the loan of cash may not be able to repurchase the securities upon the maturity of the repo instrument. [App. 8]. Secondly, institutions, usually banks, selected as independent custodians of the collateral securities, can refuse to certify that such securities are not cross-collateral for some other instrument. [App. 3]. As for the yields, a bank will not be able to sweep funds from a Bar member's trust account until it determines the availability of funds at the close of the banking day when all transactions have been posted. According to the affidavit of Nicholas Stevens, of R & T, at that point in time, the highest-yielding instruments will all have been sold, and only smaller, lower-yielding instruments will be available. [App. 9]. Moreover, there is no published information on which the ultimate consumer may ascertain what his probable yield would be, because the markdowns on yield made by dealers when they resell to banks are not required to be published, nor does the bank have to disclose what portion of the yield it takes when it resells to the ultimate consumer. [App. 9] It is common knowledge that ever since deregulation of the charges that banks can impose on deposits, there has been a steady increase in these charges. Banks do not have to disclose these charges when they advertise a yield, and in order to entice customers they typically advertise yields without disclosing that they are subject to certain minimum deposit levels and costs. [App. 3] Further, repos are not regulated by either the Securities and Exchange Commission (SEC) or by banking laws.

[App. 8]. It should be noted that the proposed rule change does not include limitations to protect IOTA funds invested in bank repurchase agreements from the various known risk factors associated with such instruments. [App. 12a].

Finally, the proposed rule change would limit participants in the overnight sweep-to-repo program to accounts exceeding \$30,000.00. Respondent believes that this limitation inures only to the benefit of banks, not at all to the Foundation. Allowing much smaller accounts to participate in a sweep program would generate a great deal more money for the Foundation.

III. Advantages of Using Government-Portfolio Money Market Funds.

Money market investment companies investing exclusively in U.S. government securities or instruments fully collateralized by such government obligations have been approved for the investment of state, county, municipal, school district, and bank funds. Fla. Stat. §§ 125.31, 166.261, 215.47, 218.345, 219.075, 236.24, 280.13, 651.033, 660.415. Money market funds are governed by the Securities and Exchange Commission, and their portfolios, reporting, auditing, disclosures, expenses, etc. are controlled by rigorously prescribed and enforced regulations. See, Money Market Funds, 17 CFR Sec. 270.2a-7 (1996) [App. 25 et seq.]. The board of directors of a money market fund is required to establish procedures to stabilize the fund's net asset value per share, for purposes of distribution, redemption and repurchase, at a single value. 17 CFR § 270.2a-7(c)(6-7). Thus, the price of a share in a money market fund remains constant at \$1.00 per share. [App. 2]

In the history of these financial institutions not one has failed to pay out upon demand and without delay. [App. 3].

These investment vehicles have been approved without limitation by the Florida legislature for the investment of the funds of fiduciaries, municipalities, counties and the state of Florida. There are many that are authorized by federal or state law to do business in the state of Florida.

"Sweep" accounts, whereby idle cash on deposit can be "swept" into a money market fund investing in government obligations, have been around for many years. IOTA deposits in Florida banks could be just as easily "swept" into such money market accounts, as an alternative to repurchase agreements, and the funds can be readily available on demand by federal wire transfer of funds from the money market institution back into the bank deposit account. [App. 23].

III. The Petition is Unaccompanied by Specific Facts to Support It

Some of the Rules Regulating the Florida Bar are procedural in nature, but others are substantive. The IOTA rule which is the subject of this proceeding is substantive in nature. With respect to rules of procedure, it may be appropriate for the Court to rely on the imprimatur of the Board of Governors and fifty or more Florida Bar members, but when dealing with a substantive issue that is beyond the special expertise of lawyers, Respondent suggests it would be more appropriate for the Court to request thorough research, fact-finding and expert advice from qualified sources on the pros and cons of repos and alternatives thereto. The Petition

now before the Court consists of mere allegations, unbuttressed by any record, and totally silent as to what facts, if any, were relied upon by the Board of Governors in approving the petition. Respondent submits that the Foundation and Board would better serve the rulemaking process of this Court by furnishing it with the results of studies and findings, as is the customary procedure in federal rulemaking. See, Motor Vehicle Manufacturers Assn. v. State Farm Mutual Automobile Ins. Co., 463 U.S.29 (1983).

The affidavits supplied by Respondent in her Appendix reflect an unwillingness on the part of the proponents of the Petition to look into such alternatives. [App. 5]. It can be inferred from the foregoing that neither the board of directors of the Foundation, nor the Board of Governors, had any information on alternative investment vehicles available from competitor financial institutions, or on the risk aspects of bank repurchase agreements, when they approved the filing of the petition in this case.

CONCLUSION

Based on the foregoing, the undersigned respectfully requests that this Court, in the interests of fairness, either adopt a rule change enlarging the definition of eligible institutions so as to allow sweeps of IOTA funds into government-portfolio money market funds and any other investment vehicle deemed appropriate, or alternatively to provide a fact-finding forum for presentation of evidence and expert testimony from financial institutions interested in competing with banks in the cash management of IOTA accounts.

Respectfully submitted,

Elsie C. Turner

ELSIE C. TURNER, Esq.
Florida Bar No. 205249

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by U. S. mail/hand delivery on STEPHEN E. DAY, Taylor, Day & Rio, 50 No. Laura St., Ste 3500, Jacksonville, FL 32202-3663, and on JOHN F. HARKNESS, Jr., The Florida Bar, 650 Apalachee Pkwy, Tallahassee, FL 32399-2300 this 20th day of February, 1997.

Elsie C. Turner

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(407) 339-3013
Fla. Bar. No. 205249
Respondent

APPENDIX

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IN THE SUPREME COURT OF FLORIDA

CASE NO. 89,552

THE FLORIDA BAR FOUNDATION RE :
PETITION TO AMEND RULES :
REGULATING THE FLORIDA BAR :

AFFIDAVIT OF DAVID MATTHEWS IN SUPPORT OF RESPONDENT

STATE OF FLORIDA :

COUNTY OF ORANGE :

BEFORE ME, the undersigned authority, personally appeared DAVID W. MATTHEWS, personally well-known to me, who upon oath deposes and states the following:

1. I am executive vice-president and managing director of Makefield Asset Management, Inc., an affiliate of Makefield Securities Corporation, both of which are long-established member firms of the National Association of Securities Dealers, Inc. Attached hereto is my curriculum vitae summarizing my experience in the fields of finance and securities, including my experience as founder, Investment Advisor, and Administrator of the Rhode Island Localities Prudent Cash Fund, (RILPCF) a money market fund (1984-1991).

2. The money market fund concept was invented in 1974 for the purpose of obtaining for all investors in such a fund, no matter the size of account, maximum yields that are only available on very large denominations of cash equivalent financial instruments with long-term maturities. A money market fund is an open-ended diversified, managed investment trust registered with the

Securities and Exchange Commission under the Investment Company Act of 1940. No commission or fee is charged by the fund to purchase or redeem shares. They are issued and redeemed directly by the fund. These devices are unique because they hold themselves out to maintain a constant value of one dollar (\$1.00) per share. Each share represents a direct and undivided interest in the entire portfolio of the fund. As a regulated investment vehicle, its reported yield, calculated daily and compounded (commonly over a seven-day period) is net of all expenses and fees. Under the Investment Company Act of 1940, shares are required to be sold under a prospectus which discloses to potential customers what precisely the fees and expenses are, at or before page six (6) of the prospectus.

To maintain a constant value, money market mutual funds are managed by using a maturity ladder, so that significant numbers of instruments will mature on different days in the near term, the intermediate term, and the long term. Pursuant to SEC rule, the average maturity cannot exceed ninety (90) days. Thus registered money market funds exist to provide safety, liquidity and yield in that order. They provide daily access to funds invested therein, without change in principal value. Unlike the direct purchase of any other cash equivalent financial instrument, there is no minimum holding period or maturity involved in the purchase or redemption of shares. They vary in their respective minimum purchase requirements, with many funds allowing \$1000.00 or less for a minimum purchase.

In the history of money market funds, they have never failed to pay out principle or earnings upon demand and without delay.

3. As the sponsor, administrator, and investment adviser to RILPCF I never utilized repurchase agreements in the fund's portfolio, because we could not obtain adequate third party custodians, and could not get bank vendors of custody to certify the absence of possible cross collateralization of the securities.

4. Recently, in attempting to obtain information from First Union and Barnett Bank on what they are now paying I learned that, first of all, specific information concerning yields and costs was unavailable, and secondly that yields are tiered. The minimum investment with First Union is \$50,000.00.

Banks are not required to disclose the prices at which they acquire repos, nor the amounts by which they mark down the yields when the repos are resold. Neither are they required to disclose in their advertising of yields available on sweep accounts the costs associated with sweeps.

Although an article in the Florida Bar News, Feb. 15, 1996, "Foundation launches plan to generate millions more," states that Barnett Bank was then paying about four and a half percent (4.5%) on sweep accounts, at that time I was advised by Barnett bank personnel that the bank was paying only two-and-a-quarter percent (2.25%).

5. Once funds are swept into a repurchase agreement, none of those funds are available for withdrawal until the instrument matures.

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6. I have reviewed the affidavit of Nicholas Stevens of Reich & Tang, and being knowledgeable in the workings of the repurchase agreement market, I agree entirely with all of his remarks, stated facts, and opinions concerning the use of repurchase agreements as differentiated from money market funds for investment of IOTA funds.

7. In the spring of 1995, I became aware of the IOTA program for short-term trust funds of Florida Bar members. I learned from the Florida Bar Foundation that the yields earned on these funds deposited in banks had been far less than could be obtained safely by utilizing a "sweep" arrangement into a money market fund with a portfolio of U.S. government obligations, that would provide access on demand and without delay by federal wire transfer from the fund to the Bar member's trust account when checks on the trust account were presented for payment. Working with Reich & Tang Asset Management, Inc., we prepared a proposed voluntary program for IOTA accounts which we offered to present to the Florida Bar Foundation and the Board of Governors of the Florida Bar, with opportunities for discussion, and question-and-answer sessions on how the program would work. We also were prepared to offer free assistance to the Foundation in educating and "selling" lawyers on the use of the sweep arrangement of IOTA funds from their individual trust accounts into a government security money market fund. Further, we were prepared to offer free software to Bar members that would have provided itemized breakdown of deposits and checks identifying the source of all funds deposited by client and subject matter, as

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required by Bar trust accounting rules. Finally, we planned to offer to train banks in procedures to reduce the costs of sweep arrangements and other record-keeping through simplified operational procedures.

We approached Elizabeth Jane Curran in March or April, 1995. After much delay, into August, 1995, and after her request that we meet with a bank software consultant friend of hers, she said she was not interested in reviewing our proposal. We were never given any follow-up opportunity.

Subsequently, we learned that Ms. Curran was working on a proposal to have IOTA funds swept into repurchase agreements controlled by banks. We then responded to a request for comments on the proposed amendment to the IOTA rule which was published in the Florida Bar News, by asking the Bar member named in the published request, Darryl Bloodworth, for an opportunity to present our proposed program to the Foundation and Board of Governors. We were never given this opportunity.

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FURTHER AFFIANT SAITH NAUGHT.

David W. Matthews

David W. Matthews

Before me personally appeared the person described in and who executed the foregoing instrument under oath and acknowledged before me that he executed the same.

Witness my hand and official seal in the county and state last aforesaid this 20 day of February, 1997.

Helene E. Davis

HELENE E. DAVIS

Notary Public

My commission expires:



OFFICIAL SEAL
HELENE E. DAVIS
My Commission Expires
May 2, 1997
Comm. No. CC 281865

AG

David W. Matthews

Curriculum Vitae

Makefield Asset Management, Inc.: Executive Vice President, Managing Director of Personal Account Investment Division. This company is affiliated with Makefield Securities Corporation, a Florida corporation serving major institutional investors for well over a decade, now extending services to selected private investors. Director, parent company.

National Heritage Life Insurance Corporation, Heritage Marketing Group, LifeCo Investment Group, LifeCo Securities Corporation, NASD, SIPC, headquartered Orlando in recent years. Executive Vice President, National Marketing & Sales.

The Prudential Insurance Company of America, Boston, four years, Group Executive, sales, marketing, investment management, estate plans, for executives, families, corporations, trusts, other institutions.

Securities Counselors Incorporated, SEC-registered investment advisor company, \$65 million. Over seven years, President. Overall management of the company. Portfolio policy, regulatory matters. The company acted as mutual fund manager and administrator, as well as consultant under contract to major U.S. banks on investment and trust product design and marketing.

Continental Bank & Trust Company of Chicago, four years, senior trust capacity. Vice President, Division Manager-Corporate Trust. Responsible for P&L, administration, sales and delivery of all trust and agency services. Responsible for national market. Graduate, Bank Advanced Management Program participant.

Dean Witter & Co., Inc., Boston, New York. Seven years, Partner, Vice President. Responsible for all Sales and Operations Divisions, retail, institutional. Raised New England operation from 67th to 10th in the country. Manager, New York, two years prior. Management Development Program for Partners participant.

Merrill Lynch, Pierce, Fenner & Smith, Inc., New York. Seven years, Account Manager. Top sales quartile of the firm. Sales and Operations Training Program graduate. Retail and Institutional sales, account management.

Education:

Georgetown University, B.S. with honors, Economics; Northeastern University, School of Insurance; Cornell University, Executive Program on finance.

Professional memberships, licenses, etc.: All professional licenses, securities industry, Series 7, 63, 24, Registered Principal Officer, NASD; Former Allied Member, NYSE; Floor Member, Boston Stock Exchange (for Dean Witter & Co.). Also licensed in Life, Health, and Variable Annuity insurance industry, former Principal Officer registered with the SEC, investment advisor company. Member National Association for Variable Annuities, Reston, VA.

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IN THE SUPREME COURT OF FLORIDA

CASE NO. 89,552

THE FLORIDA BAR FOUNDATION RE :
PETITION TO AMEND RULES :
REGULATING THE FLORIDA BAR :

AFFIDAVIT OF NICHOLAS STEVENS IN SUPPORT OF RESPONDENT

STATE OF FLORIDA :

COUNTY OF DADE :

BEFORE ME, the undersigned authority, personally appeared NICHOLAS STEVENS, personally well-known to me or who produced the following identification: _____, who after being duly sworn, deposes and states the following:

1. I am a vice president of Reich & Tang, a wholly owned subsidiary of the New England Companies. Reich & Tang manages a number of money market mutual funds, for institutional and retail customers, totaling over \$8 billion in assets. Attached hereto is a summary of my background and experience in the banking and investment industries.

2. I am knowledgeable in the operating dynamics associated with investment "sweeps" and the various investment vehicles utilized by the financial community to facilitate short-term and overnight investments. Further, I am also knowledgeable in the various pricing schemes and charges assessed by banks in such arrangements.

3. Repurchase agreements ("repos") are unregulated transactions which represent a loan of cash against securities at

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a negotiated rate of interest for a specified period of time, such as overnight. The provider of the securities is the "seller", and the borrower of the securities is the "buyer" of the repo.

4. The diversity of investors and lenders in the financial markets and the mechanical operations (settlements) of repos has created the need for a third party agent, an independent custodian to settle the purchase of the repo against the delivery of the securities. Collateral may be subject to risk if the seller becomes encumbered or insolvent. Hence there is no guarantee against risk of the securities. The funds of the repo buyer must be fully collateralized by the securities in order to provide a degree of comfort and assurance to the repo buyer, but the risk is there; it lies in the viability of the seller of the repo, the identity of which may be unknown to the ultimate buyer, and not in the credit quality of the securities.

5. Customarily some financial institutions utilize repos to finance their bond inventory with the repo buyer's money. Since all financial markets are linked through supply-and-demand, quality and time factors, investments committed to repos generally command the highest negotiated rates early in the trading day - usually no later than 11 a.m. The yields tend to fall off afterwards. Repos are usually in amounts greater than a million dollars, with investment (buying) power and time affecting the rate negotiation. Since banking law requires that banks have collected funds to pay checks presented for payment in the same banking day, a bank could not "sweep" funds from IOTA accounts until 2 p.m., at which time the

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highest-yielding repos would have all been sold. The IOTA funds swept at 2 p.m. would get, in all probability, the least desirable: smaller (and thus more) transactions with lower rates at maximum operational costs, because multiple transactions raise operational costs.

6. The overnight repo yields published by Dow-Jones Telerate (see accompanying Telerate publication) are the gross rates between dealers and do not reflect the yield mark-downs taken by the dealer when it resells to an institution such as a bank, nor the mark-down taken by the bank when reselling to a customer, such as an IOTA account. The actual rate available for IOTA accounts would be significantly less than the published rates.

7. As liquidity investment vehicles, repos are utilized by financial institutions in the area of cash management for specific types of customers. As with all financial instruments and investment transactions, repos also provide a broad range of fees and expenses at all levels. The end beneficiary of such an investment has no control over these undisclosed negotiated rates and fees, and must rely entirely on the institution to deliver a competitive return at negligible risk to the investor. Each bank participating in the repo investment program for IOTA accounts proposed by the Florida Bar Foundation would need to effect such transactions daily. This would produce varying returns from institution to institution, depending upon the amount of funds available for such transactions, and higher operating expenses, to the detriment of IOTA accounts. Where individual accounts are

aggregated for investment purposes, they hold no beneficial ownership in a repo, as they would were they invested in a regulated money market mutual funds.

8. Money market mutual funds offer a highly regulated fully disclosed liquidity (cash management) solution. Professionally managed, these funds provide the quality, safety and yield (common return) obtained in large denomination instruments to each and every investor, regardless of the dollar size of an investor's account. Yields on these types of funds are a matter of public record and may be benchmarked against other investment alternatives. (See accompanying money market fund publication of net yields). Repos have no such benchmark.

Investment in money market funds through "sweeps" from a bank account can produce "zero balance accounts" putting all monies to work and providing exact access so that only those monies necessary to clear checks presented are swept back on a banking day. This ability means that there is a continuing investment of the remaining assets. In doing so, investments are standardized, operational costs are reduced, yields and returns are maximized, expenses and charges are fully disclosed permitting open market comparison.

9. A number of money market fund managers offering cash management programs, such as Reich & Tang, have the power to negotiate with banks for institutional status, as differentiated from the retail status now afforded IOTA accounts. This would result in lower fees imposed by banks on funds in cash management

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accounts. Reich & Tang is prepared to regard all IOTA funds invested in any of its money market funds as one account, interfacing with any number of banks used as depositories, and therefore minimum purchase amounts stated in our prospecti would not apply.

FURTHER AFFIANT SAITH NAUGHT.

)A/ N.S.
Nicholas Stevens

Before me personally appeared the person described in and who executed the foregoing instrument under oath and acknowledged before me that he executed the same.

Witness my hand and official seal in the county and state last aforesaid this ____ day of February, 1997.

Notary Public
My commission expires:

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Nicholas Stevens

Professional Background

Institutional banking experience: Mr. Stevens began his banking and financial services career at Citibank in 1970, in the Institutional Investment Division. This division had discretionary asset management responsibilities for significant private pension funds of companies such as Ford Motor, Eastman Kodak, Phillips Petroleum, Tennessee Valley Authority, and Chubb Corporation.

Retail banking experience: Mr. Stevens' experience with financial vehicles in the retail banking industry began in 1984 at Dollar Dry Dock Savings Bank, a major New York-based bank, where he served as First Vice President, Investments Group.

He has worked in the financial service industry in the development of proprietary mutual funds that consistently centered on cash management and investment "sweeps" at the institutional and retail levels.

Money market mutual fund experience: Mr. Stevens is Vice President of Sales of Reich & Tang Asset Management, Inc., a subsidiary of The New England Companies, one of the oldest and strongest financial institutions in the United States, founded in the nineteenth century.

Official Notice

Bar Foundation petitions court for sweep accounts

The Florida Bar Foundation will petition the Florida Supreme Court to amend Rule 5-1.1(e) of the Rules Regulating The Florida Bar (IOTA Rule). The text of the proposed Rule amendment follows.

The purpose of the proposed Rule change is to increase revenue generated by the Florida Supreme Court's IOTA program. The amendment would authorize use of daily bank repurchase agreements for nominal or short-term trust funds as defined by the existing IOTA Rule. Use of repurchase agreements in the IOTA Sweep Account Program would be on a voluntary basis by individual attorneys and law firms with high average balance IOTA accounts.

The Florida Bar Foundation, administrator of IOTA, would be responsible for recruiting attorneys and law firms to participate in the program and for paying the additional financial institution service charges. Only those Florida financial institutions offering daily repurchase agreements which are fully collateralized by direct obligations of the United States Government or its agencies would be eligible to participate in the program.

The petition to amend the IOTA Rule will be filed December 16, 1996. Comments or objections to the proposed Rule amendment must be filed by January 13, 1997. A copy of all comments or objections shall be served on the executive director of the Florida Bar Foundation at Suite 405, 106 East Church Street, Orlando 32801 and on the executive director of The Florida Bar, at 650 Apalachee Parkway, Tallahassee 32399-2300.

Following is the proposed rule amendment, with new language underscored and replaced language struck through:

Rule 5-1.1

(e) Interest on Trust Accounts (IOTA) Program.

(1) *Definitions.* As used in Rule 5-1.1(e) the term:

(A) "nominal or short term" describes funds of a client or third person that, pursuant to rule 5-1.1(e)(7), the lawyer has determined cannot practicably be placed at interest for the benefit of the client or third person;

(B) "Foundation" means The Florida Bar Foundation, Inc.;

(C) "IOTA account" means a trust account described in rule 5-1.1(e)(2).

(2) *Required Participation.* All nominal or short-term funds belonging to clients or third persons that are placed in trust with any member of The Florida Bar practicing from an office or other business location within the state of Florida shall be deposited into one or more interest-bearing trust accounts in an eligible financial institution for the benefit of the Foundation, except as provided in rule 4-1.15 with respect to funds maintained other than in a bank account, or as provided in rule 5-1.2(a). Only trust funds that are nominal or short term shall be deposited into an IOTA account. The member shall certify annually, in writing, that the member is in compliance with, or is exempt from, the provisions of rule 5-1.1(de).

(3) *Eligible Financial Institutions.* An IOTA account shall be established with any bank or savings and loan association authorized by federal or state laws to do business in Florida and insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or any successor insurance corporation(s) established by federal or state laws. The funds in each IOTA account covered by this Rule shall be subject to withdrawal upon request and without delay.

(4) *Interest Rates.* The rate of interest on any IOTA account funds covered by this Rule shall not be less than the rate paid by the financial institution to non-IOTA account depositors. Higher rates offered by the financial institution to customers whose deposits exceed certain time or quantity minimums may be obtained by a lawyer or law firm for IOTA accounts on some or all of the deposited funds through use of eligible financial institution repurchase agreements in which the underlying security consists solely of direct obligations of the United States Government or agency thereof so long as there is no impairment of the right to immediately withdraw or transfer principal.

(5) *Remittance Instructions.* Lawyers or law firms shall direct the financial institution:

(A) to remit interest on the balance in the IOTA account of the deposited funds, in accordance with the financial institution's standard practice for non-IOTA account depositors, less reasonable service charges or fees, if any, in connection with the IOTA account by funds covered by this rule. at least quarterly, to the Foundation;

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(B) to transmit with each remittance to the Foundation a statement showing the name of the lawyer or law firm from whose IOTA account funds the remittance is sent, the lawyer's or law firm's IOTA trust account number as assigned by the financial institution, the rate of interest applied, the period for which the remittance is made, the total interest earned during the remittance period, the amount of any service charges or fees assessed during the remittance period, and the net amount of interest remitted for the period; and

(C) to transmit to the depositing lawyer or law firm, for each remittance, a report showing the amount paid to the Foundation, the rate of interest applied, and the period for which the report is made.

(6) *Notice to Foundation.* Lawyers or law firms shall advise the Foundation at Post Office Box 1553, Orlando, Florida 32802-9919, of the establishment of an IOTA account for funds covered by this rule. Such notice shall include: the IOTA account number as assigned by the financial institution; the name of the lawyer or law firm on the IOTA account; the financial institution name; the financial institution address; and the name and Florida Bar attorney number of the lawyer, or of each member of The Florida Bar in a law firm, practicing from an office or other business location within the state of Florida that has established an IOTA the account.

(7) *Determination of Nominal or Short-Term Funds.* The lawyer shall exercise good faith judgment in determining upon receipt whether the funds of a client or third person are nominal or short term. In the exercise of this good faith judgment, the lawyer shall consider such factors as:

(A) the amount of a client's or third person's funds to be held by the lawyer or law firm;

(B) the period of time such funds are expected to be held;

(C) the likelihood of delay in the relevant transaction(s) or proceeding(s);

(D) the cost to the lawyer or law firm of establishing and maintaining an interest-bearing account or other appropriate investment for the benefit of the client or third person; and

(E) minimum balance requirements and/or service charges or fees imposed by the financial institution.

The determination of whether a client's or third person's funds are nominal or short term shall rest in the sound judgment of the lawyer or law firm. No lawyer shall be charged with ethical impropriety or other breach of professional conduct based on the exercise of such good faith judgment.

(8) *Small IOTA Accounts Fund Amounts.* The Foundation may establish procedures for a lawyer or law firm to maintain an interest-free trust account for client and third-person funds that are nominal or short term when their nominal or short-term trust funds cannot reasonable be expected to produce or have not produced interest income net of reasonable financial institution service charges or fees.

(9) *Confidentiality.* The Foundation shall protect the confidentiality of information regarding a lawyer's or law firm's trust account obtained by virtue of rule 5-1.1(e).

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**INSTITUTIONAL
 DAILY
 INCOME
 FUND**

**PROSPECTUS
 August 1, 1995**

**INSTITUTIONAL
 DAILY INCOME FUND**

600 FIFTH AVENUE
 NEW YORK, N.Y. 10020
 (212) 830-5220

**PROSPECTUS
 August 1, 1995**

The Institutional Daily Income Fund (the "Fund") is composed of the U.S. Treasury Portfolio, the Money Market Portfolio and the Municipal Portfolio (each a "Portfolio", collectively, the "Portfolios") designed to meet the short-term investment needs of corporate and institutional investors ("Institutional Investors"). There are no sales loads, exchange or redemption fees associated with the Fund.

Each Portfolio offers two classes of shares to Institutional Investors - Class A and Class B shares. The Class A shares of the Fund are subject to a service fee pursuant to the Fund's Rule 12b-1 Distribution and Service Plan and are sold through financial intermediaries who provide servicing to Class A shareholders for which they receive compensation from the Manager or the Distributor. The Class B shares of the Fund are not subject to a service fee and either are sold directly to Institutional Investors or are sold through financial intermediaries that do not receive compensation from the Manager or Distributor. In all other respects, the Class A and Class B shares represent the same interest in the income and assets of the Fund. See "Description of Shares."

U.S. Treasury Portfolio - seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity and maintain a stable net asset value of \$1 per share by investing solely in U.S. Treasury obligations and in other obligations backed by the full faith and credit of the United States government with maturities of 397 days or less and repurchase agreements which are collateralized by such obligations calling for resale in 397 days or less.

Money Market Portfolio - seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity and maintain a stable net asset value of \$1 per share by investing in short-term money market obligations with maturities of 397 days or less, including bank certificates of deposit, time deposits, bankers' acceptances, high quality commercial paper, securities issued or guaranteed by the United States Government, its agencies or instrumentalities, and repurchase agreements calling for resale in 397 days or less backed by the foregoing securities.

Municipal Portfolio - seeks to maximize current tax exempt income to the extent consistent with the preservation of capital and the maintenance of liquidity and maintain a stable net asset value of \$1 per share by investing in a portfolio of obligations issued by states, territories and possessions of the United States and their political subdivisions, public authorities and other entities authorized to issue debt, the interest on which is exempt from regular federal income taxes. This Portfolio has not yet been activated and is not offered for sale or distribution.

This Prospectus sets forth concisely the information about each Portfolio that a prospective investor ought to know before investing and it should be retained for future reference. Additional information about each Portfolio, including additional information concerning risk factors relating to an investment in each Portfolio, has been filed with the Securities and Exchange Commission in a Statement of Additional Information for the Fund, dated the date of this Prospectus and as supplemented from time to time. This information is incorporated by reference and is available without charge and can be obtained by writing or calling the Fund at the address or telephone number set forth above.

Reich & Tang Asset Management L.P., a registered investment adviser, acts as Manager of the Fund and Reich & Tang Distributors L.P., a registered broker-dealer and member of the National Association of Securities Dealers, Inc., acts as Distributor of the Fund's shares.

MINIMUM INITIAL PURCHASE \$1,000,000

An investment in the Fund is neither insured nor guaranteed by the United States Government. Each Portfolio seeks to maintain an investment portfolio with a dollar-weighted average maturity of 90 Days or less, and to value its investment portfolio at amortized cost and maintain a net asset value of \$1.00 per share. There can be no assurance that the Fund's objectives will be achieved or that the Fund's stable net asset value of \$1.00 per share can be maintained.

Shares in the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank, and the shares are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency.

This Prospectus should be read and retained by investors for future reference.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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TABLE OF FEES AND EXPENSES

Annual Fund Operating Expenses
(as a percentage of average net assets)

Estimated Annual Fund Operating Expenses

	Money Market Portfolio		U.S. Treasury Portfolio		Municipal Portfolio**	
	Class A	Class B	Class A	Class B	Class A	Class B
Management Fees - After Fee Waiver*	.00%	.00%	.08%	.08%	.08%	.08%
*2b-1 Fees	.25%	None	.25%	None	.25%	None
Other Expenses - After Reimbursement*	.02%	.02%	.07%	.07%	.07%	.07%
Administration Fees - After Fee Waiver*	.00%	.00%	.00%	.00%	.00%	.00%
Total Fund Operating Expenses - After Fee Waivers and Reimbursements*	<u>.27%</u>	<u>.02%</u>	<u>.40%</u>	<u>.15%</u>	<u>.40%</u>	<u>.15%</u>

	Money Market Portfolio		U.S. Treasury Portfolio		Municipal Portfolio	
	Class A	Class B	Class A	Class B	Class A	Class B
Management Fees - After Fee Waiver*	.00%	.00%	.08%	.08%	.08%	.08%
*2b-1 Fees	.25%	None	.25%	None	.25%	None
Other Expenses - After Reimbursement*	.02%	.02%	.07%	.07%	.07%	.07%
Administration Fees - After Fee Waiver*	.00%	.00%	.00%	.00%	.00%	.00%
Total Fund Operating Expenses - After Fee Waivers and Reimbursements*	<u>.27%</u>	<u>.02%</u>	<u>.40%</u>	<u>.15%</u>	<u>.40%</u>	<u>.15%</u>

EXAMPLE

You would pay the following expenses on a \$1,000 investment, assuming 5% annual return and redemption at the end of each

time period:	1 year	3 years	5 years	10 years
Class A	\$ 3	\$ 9	\$ 15	\$ 34
Class B	\$ 0	\$ 1	\$ 1	\$ 3
U.S. Treasury	\$ 4	\$ 13	\$ 22	\$ 51
Municipal	\$ 2	\$ 5	\$ 8	\$ 19

The purpose of the above fee table is to assist an investor in understanding the various costs and expenses that an investor in the Fund will bear directly or indirectly. For a further discussion of these fees see "Management of the Fund" and "Distribution and Service Plan" herein. The outstanding shares of the Fund were reclassified into Class B shares on April 1, 1995. With respect to both the Class A shares and the Class B shares, the Manager has agreed to waive all of its Management and Administration Fees and reimburse each Portfolio its operating expenses to the extent necessary to maintain the total expense ratio of each Portfolio during the first three years of the Fund at a maximum of 0.425%, 0.40%, and 0.45% of the Class A shares' average daily net assets, respectively. In addition, the Manager has voluntarily reimbursed the expenses of the Money Market Portfolio to a level below the agreed maximum. Absent such waivers, Management and Administration Fees for the Money Market Portfolio would have been 0.08% and 0.05%, respectively, for both Class A and Class B shares. Absent the reimbursement in the Money Market Portfolio, Other Expenses would have been 0.27% for both Class A and Class B shares. Absent such reimbursement and fee waivers, Total Fund Operating Expenses for the Money Market Portfolio for the Class A and Class B shares would have been 0.65% and 0.40%, respectively.

The figures reflected in this example should be considered as a representation of past or future expenses. Actual expenses may be greater than those shown above.

*Waiver and reimbursement apply only to Money Market Portfolio.

** At this time The Municipal Portfolio of the Fund has not yet been activated by the Manager.

SELECTED FINANCIAL INFORMATION

(for a share outstanding throughout the period)

The following financial information of the Money Market Portfolio of Institutional Daily Income Fund has been examined by McGladrey & Pullen, LLP, Independent Certified Public Accountants whose report thereon appears in the Statement of Additional Information and may be obtained by shareholders upon request. The Money Market Portfolio was the only activated portfolio of the Fund as of March 31, 1995.

April 14, 1994
(Inception date)
to
March 31, 1995

Per Share Operating Performance:

(for a share outstanding throughout the period)

Net asset value, beginning of period	\$ 1.00
Income from investment operations:	
Net investment income	0.045
Less distributions:	
Dividends from net investment income	(0.045)
Net asset value, end of period	\$ 1.00
Total Return	5.16%*
Ratios Supplemental/Data	
Net assets, end of period (000)	\$ 35.857
Ratios to average net assets:	
Expenses	.02%*†
Net investment income	5.14%*†

* Annualized.

† Net of investment management and administration fees waived equivalent to .13% of average net asset plus expenses reimbursed equivalent to .25% of average net assets.

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INTRODUCTION

Institutional Daily Income Fund (the "Fund") is a no-load, diversified, open-end management investment company offering investors three managed portfolios of money market instruments (the "Portfolios") together with a high degree of liquidity. The net asset value of each Fund share is expected to remain constant at \$1.00, although this cannot be assured.

The investment objective of the Fund is, in accordance with the investment policies of each of the Fund's Portfolios, to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity. There is no assurance that the Fund will achieve its investment objective. The investment objective of the Fund may not be changed without shareholder approval.

The U.S. Treasury Portfolio attempts to achieve its objective through investments limited to U.S. Treasury obligations and other obligations that are issued or guaranteed by the U.S. Government and that are backed by the full faith and credit of the United States with maturities of 397 days or less and repurchase agreements backed by such obligations calling for resale in 397 days or less. The Money Market Portfolio attempts to achieve its objective through investment in short-term money market obligations with maturities of 397 days or less, including bank certificates of deposit, time deposits, bankers' acceptances, high quality commercial paper, securities issued or guaranteed by the United States Government, its agencies or instrumentalities, and repurchase agreements calling for resale in 397 days or less backed by the forgoing securities. The Municipal Portfolio attempts to achieve its objective through investment in a portfolio of obligations issued by states, territories and possessions of the United States and political subdivisions, public authorities and other entities authorized to issue debt, the interest on which is exempt from regular federal income tax. Each Portfolio seeks to maintain an investment portfolio with a dollar-weighted average maturity of 90 days or less, and to value its investment portfolio at amortized cost and maintain a net asset value of \$1.00 per share. There can be no assurance that this value will be maintained.

The Fund's investment manager is Reich & Tang Asset Management L.P. (the "Manager"), which is a

registered investment adviser and which currently acts as manager or administrator to eighteen other open-end management investment companies. (See "Management of the Fund" herein.) The Fund's shares are distributed through Reich & Tang Distributors L.P. (the "Distributor"), with whom the Fund has entered into a Distribution Agreement and Shareholder Servicing Agreement (with respect to Class A shares of the Fund only) pursuant to the Fund's distribution and service plan adopted under Rule 12b-1 under the Investment Company Act of 1940, as amended (the "Act"). (See Distribution and Service Plan" herein.)

On any day on which Investors Fiduciary Trust Company, the Fund's custodian (the "Custodian") is open for trading ("Fund Business Day"), investors may, without charge by the Fund, initiate purchases and redemptions of shares of the Fund's common stock at their net asset value, which will be determined daily. (See "Purchase and Redemption of Shares" and "Net Asset Value" herein.) Dividends from accumulated net income are declared by the Fund on each Fund Business Day. The Fund pays interest dividends monthly on the last calendar day of the month or, if the last calendar day of the month is not a Fund Business Day, on the preceding Fund Business Day.

Net capital gains, if any, will be distributed at least annually, and in no event later than within 60 days after the end of the Fund's fiscal year. All dividends and distributions of capital gains are automatically invested in additional shares of the same class of the Fund unless a shareholder has elected by written notice to the Fund to receive either of such distributions in cash. (See "Dividends, Distributions and Taxes" herein.)

The Fund currently has three Portfolios but only the Money Market Portfolio and the U.S. Treasury Portfolio have been activated by the Manager. The Board of Trustees of the Fund may in the future determine to establish additional portfolios, each of which will be consistent with the investment objectives of the Fund. Set forth below are the investment policies for each of the Fund's current Portfolios. The investment policies for the Money Market Portfolio, as well as for any portfolios which the Board of Trustees may determine to establish in

the future, may be changed by the Board of Trustees of the Fund without shareholder approval. The investment policies for the U.S. Treasury Portfolio and the Municipal Portfolio may not be changed without shareholder approval.

The Fund may from time to time advertise its current yield and effective yield for each Portfolio (computed separately for each Class of shares). The Fund's current yield is calculated by dividing its average daily net income per share of each Portfolio (excluding realized gains or losses) for a recent seven-day period by its constant net asset value per share of \$1.00 and annualizing the result on a 365-day basis. The Fund's effective yield is calculated by increasing its current yield according to a formula that takes into account the compounding effect of the reinvestment of dividends. The Class A shares of each Portfolio will generally have a lower yield than the Class B shares due to the expenses attributable to the Class A Shares which are not attributable to the Class B shares, under the Fund's Distribution and Service Plan. Any fees charged by a Participating Organization directly to a customer's account will not be included in yield calculations. See "How to Purchase and Redeem Shares - Investments through Participating Organizations."

An investment in the Portfolios of the Fund entails certain risks, including risks associated with the purchase of when-issued securities, repurchase agreements and with privately placed securities. With respect to the Money Market Portfolio, certain risks are associated with the purchase of foreign issues. Risk factors for each Portfolio are further described under "Risk Factors and Additional Investment Information" herein.

INVESTMENT OBJECTIVES, POLICIES AND RISKS

U.S. Treasury Portfolio

The U.S. Treasury Portfolio is intended to attain the Fund's investment objective through investments limited to (i) U.S. Treasury obligations and other obligations that are issued or guaranteed by the Government and that are backed by the full faith and credit of the United States, provided that those obligations have a remaining maturity of 397 days or

less and (ii) repurchase agreements backed by such, calling for resale in 397 days or less.

The investment policies of the U.S. Treasury Portfolio may produce a lower yield than a policy of investing in other types of money market instruments. The yield of the U.S. Treasury Portfolio is likely to be lower than the yield of the Money Market Portfolio.

Permitted Investments:

United States Treasury Obligations: Obligations issued by the full faith and credit of the United States. U.S. Treasury obligations include bills, notes and bonds, which principally differ only in their interest rates, maturities and time of issuance.

Other United States Government Obligations: Marketable securities and instruments issued or guaranteed by the full faith and credit of the United States Government. Such obligations that are guaranteed by the full faith and credit of the United States Government include obligations of the Federal Housing Administration, the Export-Import Bank of the United States, the Small Business Administration, the Government National Mortgage Association, the General Services Administration and the Maritime Administration.

Money Market Portfolio

The Money Market Portfolio is intended to attain the Fund's investment objective through investments in the securities described below, provided they have a remaining maturity of 397 days or less or are subject to a repurchase agreement calling for resale in 397 days or less. Investments in short-term instruments may, in some circumstances, result in a lower yield than would be available from investments in instruments with a longer term.

Permitted Investments:

United States Government Securities: Short-term obligations issued or guaranteed by the United States Government, its agencies or instrumentalities. These include issues of the United States Treasury, such as bills, certificates of indebtedness, notes and bonds, and issues of agencies and instrumentalities established under the authority of an act of Congress. Some of these securities are supported by the full faith and credit of the United States Treasury, others are supported by the right of the issuer to borrow from

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are supported by the right of the issuer to borrow from the Treasury, and still others are supported only by the credit of the agency or instrumentality. Although obligations of federal agencies and instrumentalities are not debts of the United States Treasury, in some cases payment of interest and principal on such obligations is guaranteed by the United States Government, e.g., obligations of the Federal Housing Administration, the Export-Import Bank of the United States, the Small Business Administration, the Government National Mortgage Association, the General Services Administration and the Maritime Administration; in other cases payment of interest and principal is not guaranteed, e.g., obligations of the Federal Home Loan Bank System and the Federal Farm Credit Bank.

Domestic and Foreign Bank Obligations: Certificates of deposit, time deposits, commercial paper, bankers' acceptances issued by domestic banks, foreign branches of domestic banks, foreign subsidiaries of domestic banks, and domestic and foreign branches of foreign banks and corporate instruments supported by bank letters of credit. See "Risk Factors and Additional Investment Information" herein. Certificates of deposit are certificates representing the obligation of a bank to repay funds deposited with it for a specified period of time. Time deposits are non-negotiable deposits maintained in a bank for a specified period of time (in no event longer than seven days) at a stated interest rate. Time deposits and certificates of deposit which may be held by the Portfolio will not benefit from insurance from the Federal Deposit Insurance Corporation. Bankers' acceptances are credit instruments evidencing the obligation of a bank to pay a draft drawn on it by a customer. These instruments reflect the obligation both of the bank and of the drawer to pay the face amount of the instrument upon maturity. The Money Market Portfolio limits its investments in obligations of domestic banks, foreign branches of domestic banks and foreign subsidiaries of domestic banks to banks having total assets in excess of one billion dollars or the equivalent in other currencies. The Money Market Portfolio limits its investments in obligations of domestic and foreign branches of foreign banks to dollar-denominated obligations of such banks which at the time of investment have more than \$5 billion, or the equivalent in other currencies, in total assets and

which are considered by the Fund's Board of Trustees to be First Tier Eligible Securities (as defined below) at the time of acquisition. The Money Market Portfolio generally limits investments in bank instruments to (a) those which are fully insured as to principal by the FDIC or (b) those issued by banks which at the date of their latest public reporting have total assets in excess of \$1.5 billion. However, the total assets of a bank will not be the sole factor determining the Money Market Portfolio's investment decisions and the Money Market Portfolio may invest in bank instruments issued by institutions which the Board of Trustees believes present minimal credit risks.

U.S. dollar-denominated obligations issued by foreign branches of domestic banks or foreign branches of foreign banks ("Eurodollar" obligations) and domestic branches of foreign banks ("Yankee dollar" obligations). The Money Market Portfolio will limit its aggregate investments in foreign bank obligations, including Eurodollar obligations and Yankee dollar obligations, to 25% of its total assets at the time of purchase, provided that there is no limitation on the Money Market Portfolio investments in (a) Eurodollar obligations, if the domestic parent of the foreign branch issuing the obligations is unconditionally liable in the event that the foreign branch fails to pay on the Eurodollar obligation for any reason; and (b) Yankee dollar obligations, if the U.S. branch of the foreign bank is subject to the same regulation as U.S. banks. Eurodollar, Yankee dollar and other foreign bank obligations include time deposits, which are non-negotiable deposits maintained in a bank for a specified period of time at a stated interest rate. The Money Market Portfolio will limit its purchases of time deposits to those which mature in seven days or less, and will limit its purchases of time deposits maturing in two to seven days to 10% of such Fund's total assets at the time of purchase.

Eurodollar and other foreign obligations involve special investment risks, including the possibility that liquidity could be impaired because of future political and economic developments, that the obligations may be less marketable than comparable domestic obligations of domestic issuers, that a foreign jurisdiction might impose withholding taxes on interest income payable on those obligations, that deposits

may be seized or nationalized, that foreign governmental restrictions such as exchange controls may be adopted which might adversely affect the payment of principal of and interest on those obligations, that the selection of foreign obligations may be more difficult because there may be less information publicly available concerning foreign issuers, that there may be difficulties in enforcing a judgment against a foreign issuer or that the accounting, auditing and financial reporting standards, practices and requirements applicable to foreign issuers may differ from those applicable to domestic issuers. In addition, foreign banks are not subject to examination by United States Government agencies or instrumentalities.

Since the Money Market Portfolio may contain securities issued by foreign governments, or any of their political subdivisions, agencies or instrumentalities, and by foreign branches of domestic banks, foreign subsidiaries of domestic banks, domestic and foreign branches of foreign banks, and commercial paper issued by foreign issuers, the Money Market Portfolio may be subject to additional investment risks with respect to those securities that are different in some respects from those incurred by a fund which invests only in debt obligations of the United States and domestic issuers, although such obligations may be higher yielding when compared to the securities of the United States and domestic issuers. In making foreign investments, therefore, the Money Market Portfolio will give appropriate consideration to the following factors, among others.

Foreign securities markets generally are not as developed or efficient as those in the United States. Securities of some foreign issuers are less liquid and more volatile than securities of comparable United States issuers. Similarly, volume and liquidity in most foreign securities markets are less than in the United States and, at times, volatility of price can be greater than in the United States. The issuers of some of these securities, such as bank obligations, may be subject to less stringent or different regulation than are United States issuers. In addition, there may be less publicly available information about a non-United States issuer and non-United States issuers generally

are not subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to United States issuers.

Because evidences of ownership of such securities usually are held outside the United States, the Money Market Portfolio will be subject to additional risks which include possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of governmental restrictions which might adversely affect the payment of principal and interest on the foreign securities or might restrict the payment of principal and interest to the issuer, whether from currency blockage or otherwise.

Furthermore, some of these securities may be subject to stamp or other excise taxes levied by foreign governments, which have the effect of increasing the cost of such securities and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income earned or received by the Money Market Portfolio from sources within foreign countries may be reduced by withholding and other taxes imposed by such countries. Tax conventions between certain countries and the United States, however, may reduce or eliminate such taxes. The Manager will attempt to minimize such taxes by timing of transactions and other strategies, but there can be no assurance that such efforts will be successful. All such taxes paid by the Money Market Portfolio will reduce its net income available for distribution to shareholders. The Manager will consider available yields, net of any required taxes, in selecting foreign securities.

Variable Amount Master Demand Notes: unsecured demand notes that permit investment of fluctuating amounts of money at variable rates of interest pursuant to arrangements with issuers who meet the foregoing quality criteria. The interest rate on a variable amount master demand note is periodically redetermined according to a prescribed formula. Although there is no secondary market in master demand notes, the payee may demand payment of the principal and interest upon notice not exceeding five business or seven calendar days.

Commercial Paper and Certain Debt Obligations: commercial paper or short-term debt obligations that have been determined by the Fund's Board of Trustees to present minimal credit risks and that are First Tier Eligible Securities (as defined below) at the time of acquisition, so that the Money Market Portfolio is able to employ the amortized cost method of valuation. Commercial paper generally consists of short-term unsecured promissory notes issued by corporations, banks or other borrowers.

The Money Market Portfolio may only purchase securities that have been determined by the Fund's Board of Trustees to present minimal credit risks and that are First Tier Eligible Securities at the time of acquisition. The term First Tier Eligible Securities means (i) securities that have remaining maturities of 397 days or less and are rated in the highest short-term rating category by any two nationally recognized statistical rating organizations ("NRSROs") or in such category by the only NRSRO that has rated the securities (collectively, the "Requisite NRSROs") (acquisition in the latter situation must also be ratified by the Board of Trustees); (ii) securities that have remaining maturities of 397 days or less but that at the time of issuance were long-term securities and whose issuer has received from the Requisite NRSROs a rating with respect to comparable short-term debt in the highest short-term rating category; and (iii) unrated securities determined by the Fund's Board of Trustees to be of comparable quality. Where the issuer of a long-term security with a remaining maturity which would otherwise qualify it as a First Tier Eligible Security does not have rated short-term debt outstanding, the long-term security is treated as unrated but may not be purchased if it has a long-term rating from any NRSRO that is below the two highest long-term categories. A determination of comparability by the Board of Trustees is made on the basis of its credit evaluation of the issuer, which may include an evaluation of a letter of credit, guarantee, insurance or other credit facility issued in support of the securities or participation certificates. While there are several organizations that currently qualify as NRSROs, two examples of NRSROs are Standard & Poor's Corporation ("S&P") and Moody's Investors Service, Inc. ("Moody's"). The two highest ratings by Moody's for debt securities are "Aaa" and

"Aa" and by S&P are "AAA" and "AA". The highest rating for domestic and foreign commercial paper is "Prime-1" by Moody's or "A-1" by S&P and "SP-1/AA" by S&P or "VMIG-1" and "VMIG-2" by Moody's in the case of variable and floating rate demand notes. (See "Description of Ratings" in the Statement of Additional Information.)

Subsequent to its purchase by the Portfolio, the quality of an investment may cease to be rated or its rating may be reduced so that it ceases to be a First Tier Eligible Security. If this occurs, the Board of Trustees of the Fund shall reassess promptly whether the security presents minimal credit risks and shall cause the Portfolio to take such action as the Board of Trustees determines is in the best interest of the Portfolio and its shareholders. However, reassessment is not required if the security is disposed of or matures within five business days of the Manager becoming aware of the new rating and provided further that the Board of Trustees is subsequently notified of the Manager's actions.

In addition, in the event that a security (1) is in default, (2) ceases to be an eligible investment under Rule 2a-7 or (3) is determined to no longer present minimal credit risks, the Portfolio will dispose of the security absent a determination by the Fund's Board of Trustees that disposal of the security would not be in the best interest of the Portfolio. In the event that the security is disposed of, it shall be disposed of as soon as practicable, consistent with achieving an orderly disposition by sale, exercise of any demand feature, or otherwise. In the event of a default with respect to a security which immediately before default accounted for 1/2 of 1% or more of the Portfolio's total assets, the Fund shall promptly notify the Securities and Exchange Commission of such fact and of the actions that the Fund intends to take in response to the situation.

The Fund may enter into, for inclusion in the Money Market Portfolio, repurchase agreements providing for resale in 397 days or less covering any of the foregoing securities which may have maturities in excess of 397 days, provided that the instruments serving as collateral for the agreements are eligible for inclusion in the Money Market Portfolio.

Municipal Portfolio

The Municipal Portfolio seeks to provide as high a level of current income that is exempt from federal income taxes as is consistent with the preservation of capital and maintenance of liquidity by investing at least 80% of its assets in a diversified portfolio of high quality, short-term municipal obligations the interest income from which is exempt from regular federal income taxes ("Municipal Securities"). Although the Supreme Court has determined that Congress has the authority to subject the interest on bonds such as the Municipal Securities to regular federal income taxation, existing law excludes such interest from regular federal income tax. However, "exempt-interest dividends" may be subject to the federal alternative minimum tax. Securities, the interest income on which may be subject to the federal alternative minimum tax (including participation certificates in such securities), may be purchased by the Fund without limit. Securities, the interest income on which is subject to regular federal, state and local income tax, will not exceed 20% of the value of the Fund's total assets. (See "Dividends, Distributions and Taxes" herein.)

Permitted Investments:

Municipal Securities: which include debt obligations issued to obtain funds for various public purposes, including the construction of a wide range of public facilities, the refunding of outstanding obligations, the obtaining of funds for general operating expenses and lending such funds to other public institutions and facilities. In addition, certain types of private activity bonds or industrial development bonds are issued by or on behalf of public authorities to obtain funds to provide for the construction, equipment, repair or improvement of privately operated facilities. Such obligations are considered to be Municipal Securities provided that the interest paid thereon generally qualifies as exempt from federal income tax in the opinion of bond counsel. However, interest on certain Municipal Securities may give rise to federal alternative minimum tax liability and may have other collateral federal income tax consequences.

The Portfolio may only purchase Municipal Securities that have been determined by the Fund's Board of Trustees to present minimal credit risks and that are

First Tier Eligible Securities at the time of acquisition. The term First Tier Eligible Securities means: (i) Municipal Securities with remaining maturities of 397 days or less and rated in the two highest short-term rating categories by any two NRSROs or in such categories by the only NRSRO that has rated the Municipal Securities (collectively, the "Requisite NRSROs") (acquisition in the latter situation must also be ratified by the Board of Trustees); (ii) Municipal Securities with remaining maturities of 397 days or less but that at the time of issuance were long-term securities (i.e., with maturities greater than 366 days) and whose issuer has received from the Requisite NRSROs a rating with respect to comparable short-term debt in the highest rating category and (iii) unrated Municipal Securities determined by the Fund's Board of Trustees to be of comparable quality. Where the issuer of a long-term security with a remaining maturity which would otherwise qualify it as a First Tier Eligible Security does not have rated short-term debt outstanding, the long-term security is treated as unrated but may not be purchased if it has a long-term rating from an NRSRO that is below the two highest long-term rating categories. A determination of comparability by the Board of Trustees is made on the basis of its credit evaluation of the issuer, which may include an evaluation of a letter of credit, guarantee, insurance or other credit facility issued in support of the Municipal Securities. The two highest ratings by Moody's for debt securities are "Aaa" and "Aa" and by S&P are "AAA" and "AA". The highest rating for domestic and foreign commercial paper is "Prime-1" by Moody's and "A-1" by S&P and "SP-1/AA" by S&P or "VMIG-1" and "VMIG-2" by Moody's in the case of variable and floating rate demand notes. (See "Description of Ratings" in the Statement of Additional Information.)

Subsequent to its purchase by the Portfolio, the quality of an investment may cease to be rated or its rating may be reduced below the minimum required for purchase by the Portfolio. If this occurs, the Board of Trustees of the Fund shall reassess promptly whether the security presents minimal credit risks and shall cause the Portfolio to take such action as the Board of Trustees determines is in the best interest of the Portfolio and its shareholders. However, reassessment is not required if the security

disposed of or matures within five business days of the Manager becoming aware of the new rating and provided further that the Board of Trustees is subsequently notified of the Manager's actions.

In addition, in the event that a security (1) is in default, (2) ceases to be an eligible investment under Rule 2a-7 or (3) is determined to no longer present minimal credit risks, the Portfolio will dispose of the security absent a determination by the Fund's Board of Trustees that disposal of the security would not be in the best interest of the Portfolio. In the event that the security is disposed of, it shall be disposed of as soon as practicable, consistent with achieving an orderly disposition by sale, exercise of any demand feature, or otherwise. In the event of a default with respect to a security which immediately before default accounted for 1/2 of 1% or more of the Portfolio's total assets, the Fund shall promptly notify the Securities and Exchange Commission of such fact and of the actions that the Fund intends to take in response to the situation.

All investments by the Fund will mature or will be deemed to mature in 397 days or less from the date of acquisition.

The Municipal Portfolio also may purchase any Municipal Securities which depends on the credit of the United States Government and may invest in Municipal Securities which are not rated if, in the opinion of the Board of Trustees, such securities possess creditworthiness comparable to those rated obligations in which the Municipal Portfolio may invest. The Municipal Portfolio may, from time to time, on a temporary or defensive basis, invest in short-term, high quality United States Government Obligations, money market obligations and repurchase agreements. Income from any such temporary investments would be taxable to shareholders as ordinary income. It is the present policy of the Municipal Portfolio to invest only in securities the interest on which is tax-exempt. This Portfolio will endeavor to be invested at all times in Municipal Securities. It is a fundamental policy of the Municipal Portfolio that its assets will be invested so that at least 80% of its income will be exempt from regular federal income taxes. The Municipal Portfolio may from time to time hold cash reserves.

RISK FACTORS AND ADDITIONAL INVESTMENT INFORMATION

When-Issued and Delayed Delivery Securities

Each of the Portfolios may purchase securities on a when-issued or delayed delivery basis. Delayed delivery agreements are commitments by any of the Portfolios to dealers or issuers to acquire securities beyond the customary same-day settlement for money market instruments. These commitments fix the payment price and interest rate to be received on the investment. Delayed delivery agreements will not be used as a speculative or leverage technique. Rather, from time to time, the Portfolio's investment advisor can anticipate that cash for investment purposes will result from scheduled maturities of existing portfolio instruments or from net sales of shares of a Portfolio; therefore, to assure that a Portfolio will be as fully invested as possible in instruments meeting that Portfolio's investment objective, a Portfolio may enter into delayed delivery agreements, but only to the extent of anticipated funds available for investment during a period of not more than five business days.

Money Market Obligations and Municipal Securities are sometimes offered on a "when-issued" basis, that is, the date for delivery of and payment for the securities is not fixed at the date of purchase, but is set after the securities are issued (normally within forty-five days after the date of the transaction). The payment obligation and the interest rate that will be received on the securities are fixed at the time the buyer enters into the commitment. A Portfolio will only make commitments to purchase such Money Market Instruments or Municipal Securities with the intention of actually acquiring such securities, but a Portfolio may sell these securities before the settlement date if it is deemed advisable.

If a Portfolio enters into a delayed delivery agreement or purchases a when-issued security, that Portfolio will direct the custodian to place cash or other high grade securities (including Money Market Obligations and Municipal Securities) in a separate account of such Fund in an amount equal to its delayed delivery agreements or when-issued commitments. If the market value of such securities declines, additional

cash or securities will be placed in the account on a daily basis so that the market value of the account will equal the amount of such Portfolio's delayed delivery agreements and when-issued commitments. To the extent that funds are in a separate account, they will not be available for new investment or to meet redemptions. Investment in securities on a when-issued basis and use of delayed agreements may increase a Portfolio's exposure to market fluctuation; may increase the possibility that the Municipal Portfolio will incur a short-term gain subject to federal taxation; or may increase the possibility that a Portfolio will incur a short-term loss, if the Portfolio must engage in portfolio transactions in order to honor a when-issued commitment or accept delivery of a security under a delayed delivery agreement. The Portfolios will employ techniques designed to minimize these risks.

No additional delayed delivery agreements or when-issued commitments will be made if more than 25% of a Fund's net assets would become so committed. The Portfolios will enter into when-issued and delayed delivery transactions only when the time period between trade date and settlement date is at least 30 days and not more than 120 days.

Repurchase Agreements

When a Portfolio purchases securities, it may enter into a repurchase agreement with the seller wherein the seller agrees, at the time of sale, to repurchase the security at a mutually agreed upon time and price, thereby determining the yield during the purchaser's holding period. This arrangement results in a fixed rate of return insulated from market fluctuations during such period. The United States Government Portfolio may only enter into repurchase agreements which are collateralized by obligations issued or guaranteed by the United States Government. The Money Market Portfolio and the Municipal Portfolio may enter into repurchase agreements with member banks of the Federal Reserve System and with broker-dealers who are recognized as primary dealers in United States government securities by the Federal Reserve Bank of New York whose creditworthiness has been reviewed and found to meet the investment criteria of the Portfolio. Although the securities subject to the repurchase agreement

might bear maturities exceeding 397 days, settlement for the repurchase would never be more than one year after the Portfolio's acquisition of the securities and normally would be within a shorter period of time. The resale price will be in excess of the purchase price, reflecting an agreed upon market rate effective for the period of time the Portfolio's money will be invested in the security, and will not be related to the coupon rate of the purchased security. At the time a Portfolio enters into a repurchase agreement the value of the underlying security, including accrued interest, will be equal to or exceed the value of the repurchase agreement and, in the case of a repurchase agreement exceeding one day, the seller will agree that the value of the underlying security including accrued interest, will at all times be equal to or exceed the value of the repurchase agreement. Each Portfolio may engage in a repurchase agreement with respect to any security in which the Portfolio is authorized to invest, even though the underlying security may mature in more than one year. The collateral securing the seller's obligation must be of a credit quality at least equal to the Portfolio's investment criteria for Portfolio securities and will be held by the Portfolio's custodian or in the Federal Reserve Book Entry System. Nevertheless, if the seller of a repurchase agreement fails to repurchase the obligation in accordance with the terms of the agreement, the Portfolio which entered into the repurchase agreement may incur a loss to the extent that the proceeds it realized on the sale of the underlying obligation are less than the repurchase price. Repurchase agreements may be considered loans to the seller of the underlying security. Income with respect to repurchase agreements is not tax-exempt. If bankruptcy proceedings are commenced with respect to the seller, the Portfolio's realization upon the collateral may be delayed or limited. Each Portfolio may invest no more than 10% of its net assets in illiquid securities including repurchase agreements maturing in more than seven days. See "Investment Restrictions" herein. A Portfolio may, however, enter into "continuing contract" or "open repurchase agreements under which the seller is under a continuing obligation to repurchase the underlying obligation from the Portfolio on demand and the effective interest rate is negotiated on a daily basis.

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Securities purchased pursuant to a repurchase agreement are held by the Fund's custodian and (i) are recorded in the name of the Portfolio with the Federal Reserve Book Entry System or (ii) the Portfolio receives daily written confirmation of each purchase of a security and a receipt from the custodian. The Portfolios purchase securities subject to a repurchase agreement only when the purchase price of the security acquired is equal to or less than its market price at the time of purchase.

Puts for the Municipal Portfolio

The Municipal Portfolio may purchase municipal bonds or notes with the right to resell them at an agreed price or yield within a specified period prior to maturity to facilitate portfolio liquidity. This right to resell is known as a "put." The Municipal Portfolio may also acquire a "Stand-by Commitment" when it purchases municipal bonds or notes, which is essentially equivalent to a "put" option. A Stand-by Commitment is a right of the Municipal Portfolio, when it purchases Municipal Securities for its portfolio from a broker, dealer or other financial institution, to sell the same principal amount of such securities back to the seller, at the Municipal Portfolio's option, at a specified price. The aggregate price paid for securities with puts may be higher than the price which otherwise would be paid. Consistent with the investment objectives of this Portfolio and subject to the supervision of the Trustees, the purpose of this practice is to permit the Portfolio to be fully invested in tax exempt securities while maintaining the necessary liquidity to purchase securities on a when-issued basis, to meet unusually large redemptions, to purchase at a later date securities other than those subject to the put. The acquisition or exercisibility of a Stand-by Commitment by the Municipal Portfolio will not affect the valuation of the average weighted maturity of its underlying portfolio securities. The principal risk of puts is that the put writer may default on its obligation to repurchase. The Manager will monitor each writer's ability to meet its obligations under puts. See "Investment Restrictions" and "Tax Status" in the Statement of Additional Information.

The amortized cost method is used by the Money Market Portfolio and the Municipal Portfolio to value any municipal securities; no value is assigned to any

puts on such municipal securities. The cost of any such put is carried as an unrealized loss from the time of purchase until it is exercised or expires.

Privately Placed Securities

The Money Market Portfolio and the Municipal Portfolio may invest in securities issued as part of privately negotiated transactions between an issuer and one or more purchasers. Except with respect to certain commercial paper issued in reliance on the exemption from regulations in Section 4(2) of the Securities Act of 1933 (the "Securities Act") and securities subject to Rule 144A of the Securities Act which are discussed below, these securities are typically not readily marketable and are therefore considered illiquid securities. The price these Portfolios pay for illiquid securities, and any price received upon resale, may be lower than the price paid or received for similar securities with a more liquid market. Accordingly, the valuation of privately placed securities purchased by a Portfolio will reflect any limitations on their liquidity. As a matter of policy, a Portfolio will not invest more than 10% of the market value of the net assets of the Portfolio in repurchase agreements maturing in over seven days and other illiquid investments.

These Portfolios may purchase securities that are not registered ("restricted securities") under the Securities Act, but can be offered and sold to "qualified institutional buyers" under Rule 144A of the Securities Act. These Portfolios may also purchase certain commercial paper issued in reliance on the exemption from regulations in Section 4(2) of the Securities Act ("4(2) Paper"). However, a Portfolio will not invest more than 10% of its net assets in illiquid investments, which include securities for which there is no readily available market, securities subject to contractual restriction on resale, certain investments in asset-backed and receivable-backed securities and restricted securities (unless, with respect to these securities and 4(2) Paper, the Fund's Trustees continuously determine, based on the trading markets for the specific restricted security, that it is liquid). The Trustees may adopt guidelines and delegate to the Manager the daily function of determining and monitoring liquidity of restricted securities and 4(2) Paper. The Trustees, however,

will retain sufficient oversight and be ultimately responsible for these determinations.

Since it is not possible to predict with assurance exactly how this market for restricted securities sold and offered under Rule 144A will develop, the Trustees will carefully monitor the Portfolios' investments in these securities, focusing on such factors, among others, as valuation, liquidity and availability of information. This investment practice could have the effect of increasing the level of illiquidity in a Portfolio to the extent that qualified institutional buyers become for a time uninterested in purchasing these restricted securities.

INVESTMENT RESTRICTIONS

The Fund operates under the following investment restrictions which, together with the investment objective of the Fund, may not be changed without shareholder approval and which apply to each of the Portfolios.

The Fund may not:

- a) invest more than 5% of the total market value of any Portfolio's assets (determined at the time of the proposed investment and giving effect thereto) in the securities of any one issuer other than the United States Government, its agencies or instrumentalities;
- b) with respect to the U.S. Treasury Portfolio and the Money Market Portfolio, invest more than 25% of the value of the Portfolio's total assets in securities of companies in the same industry (excluding United States government securities and, as to the Money Market Portfolio only, certificates of deposit and bankers' acceptances of domestic banks) and, with respect to the Municipal Portfolio, purchase (i) pollution control and industrial revenue bonds or (ii) securities which are not Municipal Obligations if in either case the purchase would cause more than 25% of the value of the Portfolio's total assets to be invested in companies in the same industry (for the purpose of this restriction wholly-owned finance companies are considered to be in the industry of their parents if their activities are similarly related to financing the activities of their parents);
- c) acquire securities that are not readily marketable or repurchase agreements calling for resale within more than seven days if, as a result thereof, more than 10% of the value of its net assets would be invested in such illiquid securities;
- d) invest more than 5% of a Portfolio's assets in securities that are subject to underlying puts from the same institution, and no single bank shall issue its letter of credit and no single financial institution shall issue a credit enhancement covering more than 5% of the total assets of the Fund. However, if the puts are exercisable by the Portfolio in the event of default on payment of principal and interest on the underlying security, then the Portfolio may invest up to 10% of its assets in securities underlying puts issued or guaranteed by the same institution; additionally, a single bank can issue its letter of credit or a single financial institution can issue a credit enhancement covering up to 10% of the Portfolio's assets, where the puts offer the Portfolio such default protection;
- e) make loans, except that the Fund may purchase for a Portfolio the debt securities described above under "Investment Objectives, Policies and Risks" and may enter into repurchase agreements as therein described;
- f) borrow money, unless (i) the borrowing does not exceed 10% of the total market value of the assets of the Portfolio with respect to which the borrowing is made (determined at the time of borrowing but without giving effect thereto) and the money is borrowed from one or more banks as a temporary measure for extraordinary or emergency purposes or to meet unexpectedly heavy redemption requests and furthermore each Portfolio will not make additional investments when borrowings exceed 5% of the Portfolio's net assets or (ii) with respect to the U.S. Treasury Portfolio, otherwise provided herein and permissible under the Act; and
- g) pledge, mortgage, assign or encumber any of a Portfolio's assets except to the extent necessary to secure a borrowing permitted by clause (d) made with respect to a Portfolio.

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MANAGEMENT OF THE FUND

Management and Investment Management Contract

The Fund's Board of Trustees, which is responsible for the overall management and supervision of the Fund, has employed Reich & Tang Asset Management L.P. (the "Manager") to serve as the investment manager of the Fund under an Investment Management Contract. The Manager provides persons satisfactory to the Fund's Board of Trustees to serve as officers of the Fund. Such officers, as well as certain other employees and Trustees of the Fund, may be officers of Reich & Tang Asset Management, Inc., the sole general partner of the Manager or employees of the Manager or its affiliates. Due to the services performed by the Manager, the Fund currently has no employees and its officers are not required to devote full-time to the affairs of the Fund. The Statement of Additional Information contains general background information regarding each Trustee and principal officer of the Fund.

The Manager is a Delaware limited partnership and a registered investment adviser with its principal office at 600 Fifth Avenue, New York, New York 10020 (hereinafter called the "Manager"), under an Investment Management Contract.

The Manager was at June 30, 1995 investment manager, adviser or supervisor with respect to assets aggregating in excess of \$7.5 billion. The Manager acts as manager or administrator of eighteen other registered investment companies and also advises pension trusts, profit-sharing trusts and endowments.

Effective October 1, 1994 the Board of Trustees of the Fund approved the re-execution of the Investment Management Contract with the Manager. The Manager's predecessor, New England Investment Companies, L.P. ("NEICLP") is the limited partner and owner of a 99.5% interest in the newly created limited partnership, Reich & Tang Asset Management L.P., the Manager. Reich & Tang Asset Management, Inc. (a wholly-owned subsidiary of NEICLP) is the general partner and owner of the remaining .5% interest of the Manager. Reich & Tang Asset Management L.P. has succeeded NEICLP as the Manager of the Fund.

The re-execution of the Investment Management Contract does not result in "assignment" of the Investment Management Contract with NEICLP under the Act, since there is no change in actual control or management of the Manager caused by the re-execution.

New England Investment Companies, Inc. ("NEIC"), a Massachusetts corporation, serves as the sole general partner of NEICLP. The New England Mutual Life Insurance Company ("The New England") owns approximately 67.3% of the total partnership units outstanding of NEICLP, and Reich & Tang, Inc., owns approximately 22.6% of the outstanding partnership units of NEICLP. In addition, NEIC is a wholly-owned subsidiary of The New England, which may be deemed a "controlling person" of the Manager.

NEIC is a holding company offering a broad array of investment styles across a wide range of asset categories through eight investment advisory/management affiliates and three distribution subsidiaries which include, in addition to the Manager, Loomis, Sayies & Company, L.P., Copley Real Estate Advisors, Inc., Back Bay Advisors, L.P., Marlborough Capital Advisors, L.P., Westpeak investment Advisors, L.P., Draycott Partners, Ltd., TNE Investment Services, L.P., New England Investment Associates, Inc., Reich & Tang Distributors L.P., and an affiliate, Capital Growth Management Limited Partnership. These affiliates in the aggregate are investment advisors or managers to 57 other registered investment companies.

The re-executed Investment Management Contract contains the same terms and conditions governing the Manager's investment management responsibilities as the Fund's previous Investment Management Contract except for the date of execution and the identity of the Manager.

Pursuant to the Investment Management Contract for each Portfolio, the Manager manages each Portfolio's portfolio of securities and makes the decisions with respect to the purchase and sale of investments, subject to the general control of the Board of Trustees of the Fund. Under the Investment Management Contract each of the Portfolios will pay an annual

management fee of .08% of such Portfolio's average daily net assets. The management fees are accrued daily and paid monthly. The Manager, at its discretion may voluntarily waive all or a portion of the Management Fee.

Pursuant to an Administrative Services Agreement for each Portfolio, the Manager performs clerical, accounting supervision and office service functions for the Fund and provides the Fund with personnel to (i) supervise the performance of bookkeeping and related services by Investors Fiduciary Trust Company, the Fund's bookkeeping agent; (ii) prepare reports to and filings with regulatory authorities; and (iii) perform such other administrative services as the Fund may from time to time request of the Manager. The personnel rendering such services may be employees of the Manager or its affiliates. The Fund also reimburses the Manager for all of the Fund's operating costs including rent, depreciation of equipment and facilities, interest and amortization of loans financing equipment used by the Fund and all the expenses incurred to conduct the Fund's affairs. The amounts of such reimbursements must be agreed upon between the Fund and the Manager. The Manager, at its discretion, may voluntarily waive all or a portion of the administrative services fee and the operating expense reimbursement. For its services under the Administrative Services Agreement, the Manager receives an annual fee of .05% of each Portfolio's average daily net assets. Any portion of the total fees received by the Manager and its past profits may be used to provide shareholder services and for distribution of Fund shares. (See "Distribution and Service Plan" herein.) The fees are accrued daily and paid monthly.

In addition, Reich & Tang Distributors L.P., the Distributor, receives a servicing fee equal to .25 of 1% per annum of the average daily net assets of the Class A shares (the "Shareholder Servicing Fee") of the Fund under the Shareholder Servicing Agreement. The fees are accrued daily and paid monthly. Investment management fees and operating expenses, which are attributable to both Classes of shares of the Fund, will be allocated daily to each Class of shares based on the percentage of shares outstanding for each Class at the end of the day.

Fees

With respect to each Portfolio, the Manager has voluntarily agreed to waive its management and administrative services fees in whole or in part and reimburse each Portfolio its operating expenses to the extent that: (i) such Portfolio's Class A shares total operating expenses exceed .40%, .425% and .45% of the Class A shares average daily net assets during the first, second and third fiscal years of the Fund, respectively; and (ii) such Portfolio's Class B shares total operating expenses exceed .15%, 175% and .20% of the Class B shares average daily net assets during the first, second and third fiscal years of the Fund, respectively. The Manager therefore receives only that portion of its management and administrative services fees which, when added to all operating expenses does not result in total operating expenses for each Class of shares of each Portfolio exceeding the amounts set forth in the preceding sentence during the first three fiscal years of the Fund. The Manager will not subsequently recoup any portion of the fees so waived or expenses reimbursed. See "Expense Limitation" in the Statement of Additional Information.

DESCRIPTION OF SHARES

The Fund was established as a Massachusetts Business Trust under the laws of Massachusetts by an Agreement and Declaration of Trust dated January 20, 1994. The Fund has an unlimited authorized number of shares of beneficial interest. These shares are entitled to one vote per share with proportional voting for fractional shares. There are no conversion or preemptive rights in connection with any shares of the Fund. All shares when issued in accordance with the terms of the offering will be fully paid and non-assessable. Shares of the Fund are redeemable at net asset value, at the option of the shareholders.

Each Portfolio of the Fund is subdivided into two classes of shares of beneficial interest, Class A and Class B. Each share, regardless of Class, will represent an interest in the same portfolio of investments and will have identical voting, dividend, liquidation and other rights, preferences, powers, restrictions, limitations, qualifications, designations and terms and conditions, except that: (i) the Class A and Class B shares will have different class

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designations; (ii) only the Class A shares will be assessed a Shareholder Servicing Fee of .25% of the average daily net assets of the Class A shares of the Fund pursuant to the Rule 12b-1 Distribution and Service Plan of the Fund; (iii) only the holders of the Class A shares will be entitled to vote on matters pertaining to the Plan and any related agreements in accordance with provisions of Rule 12b-1; and (iv) the exchange privilege will permit shareholders to exchange their shares only for shares of the same class of any other Portfolio of the Fund. Payments that are made under the Plans will be calculated and charged daily to the appropriate Class prior to determining daily net asset value per share and dividends/distributions.

Generally, all shares will be voted in the aggregate, except if voting by Class is required by law or the matter involved affects only one Class, in which case shares will be voted separately by Class. The shares of the Fund have non-cumulative voting rights, which means that the holders of more than 50% of the shares outstanding voting for the election of trustees can elect 100% of the trustees if the holders choose to do so, and, in that event, the holders of the remaining shares will not be able to elect any person or persons to the Board of Trustees. The Fund's By-laws provide the holders of a majority of the outstanding shares of the Fund present at a meeting in person or by proxy will constitute a quorum for the transaction of business at all meetings.

HOW TO PURCHASE AND REDEEM SHARES

Investors who have accounts with Participating Organizations may invest in the Fund through their Participating Organizations in accordance with the procedures established by the Participating Organizations. Certain Participating Organizations are compensated by the Distributor from its Shareholder Servicing Fee and by the Manager from its management fee for the performance of these services. An investor who purchases shares through a Participating Organization that receives payment from the Manager or the Distributor will become a Class A shareholder. (See "Investments Through Participating Organizations" herein.) All other investors, and investors who have accounts with Participating Organizations but who do not wish to invest in the Fund through their Participating

Organizations, may invest in the Fund directly as Class B shareholders of the Fund and not receive the benefit of the servicing functions performed by a Participating Organization. Class B shares may also be offered to investors who purchase their shares through Participating Organizations who do not receive compensation from the Distributor or the Manager because they may not be legally permitted to receive such as fiduciaries. The Manager pays the expenses incurred in the distribution of Class B shares. Participating Organizations whose clients become Class B shareholders will not receive compensation from the Manager or Distributor for the servicing they may provide to their clients. (See "Direct Purchase and Redemption Procedures" herein.) With respect to both Classes of shares, the minimum initial investment in the Fund with respect to each Portfolio is \$1,000,000. The minimum amount for subsequent investments is \$10,000 for all shareholders.

The Fund sells and redeems its shares on a continuing basis at their net asset value and does not impose a sales charge for either sales or redemptions. All transactions in Fund shares are effected through the Fund's transfer agent which accepts orders for purchases and redemptions from the Distributor and from shareholders directly.

In order to maximize earnings on its Portfolios, the Fund normally has its assets as fully invested as is practicable. Many securities in which the Fund invests require immediate settlement in funds of Federal Reserve member banks on deposit at a Federal Reserve bank (commonly known as "Federal Funds").

Shares will be issued as of the first determination of the Fund's net asset value per share made after acceptance of the investor's purchase order. An investor's funds will not be invested by the Fund during the period before the Fund's receipt of Federal Funds and its issuance of Fund shares. The Fund reserves the right to reject any purchase order to its shares.

Shares are issued as of 2:30 p.m., New York City time, on any Fund Business Day, as defined herein, on which an order for the shares and accompanying Federal Funds are received by the Fund's transfer

agent before 2:30 p.m., New York City time. Orders accompanied by Federal Funds and received after 2:30 p.m., New York City time on a Fund Business Day will not result in share issuance until the following Fund Business Day. Fund shares begin accruing income on the day the shares are issued to an investor.

There is no redemption charge, no minimum period of investment and no restriction on frequency of withdrawals. Proceeds of redemptions are paid by check or bank wire. If a shareholder elects to redeem all the shares of the Fund he owns, all dividends credited to the shareholder up to the date of redemption are paid to the shareholder in addition to the proceeds of the redemption.

The date of payment upon redemption may not be postponed for more than seven days after shares are tendered for redemption, and the right of redemption may not be suspended, except for any period during which the New York Stock Exchange, Inc. is closed (other than customary weekend and holiday closings) or during which the Securities and Exchange Commission determines that trading thereon is restricted, or for any period during which an emergency (as determined by the Securities and Exchange Commission) exists as a result of which disposal by the Fund of its securities is not reasonably practicable or as a result of which it is not reasonably practicable for the Fund fairly to determine the value of its net assets, or for such other period as the Securities and Exchange Commission may by order permit for the protection of the shareholders of the Fund.

Redemption requests received by the Fund's transfer agent before 2:30 p.m., New York City time, on any day on which the New York Stock Exchange, Inc. is open for trading become effective at 2:30 p.m. that day. A redemption request received after 2:30 p.m. on any day on which the New York Stock Exchange, Inc. is open for trading becomes effective on the next Fund Business Day. Shares redeemed are not entitled to participate in dividends declared on the day or after the day a redemption becomes effective.

The Fund has reserved the right to redeem the shares of any shareholder if the net asset value of all the remaining shares in his account after a withdrawal

is less than \$250,000. Written notice of any such mandatory redemption will be given at least 30 days in advance to any shareholder whose account is to be redeemed or the Fund may impose a monthly service charge of \$10 on such accounts. During the notice period any shareholder who receives such a notice may (without regard to the normal \$10,000 requirement for an additional investment) make a purchase of additional shares to increase his total net asset value at least to the minimum amount and thereby avoid such mandatory redemption.

The Fund has reserved the right to charge individual shareholder accounts for expenses actually incurred by such account for postage, wire transfers and certain other shareholder expenses, as well as to impose a monthly service charge for accounts whose net asset value falls below the minimum amount.

Investments Through Participating Organizations

Participant Investors may, if they wish, invest in the Fund through the Participating Organizations with which they have accounts. "Participating Organizations" are securities brokers, banks and financial institutions or other industry professionals or organizations which have entered into shareholder servicing agreements with the Distributor with respect to investment of their customer accounts in the Fund. When instructed by its customer to purchase or redeem Fund shares, the Participating Organization, on behalf of the customer, transmits to the Fund's transfer agent a purchase or redemption order, and in the case of a purchase order, payment for the shares being purchased.

Participating Organizations may confirm to their customers who are shareholders in the Fund each purchase and redemption of Fund shares for the customers' accounts. Also, Participating Organizations may send their customers periodic account statements showing the total number of Fund shares owned by each customer as of the statement closing date, purchases and redemptions of Fund shares by each customer during the period covered by the statement and the income earned by Fund shares of each customer during the statement period (including dividends paid in cash or reinvested in additional Fund shares). Participant investors whose

Participating Organizations have not undertaken to provide such statements will receive them from the Fund directly.

Participating Organizations may charge Participant Investors a fee in connection with their use of specialized purchase and redemption procedures offered to Participant Investors by the Participating Organizations. In addition, Participating Organizations offering purchase and redemption procedures similar to those offered to shareholders who invest in the Fund directly may impose charges, limitations, minimums and restrictions in addition to or different from those applicable to shareholders who invest in the Fund directly. Accordingly, the net yield to investors who invest through Participating Organizations may be less than by investing in the Fund directly. A Participant Investor should read this Prospectus in conjunction with the materials provided by the Participating Organization describing the procedures under which Fund shares may be purchased and redeemed through the Participating Organization.

In the case of qualified Participating Organizations, orders received by the Fund's transfer agent before 2:30 p.m., New York City time, on a Fund Business Day, without accompanying Federal Funds will result in the issuance of shares on that day provided that the Federal Funds required in connection with the orders are received by the Fund's transfer agent before 2:30 p.m., New York City time, on that day. Orders for which Federal Funds are received after 2:30 p.m., New York City time, will not result in share issuance until the following Fund Business Day. Participating Organizations are responsible for instituting procedures to insure that purchase orders by their respective clients are processed expeditiously.

DIRECT PURCHASE AND REDEMPTION PROCEDURES

The following purchase and redemption procedures apply to investors who wish to invest in the Fund directly. These investors may obtain the subscription order form necessary to open an account by telephoning the Fund at either 212-830-5220 (within New York State) or at 800-241-3263 (toll free outside New York State).

All shareholders will receive from the Fund a monthly statement listing the total number of shares of each Portfolio owned as of the statement closing date, purchases and redemptions of shares of each Portfolio during the month covered by the statement and the dividends paid on shares of each Portfolio of each shareholder during the statement period (including dividends paid in cash or reinvested in additional shares of each Portfolio).

Initial Purchase of Shares

Mail

Investors may send a check made payable to the Fund along with a completed subscription order form to:

Institutional Daily Income Fund
c/o Reich & Tang Mutual Funds
600 Fifth Avenue
New York, New York 10020

Checks are accepted subject to collection at full value in United States currency. Payment by a check drawn on any member bank of the Federal Reserve System can normally be converted into Federal Funds within two business days after receipt of the check. Checks drawn on a non-member bank may take substantially longer to convert into Federal Funds and to be invested in Fund shares. An investor's subscription will not be accepted until the Fund receives Federal Funds.

Bank Wire

To purchase shares of the Fund using the wire system for transmittal of money among banks, an investor should first obtain a new account number by telephoning the Fund at either 212-830-5220 (within New York State) or at 1-800-241-3263 (outside New York State) and then instruct a member commercial bank to wire money immediately to:

For U.S. Treasury Portfolio

Investors Fiduciary Trust Company
ABA #101003621
Reich & Tang Mutual Funds
DDA #890752-951-1
For Institutional Daily Income Fund
U.S. Treasury Portfolio

Account of (Investor's Name)

Fund Account # _____

SS #/Tax I.D.# _____

For Money Market Portfolio

Investors Fiduciary Trust Company
ABA #101003621
Reich & Tang Mutual Funds
DDA #890752-951-1
For Institutional Daily Income Fund
Money Market Portfolio
Account of (Investor's Name)
Fund Account # _____
SS #/Tax I.D.# _____

For Municipal Portfolio

Investors Fiduciary Trust Company
ABA #101003621
Reich & Tang Mutual Funds
DDA #890752-951-1
For Institutional Daily Income Fund
Municipal Portfolio
Account of (Investor's Name)
Fund Account # _____
SS #/Tax I.D.# _____

The investor should then promptly complete and mail the subscription order form.

An investor planning to wire funds should instruct his bank early in the day so the wire transfer can be accomplished the same day. There may be a charge by the investor's bank for transmitting the money by bank wire, and there also may be a charge for use of Federal Funds. The Fund does not charge investors in the Fund for its receipt of wire transfers. Payment in the form of a "bank wire" received prior to 2:30 p.m., New York City time, on a Fund Business Day will be treated as a Federal Funds payment received on that day.

Redemption of Shares

A redemption is effected immediately following, and at a price determined in accordance with, the next determination of net asset value per share of each Portfolio following receipt by the Fund's transfer agent of the redemption order. Normally payment for redeemed shares is made on the Fund Business Day

the redemption is effected, provided the redemption request is received prior to 2:30 p.m., New York City time and on the next Fund Business Day if the redemption request is received after 2:30 p.m., New York City time. However, redemption requests will not be effected unless the check (including a certified or cashier's check) used for investment has been cleared for payment by the investor's bank, currently considered by the Fund to occur up to 15 days after investment.

A shareholder's original subscription order form permits the shareholder to redeem by written request and to elect one or more of the additional redemption procedures described below. A shareholder may only change the instructions indicated on his original subscription order form by transmitting a written direction to the Fund's transfer agent. Requests to institute or change any of the additional redemption procedures will require a signature guarantee. When a signature guarantee is called for, the shareholder should have "Signature Guaranteed" stamped under his signature and guaranteed by an eligible guarantor institution which includes a domestic bank, a domestic savings and loan institution, a domestic credit union, a member bank of the Federal Reserve System or a member firm of a national securities exchange, pursuant to the Fund's transfer agent's standards and procedures.

Written Requests

Shareholders may make a redemption in any amount by sending a written request to:

Institutional Daily Income Fund
c/o Reich & Tang Mutual Funds
600 Fifth Avenue
New York, New York 10020

All written requests for redemption must be signed by the shareholder with signature guaranteed. Normally the redemption proceeds are paid by check mailed to the shareholder of record.

Telephone

The Fund accepts telephone requests for redemption from shareholders who elect this option. The proceeds of a telephone redemption will be sent to the shareholder at his address or to his bank account as set forth in the subscription order form or in a subsequent signature guaranteed written

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authorization. Redemptions following an investment by check will not be effected until the check has cleared, which could take up to 15 days after investment. The Fund may accept telephone redemption instructions from any person with respect to accounts of shareholders who elect this service, and thus shareholders risk possible loss of dividends in the event of a telephone redemption not authorized by them. Telephone requests to wire redemption proceeds must be for amounts in excess of \$10,000. The Fund will employ reasonable procedures to confirm that telephone redemption instructions are genuine, and will require that shareholders electing such option provide a form of personal identification. The failure by the Fund to employ such reasonable procedures may cause the Fund to be liable for any losses incurred by investors due to telephone redemptions based upon unauthorized or fraudulent instructions. The telephone redemption option may be modified or discontinued at any time upon 60 days written notice to shareholders.

A shareholder making a telephone withdrawal should call the Fund at 212-830-5220; outside New York State at 800-241-3263 and state (i) the name of the shareholder appearing on the Fund's records, (ii) his account number with the Fund, (iii) the amount to be withdrawn and (iv) the name of the person requesting the redemption. Usually, the proceeds are sent to the investor on the same Fund Business Day the redemption is effected, provided the redemption request is received prior to 2:30 p.m., New York City time and on the next Fund Business Day if the redemption request is received after 2:30 p.m., New York City time.

Exchange of Shares

An investor may, without cost, exchange shares from one Portfolio of the Fund into the same Class of shares of any other Portfolio of the Fund, subject to the \$1,000,000 minimum initial investment requirement per Portfolio, the availability of such shares and the maintenance of the suggested minimum balance of \$250,000. Shares are exchanged on the basis of relative net asset value per share. Exchanges are in effect redemptions from one Portfolio and purchases of another Portfolio; and the Portfolio's purchase and redemption procedures

and requirements are applicable to exchanges. An exchange pursuant to this exchange privilege is treated for federal income tax purposes as a sale on which a shareholder may realize a taxable gain or loss. See "Purchase and Redemption of Shares" herein.

The exchange privilege is available to shareholders resident in any state in which shares of the investment company being acquired may legally be sold. Before making an exchange, the investor should review the current prospectus of the investment company into which the exchange is being made. Prospectuses may be obtained by contacting the Fund at the address or telephone number listed on the cover of this Prospectus.

Instructions for exchange may be made in writing to the Transfer Agent at the appropriate address listed herein or, for shareholders who have elected that option, by telephone. The Fund reserves the right to reject any exchange request and will notify shareholders accordingly.

DISTRIBUTION AND SERVICE PLAN

Pursuant to Rule 12b-1 under the Act, the Securities and Exchange Commission has required that an investment company which bears any direct or indirect expense of distributing its shares must do so only in accordance with a plan permitted by the Rule. Effective January 26, 1995, the Fund's Board of Trustees and Class A shareholders adopted a distribution and service plan (the "Plan") and, pursuant to the Plan, the Fund and Reich & Tang Distributors L.P. (the "Distributor") have entered into a Distribution Agreement and a Shareholder Servicing Agreement (with respect to the Class A shares of the Fund only).

Reich & Tang Asset Management, Inc. serves as the sole general partner for both Reich & Tang Asset Management L.P. and Reich & Tang Distributors L.P., and Reich & Tang Asset Management L.P. serves as the sole limited partner of the Distributor.

Under the Distribution Agreement, the Distributor serves as distributor of the Fund's shares and, for nominal consideration and as agent for the Fund, will solicit orders for the purchase of the Fund's shares, provided that any orders will not be binding on the Fund until accepted by the Fund as principal.

Under the Shareholder Servicing Agreement, the Distributor receives, with respect to the Class A shares, a service fee equal to .25% per annum of the Class A shares' average daily net assets (the "Shareholder Servicing Fee") for providing personal shareholder services and for the maintenance of shareholder accounts. The fee is accrued daily and paid monthly and any portion of the fee may be deemed to be used by the Distributor for payments to Participating Organizations with respect to their provision of such services to their clients or customers who are shareholders of the Class A shares of the Fund. The Class B shareholders do not receive the benefit of such services from Participating Organizations and, therefore, will not be assessed a Shareholder Servicing Fee.

The Plan and the Shareholder Servicing Agreement provide that, in addition to the Shareholder Servicing Fee, the Fund will pay for (i) telecommunications expenses including the cost of dedicated lines and CRT terminals, incurred by the Distributor and Participating Organizations in carrying out their obligations under the Shareholder Servicing Agreement and (ii) preparing, printing and delivering the Fund's prospectus to existing shareholders of the Fund and preparing and printing subscription application forms for shareholder accounts.

The Plan provides that the Manager may make payments from time to time from its own resources, which may include the management fee and past profits for the following purposes: (i) to defray the costs of, and to compensate others, including Participating Organizations with whom the Distributor has entered into written agreements, for performing shareholder servicing on behalf of the Class A shares of the Fund; (ii) to compensate certain Participating Organizations for providing assistance in distributing the of the Class A shares; and (iii) to pay the costs of printing and distributing the Fund's prospectus to prospective investors, and to defray the cost of the preparation and printing of brochures and other promotional materials, mailings to prospective shareholders, advertising, and other promotional activities, including the salaries and/or commissions of sales personnel in connection with the distribution of the Fund's shares. The Distributor may also make payments from time to time from its own resources,

which may include the Shareholder Servicing Fee (with respect to Class A shares) and past profits, for the purposes enumerated in (i) above. The Manager and Distributor may make payments to Participating Organizations for providing certain of such services up to a maximum of (on an annualized basis) .40% of the average daily net asset value of the Class A shares serviced through the Participating Organizations. The Distributor will determine the amount of such payments made pursuant to the Plan, provided that such payments will not increase the amount which the Fund is required to pay to the Manager and Distributor for any fiscal year under either the Investment Management Contract in effect for that year or under the Shareholder Servicing Agreement in effect for that year.

The Glass-Steagall Act and other applicable laws and regulations prohibit banks and other depository institutions from engaging in the business of underwriting, selling or distributing most types of securities. However, in the opinion of the Manager based on the advice of counsel, these laws and regulations do not prohibit such depository institutions from providing other services for investment companies such as the shareholder servicing and related administrative functions referred to above. The Fund's Board of Trustees will consider appropriate modifications to the Fund's operations, including discontinuance of any payments then being made under the Plan to banks and other depository institutions, in the event of any future change in such laws or regulations which may affect the ability of such institutions to provide the above-mentioned services. It is not anticipated that the discontinuance of payments to such an institution would result in loss to shareholders or change in the Fund's net asset value. In addition, state securities laws on this issue may differ from the interpretations of Federal law expressed herein and banks and financial institutions may be required to register as dealers pursuant to state law.

DIVIDENDS, DISTRIBUTIONS AND TAXES

Each dividend and capital gains distribution, if any, declared by the Fund on its outstanding shares will, at the election of each shareholder, be paid in cash or in additional shares of the same Class shares of the applicable Portfolio having an aggregate net asset

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value as of the payment date of such dividend or distribution equal to the cash amount of such dividend or distribution. Election to receive dividends and distributions in cash or shares is made at the time shares are subscribed for and may be changed by notifying the Fund in writing at any time prior to the record date for a particular dividend or distribution. If the shareholder makes no election, the Fund will make the distribution in shares. There is no sales or other charge in connection with the reinvestment of dividends and capital gains distributions.

While it is intention of the Fund to distribute to its shareholders substantially all of each fiscal year's net income and net realized capital gains, if any, the amount and time of any such dividend or distribution must necessarily depend upon the realization by the Fund of income and capital gains from investments. Except as described herein, each Portfolio's net investment income (including net realized short-term capital gains, if any) will be declared as a dividend on each Fund Business Day. The Fund declares dividends for Saturdays, Sundays and holidays on the previous Fund Business Day. The Fund generally pays dividends monthly after the close of business on the last calendar day of each month or after the close of business on the previous Fund Business Day if the last calendar day of each month is not a Fund Business Day. Capital gains distributions, if any, will be made at least annually, and in no event later than 60 days after the end of the Fund's fiscal year. There is no fixed dividend rate, and there can be no assurance that the Fund will pay any dividends or realize any capital gains.

The Class A shares will bear the Shareholder Servicing Fee under the Plan. As a result, the net income of and the dividends payable to the Class A shares will be lower than the net income of and dividends payable to the Class B shares of the Fund. Dividends paid to each Class of shares of the Fund will, however, be declared and paid on the same days at the same times and, except as noted with respect to the Shareholder Servicing Fee payable under the Plan, will be determined in the same manner and paid in the same amounts.

The Fund intends to qualify for and elect special treatment applicable to a regulated investment company under the Internal Revenue Code of 1986,

as amended, for each Portfolio. To qualify as a regulated investment company, each Portfolio must meet certain complex tests concerning its investments and distributions. For each year a Portfolio qualifies as a regulated investment company, the Portfolio will not be subject to federal income tax on income distributed to its shareholders in the form of dividends or capital gains distributions. Additionally, each Portfolio will not be subject to a federal excise tax if the Portfolio distributes at least 98% of its ordinary income and 98% of its capital gain income to its shareholders. Dividends of net ordinary income and distributions of net short-term capital gains are taxable to the recipient shareholders as ordinary income but will not be eligible, in the case of corporate shareholders, for the dividend-received deduction.

The Fund is required by Federal law to withhold 31% of reportable payments (which may include dividends, capital gains distributions and redemptions) paid to shareholder who have not complied with IRS regulations. In connection with this withholding requirement, a shareholder will be asked to certify on his application that the social security or tax identification number provided is correct and that the shareholder is not subject to 31% backup withholding for previous underreporting to the IRS.

Distributions from the United States Government Portfolio that are derived from interest on certain obligations of the United States Government and agencies thereof may be exempt from state and local taxes in certain states. Investors should consult their own tax advisors regarding specific questions as to Federal, state or local taxes.

NET ASSET VALUE

The Fund determines the net asset value of the shares of each Portfolio (computed separately for each Class of shares) of the Fund as of 2:30 p.m., New York City time, by dividing the value of each Portfolio's net assets (i.e., the value of its securities and other assets less its liabilities, including expenses payable or accrued but excluding capital stock and surplus) by the number of shares outstanding of that Portfolio at the time the determination is made. The Fund determines its net asset value on each Fund Business Day. Fund Business Day for this purpose

means any day on which the Fund's custodian is open for trading. Purchases and redemptions will be effected at the time of determination of net asset value next following the receipt of any purchase or redemption order. (See "Purchase and Redemption of Shares" and "Other Purchase and Redemption Procedures" herein.)

In order to maintain a stable net asset value per share of \$1.00, the Fund's portfolio securities are valued at their amortized cost. Amortized cost valuation involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, except that if fluctuating interest rates cause the market value of the Fund's portfolio to deviate more than 1/2 of 1% from the value determined on the basis of amortized cost, the Board of Trustees will consider whether any action should be initiated to prevent any material dilutive effect on investors. Although the amortized cost method provides certainty in valuation, it may result in periods during which the stated value of an instrument is higher or lower than the price an investment company would receive if the instrument were sold. There is no assurance that the Portfolios will maintain a stable net asset value per share of \$1.00.

GENERAL INFORMATION

The Fund was established as a Massachusetts business trust under the laws of Massachusetts on January 20, 1994 and it is registered with the Securities and Exchange Commission as a diversified, open-end management investment company.

The Fund prepares semi-annual unaudited and annual audited reports which include a list of investment securities held by the Fund and which are sent to shareholders.

Under Massachusetts law, trustees and shareholders of a business trust may, in certain circumstances, be held personally liable for its obligations. The Declaration of Trust of the Fund provides that no trustee or shareholder will be personally liable for obligations of the Fund and that every written contract made by the Fund must contain a provision to that effect. If any trustee or shareholder were required to pay any liability of the Fund, that person would be

entitled to reimbursement from the general assets of the Fund.

For further information with respect to the Fund and the shares offered hereby, reference is made to the Fund's Registration Statement filed with the Securities and Exchange Commission and copies thereof may be obtained upon payment of certain duplicating fees.

CUSTODIAN AND TRANSFER AGENT

Investors Fiduciary Trust Company, 127 West 10th Street, Kansas City, Missouri 64105, is the custodian for the Fund's cash and securities. Fundtech Services L.P., 600 Fifth Avenue, New York, New York 10020 is the transfer agent and dividend agent for the shares of the Fund. The Fund's transfer agent and custodian do not assist in, and are not responsible for, investment decisions involving assets of the fund.

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-CITE- **INVESTMENT COMPANY ACT 1940. SECURITIES AND EXCHANGE
COMMISSION UNITED STATES**

17 CFR Sec. 270.2a-7

-EXPCITE-

Title 17

CHAPTER II

PART 270

-HEAD-

Sec. 270.2a-7 Money market funds.

-TEXT-

(a) Definitions - (1) Amortized Cost Method of valuation shall mean the method of calculating an investment company's net asset value whereby portfolio securities are valued at the fund's acquisition cost as adjusted for amortization of premium or accretion of discount rather than at their value based on current market factors.

(2) Asset Backed Security shall mean a fixed income security (other than a Government security) issued by a Special Purpose Entity (as hereinafter defined), substantially all of the assets of which consist of Qualifying Assets (as hereinafter defined). Special Purpose Entity shall mean a trust, corporation, partnership or other entity organized for the sole purpose of issuing fixed income securities which entitle their holders to receive payments that depend primarily on the cash flow from Qualifying Assets, but does not include a registered investment company. Qualifying Assets shall mean financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders.

(3) Business Day shall mean any day, other than Saturday, Sunday,

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or any customary business holiday.

(4) Collateralized Fully in the case of a repurchase agreement shall mean that:

(i) The value of the securities collateralizing the repurchase agreement (reduced by the transaction costs (including loss of interest) that the money market fund reasonably could expect to incur if the seller defaults) is, and during the entire term of the repurchase agreement remains, at least equal to the Resale Price (as defined hereinafter) provided in the agreement; and

(ii) The money market fund or its custodian either has actual physical possession of the collateral or, in the case of a security registered on a book entry system, the book entry is maintained in the name of the money market fund or its custodian; and

(iii) The money market fund retains an unqualified right to possess and sell the collateral in the event of a default by the seller; and

(iv) The collateral consists entirely of securities that are direct obligations of, or that are fully guaranteed as to principal and interest by, the United States or any agency thereof, and/or certificates of deposit, bankers' acceptances which are eligible for acceptance by a Federal Reserve Bank, and, if the seller is a depository institution as defined in 12 U.S.C. 1813(c), mortgage related securities (as such term is defined in section 3(a)(41) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41))) that, at the time the repurchase agreement is entered into, are rated in the highest rating category by the Requisite NRSROs.

(v) Resale Price shall mean the purchase price paid to the seller of the securities plus the accrued resale premium on such purchase price. The accrued resale premium shall be the amount specified in the repurchase agreement or the daily amortization of the difference between the purchase price and the resale price

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specified in the repurchase agreement.

(5) Conditional Demand Feature shall mean a Demand Feature that is not an Unconditional Demand Feature.

(6) Conduit Security shall mean a security issued by a Municipal Issuer (as hereinafter defined) involving an arrangement or agreement entered into, directly or indirectly, with a person other than a Municipal Issuer, which arrangement or agreement provides for or secures repayment of the security. Municipal Issuer shall mean a state or territory of the United States (including the District of Columbia), or any political subdivision or public instrumentality of a state or territory of the United States. A Conduit Security does not include a security that is:

(i) Fully and unconditionally guaranteed by a Municipal Issuer;
or

(ii) Payable from the general revenues of the Municipal Issuer or other Municipal Issuers (other than those revenues derived from an agreement or arrangement with a person who is not a Municipal Issuer that provides for or secures repayment of the security issued by the Municipal Issuer); or

(iii) Related to a project owned and operated by a Municipal Issuer; or

(iv) Related to a facility leased to and under the control of an industrial or commercial enterprise that is *part* of a public project which, as a whole, is owned and under the control of a Municipal Issuer.

(7) Demand Feature shall mean:

(i) A Put that may be exercised either:

(A) At any time on no more than 30 days' notice; or

(B) At specified intervals not exceeding 397 calendar days and upon no more than 30 days' notice; or

(ii) A feature permitting the holder of an Asset Backed Security

unconditionally to receive principal and interest within thirteen months of making demand.

(8) Demand Feature Issued By A Non-Controlled Person shall mean a Demand Feature issued by a person that, directly or indirectly, does not control, and is not controlled by or under common control with the issuer of the security subject to the Demand Feature. Control shall mean 'control' as defined in section 2(a)(9) of the Act (15 U.S.C. 80a-2(a)(9)).

(9) Eligible Security shall mean:

(i) A security with a remaining maturity of 397 calendar days or less that has received a short-term rating (or that has been issued by an issuer that has received a short-term rating with respect to a class of debt obligations, or any debt obligation within that class, that is comparable in priority and security with the security) by the Requisite NRSROs in one of the two highest short-term rating categories (within which there may be sub-categories or gradations indicating relative standing); or

(ii) A security:

(A) That at the time of issuance had a remaining maturity of more than 397 calendar days but that has a remaining maturity of 397 calendar days or less; and

(B) Whose issuer has received from the Requisite NRSROs a rating with respect to a class of debt obligations (or any debt obligation within that class) that is now comparable in priority and security with the security, in one of the two highest short-term rating categories (within which there may be sub-categories or gradations indicating relative standing); or

(iii) An Unrated Security that is of comparable quality to a security meeting the requirements of paragraphs (a)(9)(i) or (ii) of this section, as determined by the money market fund's board of directors; Provided, however, that:

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(A) The board of directors may base its determination that a Standby Commitment that is not a Demand Feature is an Eligible Security upon a finding that the issuer of the commitment presents a minimal risk of default;

(B) A security that at the time of issuance had a remaining maturity of more than 397 calendar days but that has a remaining maturity of 397 or less and that is an Unrated Security is not an Eligible Security if the security has received a long-term rating from any NRSRO that is not within the NRSRO's three highest long-term ratings categories (within which there may be sub-categories or gradations indicating relative standing);

(C) An Asset Backed Security shall not be an Eligible Security unless it has a debt rating from an NRSRO; and

(D) A security that is subject to a Demand Feature shall not be an Eligible Security unless:

(1) The Demand Feature has received a short-term rating from an NRSRO (or the issuer of the Demand Feature has received from an NRSRO a short-term rating with respect to a class of debt obligations or any debt obligation within that class that is comparable in priority and security to the Demand Feature); and

(2) The issuer of the Demand Feature, or another institution, undertakes to notify promptly the holder of the security in the event that the Demand Feature is substituted with a Demand Feature provided by another issuer.

(10) Event of Insolvency shall mean, with respect to an issuer or guarantor:

(i) An admission of insolvency, the application by the issuer or guarantor for the appointment of a trustee, receiver, rehabilitator, or similar officer for all or substantially all of its assets, a general assignment for the benefit of creditors, the filing by the issuer of a voluntary petition in bankruptcy or

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application for reorganization or an arrangement with creditors; or

(ii) The institution of similar proceedings by another person which proceedings are not contested by the issuer or guarantor; or

(iii) The institution of similar proceedings by a government agency responsible for regulating the activities of the issuer or guarantor, whether or not contested by the issuer or guarantor.

(11) First Tier Security shall mean any Eligible Security that:

(i) Has received a short-term rating (or that has been issued by an issuer that has received a short-term rating with respect to a class of debt obligations, or any debt obligation within that class, that is comparable in priority and security with the security) by the Requisite NRSROs in the highest short-term rating category for debt obligations (within which there may be sub-categories or gradations indicating relative standing); or

(ii) Is a security described in paragraph (a) (9) (ii) of this section whose issuer has received from the Requisite NRSROs a short-term rating with respect to a class of debt obligations (or any debt obligation within that class) that now is comparable in priority and security with the security, in the highest short-term rating category for debt obligations (within which there may be sub-categories or gradations indicating relative standing); or

(iii) Is an Unrated Security that is of comparable quality to a security meeting the requirements of paragraphs (a) (11) (i) and (ii) of this section, as determined by the fund's board of directors; or

(iv) Is a security issued by a registered investment company that is a money market fund; or

(v) Is a Government Security.

(12) Floating Rate Security shall mean a security the terms of which provide for the adjustment of its interest rate whenever a specified interest rate changes and which, at any time until the final maturity of the instrument or the period remaining until the

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principal amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.

(13) Government Security shall mean any Government Security as defined in section 2(a)(16) of the Act (15 U.S.C. 80a-2(a)(16)).

(14) NRSRO shall mean any nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of Sec. 240.15c3-1 of this Chapter that is not an affiliated person, as defined in section 2(a)(3)(C) of the Act (15 U.S.C. 80a-2(a)(3)(C)), of the issuer of, or any insurer, guarantor or provider of credit support for, the security.

(15) Penny-Rounding Method of pricing shall mean the method of computing an investment company's price per share for purposes of distribution, redemption and repurchase whereby the current net asset value per share is rounded to the nearest one percent.

(16) Put shall mean a right to sell a specified underlying security or securities within a specified period of time and at an exercise price equal to the amortized cost of the underlying security or securities plus accrued interest, if any, at the time of exercise, that may be sold, transferred or assigned only with the underlying security or securities. A Put will be considered to be from the party to whom the money market fund will look for payment of the exercise price.

(17) Put Issued by a Non-Controlled Person shall mean a Put issued by a person that, directly or indirectly, does not control, and is not controlled by or under common control with the issuer of the security subject to the Put. Control shall mean 'control' as defined in section 2(a)(9) of the Act (15 U.S.C 80a-2(a)(9)).

(18) Refunded Security shall mean a debt security the principal and interest payments of which are to be paid by Government Securities ('deposited securities') that have been irrevocably

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placed in an escrow account pursuant to agreement between the issuer of the debt security and an escrow agent that is not an affiliated person, as defined in section 2(a)(3)(C) of the Act (15 U.S.C. 80a-2(a)(3)(C)), of the issuer of the debt security, and, in accordance with such escrow agreement, are pledged only to the payment of the debt security and, to the extent that excess proceeds are available after all payments of principal, interest, and applicable premiums on the Refunded Securities, the expenses of the escrow agent and, thereafter, to the issuer or another party; provided that:

(i) The deposited securities shall not be redeemable prior to their final maturity;

(ii) At the time the deposited securities are placed in the escrow account, an independent certified public accountant shall have certified to the escrow agent that the deposited securities will satisfy all scheduled payments of principal, interest and applicable premiums on the Refunded Securities; and

(iii) The escrow agreement shall prohibit the substitution of the deposited securities unless the substituted securities are Government Securities and, at the time of such substitution, the escrow agent shall have received a certification from an independent certified public accountant substantially the same as that required by paragraph (a)(18)(ii) of this section which certification shall give effect to the substitution.

(19) Requisite NRSROs shall mean:

(i) Any two NRSROs that have issued a rating with respect to a security or class of debt obligations of an issuer; or

(ii) If only one NRSRO has issued a rating with respect to such security or class of debt obligations of an issuer at the time the fund purchases or rolls over the security, that NRSRO.

(20) Second Tier Security shall mean any Eligible Security that

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is not a First Tier Security. Second Tier Conduit Security shall mean any Conduit Security that is an Eligible Security that is not a First Tier Security.

(21) Single State Fund shall mean a Tax Exempt Fund that holds itself out as primarily distributing income exempt from the income taxes of a specified state or locality.

(22) Standby Commitment shall mean a Put that entitles the holder to achieve same day settlement.

(23) Tax Exempt Fund shall mean any money market fund that holds itself out as distributing income exempt from regular federal income tax.

(24) Total Assets shall mean, with respect to a money market fund using the Amortized Cost Method, the total amortized cost of its assets and, with respect to any other money market fund, the total market-based value of its assets.

(25) Unconditional Demand Feature shall mean an Unconditional Put that is also a Demand Feature.

(26) Unconditional Demand Feature Issued By A Non-Controlled Person shall mean an Unconditional Put that is also a Demand Feature Issued By A Non-Controlled Person.

(27) Unconditional Put shall mean a Put (including any guarantee, financial guarantee (bond) insurance, letter of credit or similar unconditional credit enhancement) that by its terms would be readily exercisable in the event of a default in payment of principal or interest on the underlying security or securities.

(28) United States Dollar-Denominated shall mean, with reference to a security, that all principal and interest payments on such security are payable to security holders in United States dollars under all circumstances and that the interest rate of, the principal amount to be repaid, and the timing of payments related to such security do not vary or float with the value of a foreign

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currency, the rate of interest payable on foreign currency borrowings, or with any other interest rate or index expressed in a currency other than United States dollars.

(29) Unrated Security shall mean:

(i) A security with a remaining maturity of 397 calendar days or less issued by an issuer that did not, at the time the security was acquired or rolled over by the fund, have a current short-term rating assigned by any NRSRO:

(A) To the security; or

(B) To the issuer of the security with respect to a class of debt obligations

(or any debt obligation within that class) that is comparable in priority and security with the security, or a Demand Feature with respect to the security; and

(ii) A security:

(A) That at the time of issuance had a remaining maturity of more than 397 calendar days but that has a remaining maturity of 397 calendar days or less; and

(B) Whose issuer had not at the time it was acquired or rolled over by the fund received from any NRSRO a short-term rating with respect to a class of debt obligations (or any debt obligation within that class) that now is comparable in priority and security with the security; and

(iii) A security that is a rated security and is the subject of an external credit support agreement (including an arrangement by which the security has become a Refunded Security) that was not in effect when the security (or the issuer) was assigned its rating unless the security has a rating from an NRSRO reflecting the existence of the credit support agreement.

(iv) A security is not an Unrated Security if any debt obligation (reference security) that is issued by the same issuer and is

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comparable in priority and security with that security has a short-term rating by an NRSRO. The status of such security as an Eligible Security or First Tier Security shall be the same as that of the reference security.

(30) Variable Rate Security shall mean a security the terms of which provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter) and which, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.

(b) Holding Out. It shall be an untrue statement of material fact within the meaning of section 34(b) of the Act (15 U.S.C. 80a-33(b)) for a registered investment company, in any registration statement, application, report, account, record, or other document filed or transmitted pursuant to the Act, including any advertisement, pamphlet, circular, form letter, or other sales literature addressed to or intended for distribution to prospective investors that is required to be filed with the Commission by section 24(b) of the Act (15 U.S.C. 80a-24(b)) to:

(1) Adopt the term 'money market' as **part** of its name or title or the name or title of any redeemable securities of which it is the issuer; or

(2) Hold itself out to investors as, or adopt a name which suggests that it is, a money market fund or the equivalent of a money market fund, unless such registered investment company meets the conditions of paragraphs (c) (2), (c) (3), and (c) (4) of this section. For purposes of this paragraph, a name which suggests that a registered investment company is a money market fund or the equivalent thereof shall include one which uses such terms as 'cash,' 'liquid,' 'money,' 'ready assets' or similar terms.

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(c) Share Price Calculations. The current price per share, for purposes of distribution, redemption and repurchase, of any redeemable security issued by any registered investment company ('money market fund'), notwithstanding the requirements of section 2(a)(41) of the Act (15 U.S.C. 80a-2(a)(41)) and of Sec. 270.2a-4 and 270.22c-1 thereunder, may be computed by use of the Amortized Cost Method or the Penny-Rounding Method; Provided, however, That:

(1) Board Findings. The board of directors of the money market fund shall determine, in good faith, that it is in the best interests of the fund and its shareholders to maintain a stable net asset value per share or stable price per share, by virtue of either the Amortized Cost Method or the Penny-Rounding Method, and that the money market fund will continue to use such method only so long as the board of directors believes that it fairly reflects the market-based net asset value per share.

— (2) Portfolio Maturity. The money market fund shall maintain a dollar-weighted average portfolio maturity appropriate to its objective of maintaining a stable net asset value per share or price per share; Provided, however, That the money market fund will not:

(i) Except as provided in paragraph (c)(2)(ii) of this section, purchase any instrument with a remaining maturity of greater than 397 calendar days; or

(ii) In the case of a money market fund not using the Amortized Cost Method, purchase a Government Security with a remaining maturity of greater than 762 calendar days; or

(iii) Maintain a dollar-weighted average portfolio maturity that exceeds ninety days.

(3) Portfolio Quality - (i) General. The money market fund shall limit its portfolio investments, including Puts and repurchase agreements, to those United States Dollar-Denominated securities

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that the fund's board of directors determines present minimal credit risks (which determination must be based on factors pertaining to credit quality in addition to any rating assigned to such securities by an NRSRO) and which are at the time of acquisition Eligible Securities.

(ii) Securities Subject to Unconditional Demand Features. A security that is subject to an Unconditional Demand Feature may be determined to be an Eligible Security or a First Tier Security based solely on whether the Unconditional Demand Feature is an Eligible Security or First Tier Security, as the case may be.

(iii) Securities Subject to Conditional Demand Features. A security that is subject to a Conditional Demand Feature ('Underlying Security') may be determined to be an Eligible Security or a First Tier Security only if:

(A) The Conditional Demand Feature is an Eligible Security or First Tier Security, as the case may be; and

(B) At the time of the purchase of the Underlying Security, the money market fund's board of directors has determined that there is minimal risk that the circumstances that would result in the Conditional Demand Feature not being exercisable will occur; and

(1) The conditions limiting exercise either can be monitored readily by the fund, or relate to the taxability, under federal, state or local law, of the interest payments on the security; or

(2) The terms of the Conditional Demand Feature require that the fund will receive notice of the occurrence of the condition and the opportunity to exercise the Demand Feature in accordance with its terms; and

(C) (1) If the Underlying Security has a remaining maturity of 397 days or less, the Underlying Security (or the debt securities of issuer of the Underlying Security) has received a short-term rating by the Requisite NRSROs within the NRSROs' two highest short-term

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ratings categories (within which there may be sub-categories or gradations indicating relative standing) or, if unrated, is determined to be of comparable quality by the money market fund's board of directors; or

(2) If the Underlying Security has a remaining maturity of more than 397 calendar days, the Underlying Security (or the debt securities of the issuer of the Underlying Security) has received a long-term rating by the Requisite NRSROs within the NRSROs' two highest long-term rating categories (within which there may be sub-categories or gradations indicating relative standing) or, if unrated, is determined to be of comparable quality by the money market fund's board of directors.

(4) Portfolio Diversification - (i) Taxable and National Funds. Immediately after the acquisition of any security (other than a Government Security or a security subject to an Unconditional Demand Feature Issued By a Non-Controlled Person), a money market fund other than a Single State Fund shall not have invested more than five percent of its Total Assets in securities issued by the issuer of the security.

(ii) Single State Funds. With respect to 75 percent of its Total Assets, immediately after the acquisition of any security (other than a Government Security or a security subject to an Unconditional Demand Feature Issued By a Non-Controlled Person), a Single State Fund shall not have invested more than five percent of its Total Assets in securities issued by the issuer of the security; Provided, however, That a Single State Fund shall not invest more than five percent of its Total Assets in securities issued by the issuer of the security unless the securities are First Tier Securities.

(iii) Safe Harbor. Notwithstanding paragraph (c)(4)(i) of this section, a money market fund other than a Single State Fund may

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invest up to twenty-five percent of its Total Assets in the First Tier Securities of a single issuer for a period of up to three Business days after the purchase thereof.

(iv) Second Tier Securities - (A) Taxable Funds. Immediately after the acquisition of any Second Tier Security, a money market fund that is not a Tax Exempt Fund shall not have invested more than:

(1) The greater of one percent of its Total Assets or one million dollars in securities issued by that issuer which, when acquired by the money market fund (either initially or upon any subsequent roll over) were Second Tier Securities; and

(2) Five percent of its Total Assets in securities which, when acquired by the money market fund (either initially or upon any subsequent roll over) were Second Tier Securities.

(B) Tax Exempt Funds. Immediately after the acquisition of any Second Tier Conduit Security that is not subject to an Unconditional Demand Feature Issued By a Non-Controlled Person, a money market fund that is a Tax Exempt Fund shall not have invested more than:

(1) The greater of one percent of its Total Assets or one million dollars in securities issued by that issuer which, when acquired by the money market fund (either initially or upon any subsequent roll over) were Second Tier Conduit Securities not subject to an Unconditional Demand Feature Issued By a Non-Controlled Person; and

(2) Five percent of its Total Assets in Conduit Securities which, when acquired by the money market fund (either initially or upon any subsequent roll over) were Second Tier Conduit Securities not subject to an Unconditional Demand Feature Issued By a Non-Controlled Person.

(v) Puts - (A) General. Immediately after the acquisition of any Put or security subject to a Put, with respect to seventy-five

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percent of the assets of a money market fund, no more than ten percent of the fund's Total Assets may be invested in securities issued by or subject to Puts from the institution that issued the Put, subject to sections (c)(4)(v)(B) and (C) of this section.

(B) Second Tier Puts. Immediately after the acquisition of any Put (or a security after giving effect to the Put) that is a Second Tier Security, a money market fund shall not have invested more than five percent of its Total Assets in securities issued by or subject to Puts from the institution that issued the Put.

(C) Puts Issued by Non-Controlled Persons. Immediately after the acquisition of any security subject to a Put, a money market fund shall not have invested more than ten percent of its Total Assets in securities issued by, or subject to Puts from the institution that issued the Put, unless, with respect to any security subject to Puts from that institution, the Put is a Put Issued By a Non-Controlled Person.

(vi) Diversification Calculations - (A) General. For purposes of making calculations under paragraphs (c)(4)(i) through (iv) of this section:

(1) Repurchase Agreements. The acquisition of a repurchase agreement may be deemed to be an acquisition of the underlying securities, provided that the obligation of the seller to repurchase the securities from the money market fund is Collateralized Fully.

(2) Refunded Securities. The acquisition of a Refunded Security shall be deemed to be an acquisition of a Government Security.

(3) Conduit Securities. A Conduit Security shall be deemed to be issued by the issuer (other than the Municipal Issuer) ultimately responsible for payments of interest and principal on the security.

(4) Asset Backed Securities. An Asset Backed Security shall be deemed to be issued by the Special Purpose Entity that issued the

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Asset Backed Security, Provided, however, any person whose obligations constitute ten percent or more of the principal amount of the Qualifying Assets shall be deemed to be an issuer of the portion of the Asset Backed Security such obligations represent. For purposes of the foregoing, if the Qualifying Assets held by the Special Purpose Entity are themselves Asset Backed Securities ('Secondary Asset Backed Securities'), then the Special Purpose Entity shall be treated as holding directly the Secondary Asset Backed Securities.

(5) Shares in Master Funds. A money market fund substantially all of the assets of which consist of shares of another money market fund acquired in reliance on section 12(d)(1)(E) of the Act (15 U.S.C. 80a-12(d)(1)(E)) shall be deemed to be in compliance with this section if the board of directors reasonably believes that the money market fund in which it has invested is in compliance with this section.

(B) Put Diversification Calculations. In making calculations under the Put diversification requirements of paragraph (c)(4)(v) of this section, the following rules apply:

(1) Issuer-Provided Puts. In the case of a security subject to a Put from the same institution that issued the underlying security, the value of the securities subject to the Put may be excluded from the Put diversification requirements of paragraph (c)(4)(v) of this section.

(2) Fractional Puts. In the case of a security subject to a Put from an institution by which the institution guarantees a specified portion of the value of the security, the institution shall be deemed to guarantee the specified portion thereof, Provided, however, if the security is an Asset Backed Security and the Put is a guarantee of all or a portion of the first losses with respect to the security, the institution providing the Put shall be deemed to

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have guaranteed the entire principal amount of the security.

(3) Layered Puts. In the case of a security subject to Puts from multiple institutions that have not limited the extent of their obligations as described in paragraph (c) (4) (vi) (B) (2) of this section, each institution shall be deemed to have guaranteed the entire principal amount of the security, Provided, however, in the case of a security subject to an Unconditional Demand Feature and a Put (or Puts) that is not a Demand Feature, the Put diversification requirements of paragraph (c) (4) (v) of this section need only be satisfied as to the institution issuing the Unconditional Demand Feature.

(4) Puts Not Relied Upon. If the fund's board of directors determines that the fund is not relying on a Put to determine the quality (pursuant to paragraphs (c) (3) (ii) or (c) (3) (iii) of this section), or maturity (pursuant to paragraph (d) of this section), or liquidity of the portfolio security and maintains a record of this determination (pursuant to paragraphs (c) (8) (ii) and (c) (9) (vi) of this section), the Put diversification requirements of paragraph (c) (4) (v) of this section need not be satisfied as with respect to such put.

(vii) Diversification Safe Harbor. A money market fund that satisfies the applicable diversification requirements of paragraph (c) (4) of this section shall be deemed to have satisfied the diversification requirements of section 5(b) (1) of the Act (15 U.S.C. 80a-5(b) (1)) and the rules adopted thereunder.

(5) Downgrades, Defaults and Other Events - (i) Downgrades - (A) General. Upon the occurrence of either of the events specified in paragraphs (c) (5) (i) (A) (1) and (2) of this section with respect to a portfolio security, the board of directors of the money market fund shall reassess promptly whether such security continues to present minimal credit risks and shall cause the fund to take such

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action as the board of directors determines is in the best interests of the money market fund and its shareholders:

(1) A portfolio security of a money market fund ceases to be a First Tier Security (either because it no longer has the highest rating from the Requisite NRSROs or, in the case of an Unrated Security, the board of directors of the money market fund determines that it is no longer of comparable quality to a First Tier Security); and

(2) The money market fund's investment adviser (or any person to whom the fund's board of directors has delegated portfolio management responsibilities) becomes aware that any Unrated Security or Second Tier Security held by the money market fund has, since the security was acquired by the fund, been given a rating by any NRSRO below the NRSRO's second highest rating category.

(B) Securities To Be Disposed Of. The reassessments required by paragraph (c)(5)(i)(A) of this section shall not be required if, in accordance with the procedures adopted by the board of directors, the security is disposed of (or matures) within five Business days of the specified event and, in the case of events specified in paragraph (c)(5)(i)(A)(2) of this section, the board is subsequently notified of the adviser's actions.

(C) Special Rule for Certain Securities Subject to Demand Features. In the event that after giving effect to a rating downgrade, more than five percent of the fund's Total Assets are invested in securities issued by or subject to Demand Features from a single institution that are Second Tier Securities, the board of directors (or its delegate) shall cause the fund to reduce its investment in securities issued by or subject to Demand Features from that institution to no more than five percent of its Total Assets by exercising the Demand Features at the next succeeding exercise date(s), absent a finding by the board of directors that

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disposal of the portfolio security would not be in the best interests of the money market fund.

(ii) Defaults and Other Events. Upon the occurrence of any of the events specified in paragraphs (c) (5) (ii) (A) through (D) of this section with respect to a portfolio security, the money market fund shall dispose of such security as soon as practicable consistent with achieving an orderly disposition of the security, by sale, exercise of any Demand Feature or otherwise, absent a finding by the board of directors that disposal of the portfolio security would not be in the best interests of the money market fund (which determination may take into account, among other factors, market conditions that could affect the orderly disposition of the portfolio security):

(A) The default with respect to a portfolio security (other than an immaterial default unrelated to the financial condition of the issuer);

(B) A portfolio security ceases to be an Eligible Security;

(C) A portfolio security has been determined to no longer present minimal credit risks; or

(D) An Event of Insolvency occurs with respect to the issuer of or the provider of any Put with respect to a portfolio security other than a Put with respect to which a non-reliance determination has been made pursuant to paragraph (c) (4) (vi) (B) (4) of this section.

(iii) Notice to the Commission. In the event of a default with respect to one or more portfolio securities (other than an immaterial default unrelated to the financial condition of the issuer) or an Event of Insolvency with respect to the issuer of the security or any Put to which it is subject, where immediately before default the securities (or the securities subject to the Put) accounted for 1/2 of 1 percent or more of a money market

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fund's Total Assets, the money market fund shall promptly notify the Commission of such fact and the actions the money market fund intends to take in response to such situation. Notification under this paragraph shall be made telephonically or by means of a facsimile transmission, followed by letter sent by first class mail, directed to the attention of the Director of the Division of Investment Management.

(iv) Defaults for Purposes of Paragraphs (c) (5) (ii) and (iii). For purposes of paragraphs (c) (5) (ii) and (iii) of this section, an instrument subject to a Demand Feature or unconditional credit enhancement shall not be deemed to be in default (and an Event of Insolvency with respect to the security shall not be deemed to have occurred) if:

(A) In the case of an instrument subject to a Demand Feature, the Demand Feature has been exercised and the fund has recovered either the principal amount or the amortized cost of the instrument, plus accrued interest; or

(B) The provider of the credit enhancement is continuing, without protest, to make payments as due on the instrument.

(6) Required Procedures: Amortized Cost Method. In the case of a money market fund using the Amortized Cost Method:

(i) General. In supervising the money market fund's operations and delegating special responsibilities involving portfolio management to the money market fund's investment adviser, the money market fund's board of directors, as a particular responsibility within the overall duty of care owed to its shareholders, shall establish written procedures reasonably designed, taking into account current market conditions and the money market fund's investment objectives, to stabilize the money market fund's net asset value per share, as computed for the purpose of distribution, redemption and repurchase, at a single value.

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(ii) Specific Procedures. Included within the procedures adopted by the board of directors shall be the following:

(A) Shadow Pricing. Written procedures shall provide:

(1) That the extent of deviation, if any, of the current net asset value per share calculated using available market quotations (or an appropriate substitute which reflects current market conditions) from the money market fund's amortized cost price per share, shall be calculated at such intervals as the board of directors determines appropriate and reasonable in light of current market conditions;

(2) For the periodic review by the board of directors of the amount of the deviation as well as the methods used to calculate the deviation; and

(3) For the maintenance of records of the determination of deviation and the board's review thereof.

(B) Prompt Consideration of Deviation. In the event such deviation from the money market fund's amortized cost price per share exceeds 1/2 of 1 percent, the board of directors shall promptly consider what action, if any, should be initiated by the board of directors.

(C) Material Dilution or Unfair Results. Where the board of directors believes the extent of any deviation from the money market fund's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, it shall cause the fund to take such action as it deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.

(7) Required Procedures: Penny-Rounding Method. In the case of a money market fund using the Penny-Rounding Method, in supervising the money market fund's operations and delegating special responsibilities involving portfolio management to the money market

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fund's investment adviser, the money market fund's board of directors undertakes, as a particular responsibility within the overall duty of care owed to its shareholders, to assure to the extent reasonably practicable, taking into account current market conditions affecting the money market fund's investment objectives, that the money market fund's price per share as computed for the purpose of distribution, redemption and repurchase, rounded to the nearest one percent, will not deviate from the single price established by the board of directors.

(8) Specific Procedures: Amortized Cost and Penny-Rounding Methods. Included within the procedures adopted by the board of directors for money market funds using either the amortized cost or penny-rounding methods shall be the following:

(i) Securities for Which Maturity is Determined by Reference to Demand Features. In the case of a security for which maturity is determined by reference to a Demand Feature, written procedures shall require ongoing review of the security's continued minimal credit risks, which review must be based on, among other things, financial data for the most recent fiscal year of the issuer of the Demand Feature and, in the case of a security subject to a Conditional Demand Feature, the issuer of the security, whether such data is publicly available or provided under the terms of the security's governing documentation.

(ii) Securities Subject to Puts. In the case of a security subject to one or more Puts, written procedures shall require periodic evaluation of the determination described in paragraph (c) (4) (vi) (B) (4) (puts not relied upon) of this section.

(iii) Adjustable Rate Securities Without Demand Features. In the case of a Variable Rate or Floating Rate Security that does not have a Demand Feature and for which maturity is determined pursuant

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to paragraphs (d) (1), (d) (2) or (d) (4) of this section, written procedures shall require periodic review of whether the security, upon readjustment of its interest rate, can reasonably be expected to have a market value that approximates its amortized cost.

(iv) Asset Backed Securities. In the case of an Asset Backed Security, written procedures shall require the fund to periodically determine whether a person other than the Special Purpose Entity is the issuer of all or a portion of the Asset Backed Security for purposes of paragraph (c) (4) (vi) (A) (4) of this section.

(9) Record Keeping and Reporting - (i) Written Procedures. For a period of not less than six years following the replacement of such procedures with new procedures (the first two years in an easily accessible place), a written copy of the procedures (and any modifications thereto) described in paragraphs (c) (5) through (c) (8) and (e) of this section shall be maintained and preserved.

(ii) Board Considerations and Actions. For a period of not less than six years (the first two years in an easily accessible place) a written record shall be maintained and preserved of the board of directors' considerations and actions taken in connection with the discharge of its responsibilities, as set forth in this section, to be included in the minutes of the board of directors' meetings.

(iii) Credit Risk Analysis. For a period of not less than three years from the date that the credit risks of a portfolio security were most recently reviewed in accordance with paragraph (c) (8) (i) of this section, a written record of the determination that a portfolio security presents minimal credit risks and the NRSRO ratings (if any) used to determine the status of the security as an Eligible Security, First Tier Security or Second Tier Security shall be maintained and preserved in an easily accessible place.

(iv) Determinations With Respect to Adjustable Rate Securities. For a period of not less than three years from the date when the

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determination was most recently made, a written record shall be preserved and maintained, in an easily accessible place, of the determination required by paragraph (c) (8) (iii) of this section (that a Variable Rate or Floating Rate Security that does not have a Demand Feature and for which maturity is determined pursuant to paragraphs (d) (1), (d) (2) or (d) (4) of this section can reasonably be expected, upon readjustment of its interest rate at all times during the life of the instrument, to have a market value that approximates its amortized cost).

(v) Determinations with Respect to Asset Backed Securities. For a period of not less than three years from the date when the determination was most recently made, a written record shall be preserved and maintained, in an easily accessible place, of the determination required by paragraph (c) (8) (iv) of this section (whether a person other than the Special Purpose Entity is the issuer of all or a portion of an Asset Backed Security pursuant to paragraph (c) (vi) (4) of this section). The written record shall include the identities of the issuers of the Qualifying Assets whose obligations constitute ten percent or more of the principal value of the Qualifying Assets, the percentage of the Qualifying Assets constituted by the securities of each such issuer and the percentage of the fund's Total Assets that are invested in securities of each such issuer.

(vi) Evaluations with Respect to Securities Subject to Puts. For a period of not less than three years from the date when the evaluation was most recently made, a written record shall be preserved and maintained, in an easily accessible place, of the evaluation required by paragraph (c) (8) (ii) (regarding securities subject to one or more Puts) of this section.

(vii) Inspection of Records. The documents preserved pursuant to this paragraph (c) (9) shall be subject to inspection by the

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Commission in accordance with section 31(b) of the Act (15 U.S.C. 80a-30(b)) as if such documents were records required to be maintained pursuant to rules adopted under section 31(a) of the Act (15 U.S.C. 80a-30(a)). If any action was taken under paragraphs (c)(5)(ii) (with respect to defaulted securities and events of insolvency) or (c)(6)(ii) (with respect to a deviation from the fund's share price of more than 1/2 of 1 percent) of this section, the money market fund will file an exhibit to the Form N-SAR (17 CFR 274.101) filed for the period in which the action was taken describing with specificity the nature and circumstances of such action. The money market fund will report in an exhibit to such Form any securities it holds on the final day of the reporting period that are not Eligible Securities.

(d) Maturity of Portfolio Securities. For purposes of this section, the maturity of a portfolio security shall be deemed to be the period remaining (calculated from the trade date or such other date on which the fund's interest in the security is subject to market action) until the date on which, in accordance with the terms of the security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made, except as provided in paragraphs (d)(1) through (8) of this section:

(1) Adjustable Rate Government Securities. A Government Security which is a Variable Rate Security where the variable rate of interest is readjusted no less frequently than every 762 days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate. A Government Security which is a Floating Rate Security shall be deemed to have a remaining maturity of one day.

(2) Short-Term Variable Rate Securities. A Variable Rate Security, the principal amount of which, in accordance with the

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terms of the security, must unconditionally be paid in 397 calendar days or less shall be deemed to have a maturity equal to the earlier of the period remaining until the next readjustment of the interest rate or the period remaining until the principal amount can be recovered through demand.

(3) Long-Term Variable Rate Securities. A Variable Rate Security, the principal amount of which is scheduled to be paid in more than 397 days, that is subject to a Demand Feature shall be deemed to have a maturity equal to the longer of the period remaining until the next readjustment of the interest rate or the period remaining until the principal amount can be recovered through demand.

(4) Short-Term Floating Rate Securities. A Floating Rate Security, the principal amount of which, in accordance with the terms of the security, must unconditionally be paid in 397 calendar days or less shall be deemed to have a maturity of one day.

(5) Long-Term Floating Rate Securities. A Floating Rate Security, the principal amount of which is scheduled to be paid in more than 397 days, that is subject to a Demand Feature, shall be deemed to have a maturity equal to the period remaining until the principal amount can be recovered through demand.

(6) Repurchase Agreements. A repurchase agreement shall be deemed to have a maturity equal to the period remaining until the date on which the repurchase of the underlying securities is scheduled to occur, or, where the agreement is subject to demand, the notice period applicable to a demand for the repurchase of the securities.

(7) Portfolio Lending Agreements. A portfolio lending agreement shall be treated as having a maturity equal to the period remaining until the date on which the loaned securities are scheduled to be returned, or where the agreement is subject to demand, the notice period applicable to a demand for the return of the loaned securities.

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(8) Money Market Fund Securities. An investment in a money market fund shall be treated as having a maturity equal to the period of time within which the acquired money market fund is required to make payment upon redemption, unless the acquired money market fund has agreed in writing to provide redemption proceeds to the investing money market fund within a shorter time period, in which case the maturity of such investment shall be deemed to be the shorter period.

(e) Delegation. The money market fund's board of directors may delegate to the fund's investment adviser or officers the responsibility to make any determination required to be made by the board of directors under this section (other than the determinations required by paragraphs (c) (1), (c) (5) (i) (C), (c) (5) (ii), (c) (6) (i), (c) (6) (ii) (A), (B), and (C), and (c) (7) of this section) provided:

(1) Written Guidelines. The Board shall establish and periodically review written guidelines (including guidelines for determining whether securities present minimal credit risks as required in paragraph (c) (3) of this section) and procedures under which the delegate makes such determinations:

(2) Oversight. The Board shall exercise adequate oversight (through periodic reviews of fund investments and the delegate's procedures in connection with investment decisions and prompt review of the adviser's actions in the event of the default of a security or Event of Insolvency with respect to the issuer of the security or any Put to which it is subject that requires notification of the Commission under paragraph (c) (5) (iii) of this section) to assure that the guidelines and procedures are being followed.

(61 FR 13976, Mar. 28, 1996)

Effective Date Note: At 61 FR 13976, Mar. 28, 1996, Sec. 270.2a-7

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was revised, effective June 3, 1996. For the convenience of the reader, the superseded text is set forth below.

Sec. 270.2a-7 Money market funds.

(a) Definitions - (1) Amortized Cost Method of valuation shall mean the method of calculating an investment company's net asset value whereby portfolio securities are valued at the fund's acquisition cost as adjusted for amortization of premium or accretion of discount rather than at their value based on current market factors.

(2) Business day means any day, other than Saturday, Sunday, or any customary business holiday.

(3) Collateralized fully in the case of a repurchase agreement shall mean that:

(i) The value of the securities collateralizing the repurchase agreement (reduced by the transaction costs (including loss of interest) that the money market fund reasonably could expect to incur if the seller defaults) is, and during the entire term of the repurchase agreement remains, at least equal to the resale price provided in the agreement; and

(ii) The money market fund or its custodian either has actual physical possession of the collateral or, in the case of a security registered on a book entry system, the book entry is maintained in the name of the money market fund or its custodian; and

(iii) The money market fund retains an unqualified right to possess and sell the collateral in the event of a default by the seller; and

(iv) The collateral consists entirely of Government securities or securities that, at the time the repurchase agreement is entered into, are rated in the highest rating category by the Requisite NRSROs.

(4) Demand Feature shall mean a Put that entitles the holder to

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Sweep Investment Service

Minimize excess balances and maximize your return on available funds with First Union's Sweep Investment Service - the simple and safe method of increasing your company's earnings.

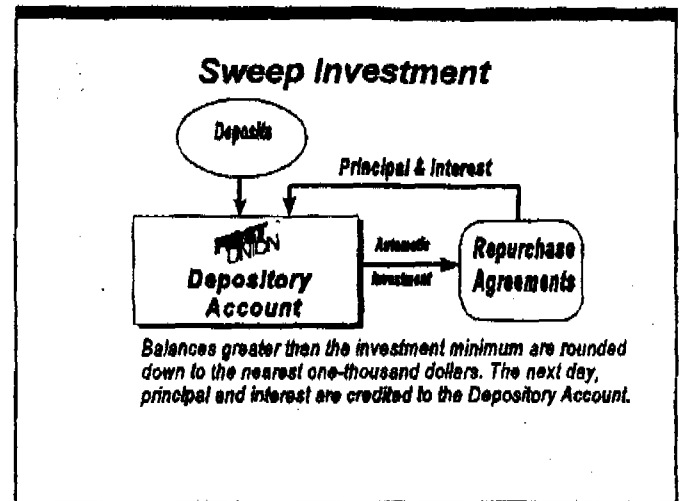
With our Sweep Investment Service, your company will never have to worry about making the most of idle cash. Each night, excess collected funds in your commercial checking account will be automatically invested in Overnight Repurchase Agreements. The minimum investment amount is \$50,000, with incremental increases of \$1,000.

Repurchase Agreements are collateralized at 100% of the market value by U.S. Government Treasury or Agency Securities. First Union segregates securities on its books and records each customer's ownership of specifically identified securities.

Here's How our Sweep Investment Service Works:

- 1. Calculation of Investable Funds**
First Union calculates the amount of investable funds in your commercial checking account after all credits and debits have posted at the end of each day.
- 2. Automatic Investment**
Collected balances in excess of the \$50,000 minimum are invested in increments of \$1,000. The rate of interest your company earns is tiered based on your investment amount.
- 3. Reporting**
A daily confirmation of the previous day's investment transaction is automatically generated for your review. In addition, you will receive a monthly summary report recapping each day's investment amount, investment instrument and the interest accrued. *All for no extra charge.*

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Here's how our Sweep Investment Service will benefit your company:

- **Increased Income-** Excess balances are automatically invested into short-term instruments that earn competitive market rates. In addition, invested dollars are not charged for FDIC Insurance.
- **Access to Invested Funds-** Investments mature daily, enabling your company to meet any working capital needs easily.
- **Simple to Establish-** Requires only one First Union commercial checking account.
- **Tiered Rates-** Provides better investment rates for larger investment amounts.

VESTED-in-Quality

REPOASK

			OPEN	HIGH	LOW	CLOSE
Feb	27	1995,	5.88,	5.98,	5.88,	5.90
Feb	28	1995,	6.05,	6.15,	6.05,	6.15
Mar	1	1995,	6.15,	6.15,	6.00,	6.00
Mar	2	1995,	5.90,	5.93,	5.90,	5.92
Mar	3	1995,	5.85,	5.94,	5.85,	5.83
Mar	5	1995,	5.93,	5.93,	5.93,	5.93
Mar	6	1995,	5.90,	5.96,	5.90,	5.98
Mar	7	1995,	5.90,	6.00,	5.90,	5.99
Mar	8	1995,	5.90,	5.95,	5.90,	5.93
Mar	9	1995,	5.92,	5.95,	5.90,	5.90
Mar	10	1995,	5.85,	5.88,	5.85,	5.85
Mar	13	1995,	5.93,	5.93,	5.90,	5.90
Mar	14	1995,	5.93,	5.93,	5.90,	5.90
Mar	15	1995,	6.05,	6.10,	6.00,	6.05
Mar	16	1995,	5.92,	5.95,	5.90,	5.90
Mar	17	1995,	5.87,	5.90,	5.87,	5.90
Mar	20	1995,	5.90,	5.93,	5.85,	5.85
Mar	21	1995,	5.93,	5.93,	5.90,	5.90
Mar	22	1995,	5.87,	5.90,	5.87,	5.90
Mar	23	1995,	5.85,	5.93,	5.85,	5.90
Mar	24	1995,	5.88,	5.88,	5.88,	5.88
Mar	27	1995,	6.00,	6.00,	6.00,	6.00
Mar	28	1995,	6.05,	6.05,	5.95,	5.95
Mar	29	1995,	6.12,	6.12,	6.10,	6.10
Mar	30	1995,	6.05,	6.10,	6.05,	6.10
Mar	31	1995,	6.20,	6.20,	6.20,	6.35
Apr	3	1995,	6.20,	6.20,	6.10,	6.10
Apr	4	1995,	6.05,	6.10,	6.05,	6.18
Apr	5	1995,	6.00,	6.05,	6.00,	6.00
Apr	6	1995,	5.90,	6.00,	5.90,	6.00
Apr	7	1995,	5.90,	5.93,	5.90,	5.93
Apr	10	1995,	5.95,	6.03,	5.95,	5.98
Apr	11	1995,	5.90,	5.95,	5.90,	5.92
Apr	12	1995,	5.95,	5.96,	5.90,	5.90
Apr	13	1995,	5.90,	5.96,	5.90,	5.95
Apr	17	1995,	5.95,	5.96,	5.95,	5.95
Apr	18	1995,	5.95,	6.00,	5.90,	5.90
Apr	19	1995,	5.85,	5.88,	5.85,	5.85
Apr	20	1995,	5.85,	5.85,	5.80,	5.80
Apr	21	1995,	6.80,	5.80,	5.80,	5.80
Apr	24	1995,	5.80,	5.87,	5.80,	6.87
Apr	25	1995,	5.90,	5.90,	5.88,	5.88
Apr	26	1995,	6.00,	6.00,	5.92,	6.00
Apr	27	1995,	5.88,	5.95,	5.88,	5.95
Apr	28	1995,	6.00,	6.02,	6.00,	6.02
May	1	1995,	6.00,	6.08,	6.00,	6.00
May	2	1995,	5.95,	5.95,	5.90,	5.90
May	3	1995,	5.90,	5.95,	5.88,	5.88
May	4	1995,	5.90,	5.95,	5.80,	5.93
May	5	1995,	5.90,	5.95,	5.90,	5.92
May	8	1995,	5.95,	6.05,	5.95,	6.05
May	9	1995,	5.90,	5.97,	5.90,	5.97
May	10	1995,	6.00,	6.08,	5.97,	5.97

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REPOASK

May	11	1995,	5.93,	5.95,	5.93,	5.95
May	12	1995,	5.90,	5.93,	5.90,	5.93
May	15	1995,	6.13,	6.18,	6.13,	6.15
May	16	1995,	5.95,	6.03,	5.95,	5.95
May	17	1995,	5.90,	5.90,	5.90,	5.90
May	18	1995,	5.90,	5.92,	5.90,	5.90
May	19	1995,	5.87,	5.91,	5.87,	5.90
May	22	1995,	5.98,	6.01,	5.90,	5.90
May	23	1995,	5.90,	5.90,	5.90,	5.90
May	24	1995,	5.95,	5.98,	5.90,	5.90
May	25	1995,	5.95,	5.95,	5.95,	5.95
May	26	1995,	5.89,	6.00,	5.89,	5.94
May	30	1995,	5.98,	6.05,	5.98,	6.00
May	31	1995,	6.08,	6.15,	6.08,	6.15
Jun	1	1995,	5.90,	6.03,	5.90,	6.03
Jun	2	1995,	5.94,	6.12,	5.94,	6.12
Jun	5	1995,	5.98,	6.08,	5.98,	6.08
Jun	6	1995,	6.00,	6.04,	5.95,	5.98
Jun	7	1995,	5.98,	6.10,	5.98,	6.08
Jun	8	1995,	6.00,	6.06,	6.00,	6.06
Jun	9	1995,	6.00,	6.05,	6.00,	6.05
Jun	12	1995,	6.03,	6.04,	6.01,	6.01
Jun	13	1995,	5.95,	6.02,	5.95,	6.02
Jun	14	1995,	5.98,	6.02,	5.98,	6.00
Jun	15	1995,	6.08,	6.10,	6.08,	6.10
Jun	16	1995,	6.00,	6.03,	5.95,	5.95
Jun	19	1995,	6.00,	6.03,	6.00,	6.00
Jun	20	1995,	6.00,	6.03,	5.95,	5.95
Jun	21	1995,	6.05,	6.05,	6.00,	6.02
Jun	22	1995,	5.88,	6.00,	5.95,	5.97
Jun	23	1995,	5.90,	5.92,	5.90,	5.90
Jun	26	1995,	5.97,	5.97,	5.90,	5.90
Jun	27	1995,	5.93,	5.93,	5.90,	5.90
Jun	29	1995,	5.96,	5.96,	5.95,	5.95
Jun	30	1995,	6.30,	6.35,	6.20,	6.35
Jul	3	1995,	6.15,	6.15,	6.08,	6.08
Jul	5	1995,	6.08,	6.30,	6.08,	6.30
Jul	6	1995,	6.05,	6.15,	6.05,	6.15
Jul	7	1995,	5.80,	5.85,	5.75,	5.75
Jul	10	1995,	5.75,	5.80,	5.75,	5.75
Jul	11	1995,	5.75,	5.75,	5.73,	5.74
Jul	12	1995,	5.70,	5.73,	5.70,	5.73
Jul	13	1995,	5.72,	5.73,	5.72,	5.73
Jul	14	1995,	5.73,	5.73,	5.67,	5.72
Jul	17	1995,	5.73,	5.75,	5.72,	5.72
Jul	18	1995,	5.70,	5.73,	5.70,	5.73
Jul	19	1995,	5.75,	5.78,	5.75,	5.76
Jul	20	1995,	5.76,	5.76,	5.68,	5.70
Jul	21	1995,	5.65,	5.72,	5.65,	5.72
Jul	24	1995,	5.70,	5.75,	5.70,	5.75
Jul	25	1995,	5.70,	5.75,	5.70,	5.72
Jul	26	1995,	6.70,	5.74,	5.70,	5.73
Jul	27	1995,	5.70,	5.75,	5.70,	5.75
Jul	28	1995,	5.70,	5.75,	5.70,	5.75

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REPOASK

Jul	31	1996,	5.75,	5.95,	5.75,	5.95
Aug	1	1995,	5.80,	5.83,	5.80,	5.80
Aug	2	1995,	5.80,	5.80,	5.73,	5.73
Aug	3	1995,	5.72,	5.79,	5.72,	5.79
Aug	4	1995,	5.72,	5.75,	5.70,	5.70
Aug	7	1995,	5.70,	5.75,	5.70,	5.75
Aug	8	1995,	5.70,	5.75,	5.70,	5.73
Aug	9	1995,	5.72,	5.73,	5.60,	5.60
Aug	10	1995,	5.70,	5.70,	5.65,	5.65
Aug	11	1995,	5.65,	5.65,	5.60,	5.60
Aug	14	1995,	5.78,	5.78,	5.75,	5.75
Aug	15	1995,	5.85,	5.90,	5.85,	5.85
Aug	16	1995,	5.87,	5.90,	5.85,	5.85
Aug	17	1995,	5.75,	5.78,	5.75,	5.78
Aug	18	1995,	5.70,	5.70,	5.67,	5.67
Aug	21	1995,	5.70,	5.70,	5.70,	5.70
Aug	22	1995,	5.65,	5.66,	5.65,	5.65
Aug	23	1995,	5.66,	5.65,	5.65,	5.65
Aug	24	1995,	5.67,	5.67,	5.63,	5.65
Aug	25	1995,	5.65,	5.70,	5.65,	5.68
Aug	28	1995,	5.70,	5.78,	5.70,	5.70
Aug	29	1995,	5.65,	5.72,	5.65,	5.69
Aug	30	1995,	5.65,	5.75,	5.65,	5.72
Aug	31	1995,	5.72,	5.87,	5.72,	5.85
Sep	1	1995,	5.72,	5.74,	5.70,	5.70
Sep	5	1995,	5.70,	5.90,	5.70,	5.90
Sep	6	1995,	5.75,	5.85,	5.75,	5.85
Sep	7	1995,	5.75,	5.80,	5.75,	5.77
Sep	8	1995,	5.70,	5.72,	5.70,	5.70
Sep	11	1995,	5.73,	5.76,	5.70,	5.73
Sep	12	1995,	5.72,	5.73,	5.70,	5.70
Sep	13	1995,	5.75,	5.78,	5.75,	5.79
Sep	14	1995,	5.77,	5.90,	5.75,	5.90
Sep	15	1995,	5.83,	5.85,	5.80,	5.82
Sep	18	1995,	5.75,	5.80,	5.85,	5.65
Sep	19	1995,	5.70,	5.70,	5.65,	5.70
Sep	20	1995,	5.71,	5.75,	5.70,	5.75
Sep	21	1995,	5.70,	5.71,	5.68,	5.68
Sep	22	1995,	5.60,	5.68,	5.60,	5.65
Sep	25	1995,	5.73,	5.73,	5.65,	5.65
Sep	26	1995,	5.67,	5.67,	5.60,	5.65
Sep	27	1995,	5.75,	5.85,	5.75,	5.85
Sep	28	1995,	5.83,	5.90,	5.83,	5.90
Sep	29	1995,	6.30,	6.40,	6.30,	6.40
Oct	2	1995,	5.85,	5.90,	5.78,	5.85
Oct	3	1995,	5.70,	5.75,	5.70,	5.75
Oct	4	1995,	5.67,	5.72,	5.67,	5.72
Oct	5	1995,	5.72,	5.74,	5.68,	5.74
Oct	6	1995,	5.63,	5.69,	5.63,	5.69
Oct	10	1995,	5.75,	5.80,	5.75,	5.80
Oct	11	1995,	5.75,	5.79,	5.75,	5.79
Oct	12	1995,	5.78,	5.78,	5.70,	5.78
Oct	13	1995,	5.70,	5.73,	5.68,	5.70
Oct	16	1995,	5.74,	5.75,	5.71,	5.74

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REPOBID

			OPEN	HIGH	LOW	CLOSE
Feb	27	1995,	5.98,	6.03,	5.95,	5.95
Feb	28	1995,	6.15,	6.25,	6.15,	6.25
Mar	1	1995,	6.25,	6.25,	6.05,	6.05
Mar	2	1995,	5.95,	5.96,	5.95,	5.95
Mar	3	1996,	5.95,	5.98,	5.95,	5.98
Mar	5	1995,	5.98,	5.98,	5.88,	5.98
Mar	6	1995,	6.00,	6.00,	6.00,	6.00
Mar	7	1995,	6.00,	6.05,	6.00,	6.00
Mar	8	1995,	6.00,	6.00,	5.97,	5.97
Mar	9	1995,	5.95,	5.98,	5.92,	5.92
Mar	10	1995,	5.95,	5.95,	5.90,	5.90
Mar	13	1995,	5.95,	5.98,	5.95,	5.98
Mar	14	1995,	5.98,	5.98,	5.95,	5.95
Mar	16	1995,	6.15,	6.15,	6.05,	6.10
Mar	16	1996,	5.97,	6.00,	5.95,	5.95
Mar	17	1995,	5.93,	5.96,	5.93,	5.95
Mar	20	1995,	5.95,	5.98,	5.90,	5.90
Mar	21	1995,	5.95,	5.95,	5.95,	5.95
Mar	22	1995,	5.93,	5.95,	5.93,	5.95
Mar	23	1995,	5.95,	5.98,	5.95,	5.95
Mar	24	1995,	5.93,	5.93,	5.93,	5.93
Mar	27	1996,	6.05,	6.05,	6.05,	6.05
Mar	28	1995,	6.15,	6.15,	6.00,	6.00
Mar	29	1995,	6.18,	6.18,	6.15,	6.15
Mar	30	1995,	6.15,	6.15,	6.10,	6.15
Mar	31	1995,	6.35,	6.35,	6.35,	6.40
Apr	3	1995,	6.30,	6.30,	6.15,	6.20
Apr	4	1995,	6.10,	6.15,	6.10,	6.22
Apr	5	1995,	6.10,	6.10,	6.05,	6.05
Apr	6	1995,	6.00,	6.05,	6.00,	6.05
Apr	7	1995,	6.00,	6.00,	5.96,	5.98
Apr	10	1995,	6.05,	6.05,	6.03,	6.03
Apr	11	1995,	6.00,	6.00,	5.95,	5.95
Apr	12	1995,	6.05,	6.05,	5.93,	5.93
Apr	13	1995,	6.00,	6.00,	6.00,	6.00
Apr	17	1995,	6.05,	6.05,	6.00,	6.05
Apr	18	1995,	6.05,	6.05,	5.95,	5.95
Apr	19	1995,	5.95,	5.95,	5.90,	5.90
Apr	20	1995,	5.95,	5.95,	5.85,	5.85
Apr	21	1995,	5.87,	5.87,	5.85,	5.85
Apr	24	1995,	5.92,	5.92,	5.90,	5.90
Apr	25	1995,	5.92,	5.92,	5.91,	5.91
Apr	26	1995,	6.05,	6.06,	5.95,	6.05
Apr	27	1995,	5.97,	6.00,	5.97,	6.00
Apr	28	1995,	6.03,	6.07,	6.03,	6.07
May	1	1995,	6.12,	6.12,	6.10,	6.10
May	2	1995,	6.02,	6.02,	5.95,	5.95
May	3	1995,	6.00,	6.00,	5.92,	5.92
May	4	1995,	5.97,	6.00,	5.97,	5.99
May	5	1995,	6.00,	6.00,	5.97,	5.97
May	8	1995,	6.07,	6.10,	6.07,	6.10
May	9	1995,	6.00,	6.00,	5.96,	5.98
May	10	1995,	6.10,	6.10,	6.03,	6.03

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REPOBID

May	11	1995,	5.98,	6.00,	5.97,	6.00
May	12	1995,	6.00,	6.00,	5.95,	5.98
May	15	1995,	6.25,	6.25,	6.20,	6.20
May	16	1995,	6.05,	6.07,	6.00,	6.00
May	17	1995,	5.97,	5.97,	5.95,	5.95
May	18	1995,	5.96,	5.96,	5.95,	5.95
May	19	1995,	5.93,	5.95,	5.93,	5.95
May	22	1995,	6.05,	6.05,	5.95,	5.95
May	23	1995,	5.92,	5.95,	5.92,	5.95
May	24	1995,	6.00,	6.00,	5.96,	5.96
May	25	1995,	6.00,	6.00,	6.00,	6.00
May	28	1995,	5.95,	6.07,	5.95,	5.98
May	30	1995,	6.03,	6.08,	6.03,	6.05
May	31	1995,	6.20,	6.20,	6.20,	6.20
Jun	1	1995,	6.03,	6.08,	6.00,	6.08
Jun	2	1995,	6.00,	6.15,	6.00,	6.15
Jun	5	1995,	6.03,	6.10,	6.03,	6.10
Jun	6	1995,	6.05,	6.07,	6.00,	6.00
Jun	7	1995,	6.05,	6.15,	6.05,	6.09
Jun	8	1995,	6.05,	6.10,	6.05,	6.10
Jun	9	1995,	6.05,	6.10,	6.05,	6.10
Jun	12	1995,	6.08,	6.08,	6.03,	6.03
Jun	13	1995,	6.00,	6.05,	6.00,	6.04
Jun	14	1995,	6.04,	6.04,	6.03,	6.04
Jun	15	1995,	6.16,	6.15,	6.12,	6.12
Jun	16	1995,	6.06,	6.05,	6.00,	6.00
Jun	19	1995,	6.06,	6.08,	6.03,	6.03
Jun	20	1995,	6.05,	6.05,	6.00,	6.05
Jun	21	1995,	6.10,	6.10,	6.05,	6.05
Jun	22	1995,	6.05,	6.05,	6.00,	6.00
Jun	23	1995,	5.95,	5.95,	5.92,	5.92
Jun	26	1995,	6.02,	6.02,	5.96,	5.96
Jun	27	1995,	5.96,	5.96,	5.94,	5.95
Jun	29	1995,	5.98,	6.05,	5.97,	6.05
Jun	30	1995,	6.42,	6.45,	6.30,	6.45
Jul	3	1995,	6.20,	6.20,	6.10,	6.10
Jul	5	1995,	6.12,	6.35,	6.12,	6.35
Jul	6	1995,	6.08,	6.20,	6.08,	6.20
Jul	7	1995,	5.90,	5.90,	5.80,	5.80
Jul	10	1995,	5.85,	5.85,	5.80,	5.80
Jul	11	1995,	5.78,	5.78,	5.75,	5.78
Jul	12	1995,	5.75,	5.75,	5.75,	5.75
Jul	13	1995,	5.75,	5.75,	5.74,	5.74
Jul	14	1995,	5.74,	5.77,	5.70,	5.77
Jul	17	1995,	5.78,	5.78,	5.75,	5.75
Jul	18	1995,	5.75,	5.75,	5.75,	5.75
Jul	19	1995,	5.81,	5.81,	5.78,	5.78
Jul	20	1995,	5.78,	5.78,	5.75,	5.75
Jul	21	1995,	5.68,	5.75,	5.68,	5.75
Jul	24	1995,	5.75,	5.77,	5.75,	5.77
Jul	25	1995,	5.75,	5.78,	5.74,	5.74
Jul	26	1995,	5.75,	5.75,	5.75,	5.75
Jul	27	1995,	5.75,	5.77,	5.75,	5.77
Jul	28	1995,	5.75,	5.78,	5.75,	5.78

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REPOBID

Jul	31	1995,	6.85,	6.00,	5.85,	6.00
Aug	1	1995,	5.85,	5.85,	5.83,	5.83
Aug	2	1995,	5.83,	5.85,	5.75,	5.75
Aug	3	1995,	5.77,	5.81,	5.77,	5.81
Aug	4	1995,	5.77,	5.80,	5.75,	5.75
Aug	7	1995,	5.75,	5.80,	5.75,	5.77
Aug	8	1995,	5.75,	5.77,	5.75,	5.75
Aug	9	1995,	5.77,	5.77,	5.65,	5.65
Aug	10	1995,	5.75,	5.75,	5.67,	5.67
Aug	11	1995,	5.70,	5.70,	5.65,	5.65
Aug	14	1995,	5.84,	5.84,	5.80,	5.80
Aug	15	1995,	5.95,	5.95,	5.90,	5.90
Aug	16	1995,	5.93,	5.93,	5.90,	5.90
Aug	17	1995,	5.87,	5.87,	5.79,	5.79
Aug	18	1995,	5.75,	5.75,	5.71,	5.71
Aug	21	1995,	5.75,	5.75,	5.72,	5.72
Aug	22	1995,	5.70,	5.70,	5.67,	5.70
Aug	23	1995,	5.67,	5.67,	5.67,	5.67
Aug	24	1995,	5.70,	5.71,	5.68,	5.71
Aug	25	1995,	5.70,	5.72,	5.68,	5.68
Aug	28	1995,	5.78,	5.80,	5.75,	5.75
Aug	29	1995,	5.75,	5.75,	5.71,	5.71
Aug	30	1995,	5.69,	5.79,	5.69,	5.76
Aug	31	1995,	5.76,	5.90,	5.76,	5.90
Sep	1	1995,	5.75,	5.78,	5.72,	5.72
Sep	5	1995,	5.77,	5.95,	5.77,	5.95
Sep	6	1995,	5.80,	5.82,	5.80,	5.91
Sep	7	1995,	5.80,	5.83,	5.80,	5.80
Sep	8	1995,	5.75,	5.75,	5.73,	5.73
Sep	11	1995,	5.78,	5.79,	5.73,	5.77
Sep	12	1995,	5.75,	5.75,	5.72,	5.75
Sep	13	1995,	5.85,	5.85,	5.80,	5.81
Sep	14	1995,	5.80,	5.98,	5.80,	5.98
Sep	15	1995,	5.88,	5.90,	5.85,	5.87
Sep	18	1995,	5.85,	5.85,	5.75,	5.75
Sep	19	1995,	5.75,	5.75,	5.70,	5.75
Sep	20	1995,	5.74,	5.77,	5.73,	5.77
Sep	21	1995,	5.75,	5.75,	5.72,	5.72
Sep	22	1995,	5.67,	5.72,	5.64,	5.67
Sep	25	1995,	5.77,	5.77,	5.68,	5.68
Sep	26	1995,	5.70,	5.70,	5.65,	5.68
Sep	27	1995,	5.86,	5.90,	5.80,	5.90
Sep	28	1995,	5.88,	5.95,	5.88,	5.95
Sep	29	1995,	6.50,	6.50,	6.35,	6.48
Oct	2	1995,	5.95,	5.95,	5.85,	5.90
Oct	3	1995,	5.75,	5.82,	5.75,	5.80
Oct	4	1995,	5.73,	5.77,	5.73,	5.73
Oct	5	1995,	5.73,	5.75,	5.73,	5.75
Oct	6	1995,	5.69,	5.72,	5.68,	5.72
Oct	10	1995,	5.80,	5.85,	5.80,	5.85
Oct	11	1995,	5.83,	5.83,	5.80,	5.80
Oct	12	1995,	5.83,	5.83,	5.74,	5.83
Oct	13	1995,	5.75,	5.75,	5.72,	5.75
Oct	16	1995,	5.76,	5.77,	5.76,	5.76

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REPOBID

Oct	17	1995,	5.71,	5.74,	5.71,	5.71
Oct	18	1995,	5.67,	5.68,	5.67,	5.67
Oct	19	1995,	5.73,	5.73,	5.70,	5.73
Oct	20	1995,	5.70,	5.75,	5.70,	5.75
Oct	23	1995,	5.78,	5.81,	5.78,	5.80
Oct	24	1995,	5.75,	5.75,	5.74,	5.74
Oct	25	1995,	5.74,	5.90,	5.74,	5.90
Oct	26	1995,	5.79,	5.81,	5.79,	5.80
Oct	27	1995,	5.75,	5.77,	5.70,	5.75
Oct	28	1995,	5.75,	5.75,	5.75,	5.75
Oct	30	1995,	5.79,	5.80,	5.79,	5.79
Oct	31	1995,	5.90,	5.95,	5.80,	5.95
Nov	1	1995,	5.84,	5.87,	5.84,	5.84
Nov	2	1995,	5.75,	5.78,	6.75,	5.76
Nov	3	1995,	5.75,	5.78,	5.75,	5.78
Nov	6	1995,	5.80,	5.82,	5.80,	5.82
Nov	7	1995,	5.75,	5.77,	5.73,	5.74
Nov	8	1995,	5.92,	6.00,	5.92,	6.00
Nov	9	1995,	5.80,	5.82,	5.77,	5.82
Nov	10	1995,	6.75,	6.77,	5.75,	6.77
Nov	13	1995,	5.80,	5.82,	5.80,	5.82
Nov	14	1995,	5.80,	5.80,	5.75,	5.75
Nov	15	1995,	5.95,	5.98,	5.95,	5.95
Nov	16	1995,	5.85,	5.87,	5.85,	5.87
Nov	17	1995,	5.79,	5.79,	5.77,	5.77
Nov	20	1995,	5.83,	5.83,	5.79,	5.79
Nov	21	1995,	5.77,	5.77,	5.73,	5.73
Nov	22	1995,	5.95,	5.95,	5.85,	5.85
Nov	24	1995,	6.10,	6.20,	6.10,	6.20
Nov	27	1995,	5.90,	5.90,	5.82,	5.85
Nov	28	1995,	5.77,	5.77,	5.71,	5.72
Nov	29	1995,	5.75,	5.75,	5.68,	5.68
Nov	30	1995,	5.95,	6.00,	5.95,	6.00
Dec	1	1995,	5.85,	5.85,	5.80,	5.80
Dec	4	1995,	5.76,	5.79,	5.75,	5.79
Dec	5	1995,	5.79,	5.81,	5.79,	5.80
Dec	6	1995,	5.98,	6.00,	5.98,	6.00
Dec	7	1995,	5.85,	5.89,	5.85,	5.89
Dec	8	1995,	5.80,	5.81,	5.78,	5.78
Dec	11	1995,	5.80,	5.81,	5.77,	5.77
Dec	12	1995,	5.75,	5.76,	5.75,	5.75
Dec	13	1995,	5.75,	5.75,	5.70,	5.70
Dec	14	1995,	5.78,	5.90,	5.78,	5.90
Dec	15	1995,	6.00,	6.00,	5.95,	5.97
Dec	18	1995,	5.95,	5.95,	5.77,	5.80
Dec	19	1995,	5.80,	5.80,	5.77,	5.77
Dec	20	1995,	5.73,	5.73,	5.70,	5.70
Dec	21	1995,	5.70,	5.70,	5.70,	5.70
Dec	22	1995,	5.65,	5.65,	5.65,	5.65
Dec	26	1995,	5.62,	5.68,	5.62,	5.65
Dec	27	1995,	5.55,	5.55,	5.52,	5.52
Dec	28	1995,	5.56,	5.55,	5.45,	5.46
Dec	29	1995,	6.05,	6.05,	5.95,	5.95
Jan	2	1996,	5.75,	5.75,	5.63,	5.63

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REPOBID

Jan	3	1996,	5.95,	6.30,	5.90,	6.30
Jan	4	1996,	6.30,	6.30,	5.76,	5.77
Jan	5	1996,	5.56,	5.56,	5.48,	5.48
Jan	8	1996,	5.85,	5.85,	5.85,	6.85
Jan	9	1996,	6.63,	5.63,	5.58,	5.58
Jan	10	1996,	5.47,	5.47,	5.43,	5.43
Jan	11	1996,	5.45,	5.58,	5.40,	5.58
Jan	12	1996,	5.43,	5.48,	5.40,	5.48
Jan	16	1996,	5.68,	5.70,	6.67,	6.70
Jan	17	1996,	6.00,	6.15,	5.97,	6.15
Jan	18	1996,	6.60,	6.60,	5.54,	5.57
Jan	19	1996,	5.45,	5.45,	6.42,	5.45
Jan	22	1996,	5.48,	5.48,	5.45,	5.46
Jan	23	1996,	5.45,	5.48,	5.45,	5.48
Jan	24	1996,	5.48,	5.45,	5.42,	5.42
Jan	25	1996,	5.47,	5.52,	5.47,	5.50
Jan	26	1996,	5.49,	5.51,	5.48,	5.51
Jan	29	1996,	5.62,	5.64,	5.62,	5.63
Jan	30	1996,	5.57,	5.57,	5.50,	5.50
Jan	31	1996,	5.85,	5.85,	5.80,	5.80
Feb	1	1996,	5.35,	5.35,	5.25,	5.25
Feb	2	1996,	5.23,	5.23,	5.17,	5.21
Feb	5	1996,	5.22,	5.22,	5.18,	5.18
Feb	6	1996,	5.20,	5.23,	5.19,	5.23
Feb	7	1996,	5.18,	5.18,	5.17,	5.18
Feb	8	1996,	5.18,	5.18,	5.17,	5.18
Feb	9	1996,	5.17,	5.20,	5.14,	5.16
Feb	12	1996,	5.25,	5.25,	5.24,	5.25
Feb	13	1996,	5.23,	5.23,	5.20,	5.20
Feb	14	1996,	5.43,	5.45,	5.43,	5.45
Feb	15	1996,	5.45,	5.45,	5.20,	5.20
Feb	16	1996,	5.16,	5.17,	5.13,	5.16
Feb	20	1996,	5.23,	5.23,	5.21,	5.23
Feb	21	1996,	5.18,	5.23,	5.18,	5.23
Feb	22	1996,	5.15,	5.15,	5.13,	5.15
Feb	23	1996,	5.20,	5.20,	5.17,	5.17
Feb	26	1996,	5.20,	5.20,	5.18,	5.19
Feb	27	1996,	5.20,	5.22,	5.18,	5.22
Feb	28	1996,	5.40,	5.40,	5.37,	5.37
Feb	29	1996,	5.35,	5.55,	6.35,	5.53
Mar	1	1996,	5.33,	5.45,	5.33,	5.45
Mar	4	1996,	5.35,	5.55,	5.35,	6.55
Mar	5	1996,	5.30,	5.30,	5.28,	5.30
Mar	6	1996,	5.22,	5.22,	5.18,	5.18
Mar	7	1996,	5.20,	5.23,	5.14,	5.23
Mar	8	1996,	5.18,	5.28,	5.18,	5.20
Mar	11	1996,	5.27,	5.27,	5.18,	5.18
Mar	12	1996,	5.25,	5.25,	5.20,	5.20
Mar	13	1996,	5.23,	5.63,	5.23,	5.63
Mar	14	1996,	5.35,	5.45,	5.35,	5.45
Mar	15	1996,	5.55,	5.67,	5.55,	5.67
Mar	18	1996,	5.35,	5.35,	5.32,	5.32
Mar	19	1996,	5.25,	5.26,	5.25,	5.26
Mar	20	1996,	5.25,	5.25,	5.20,	5.20

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REPOBID

Mar	21	1996,	5.23,	5.23,	5.21,	5.21
Mar	22	1996,	5.18,	5.19,	5.15,	5.18
Mar	25	1996,	5.28,	5.29,	5.28,	5.28
Mar	26	1996,	5.30,	5.30,	5.22,	5.22
Mar	27	1996,	5.58,	5.58,	5.55,	5.55
Mar	28	1996,	5.55,	5.55,	5.40,	5.40
Mar	29	1996,	5.50,	5.50,	5.35,	5.36
Apr	1	1996,	5.40,	5.40,	5.39,	5.40
Apr	2	1996,	5.36,	5.38,	5.35,	5.38
Apr	3	1996,	5.38,	5.40,	5.38,	5.40
Apr	4	1996,	5.28,	5.33,	5.28,	5.33
Apr	5	1996,	5.34,	5.35,	5.34,	5.35
Apr	8	1996,	5.35,	5.35,	5.34,	5.34
Apr	9	1996,	5.33,	5.33,	5.30,	5.30
Apr	10	1996,	6.45,	5.45,	5.37,	5.37
Apr	11	1996,	5.27,	5.34,	5.27,	5.34
Apr	12	1996,	5.30,	5.32,	5.29,	5.29
Apr	15	1996,	5.37,	5.38,	5.37,	5.37
Apr	16	1996,	5.28,	5.28,	5.24,	5.24
Apr	17	1996,	5.23,	5.23,	5.18,	5.18
Apr	18	1996,	5.20,	5.20,	5.15,	5.20
Apr	19	1996,	5.18,	5.18,	5.10,	5.10
Apr	22	1996,	5.18,	5.18,	5.15,	5.15
Apr	23	1996,	5.16,	5.20,	5.14,	5.20
Apr	24	1996,	5.40,	5.48,	5.40,	5.43
Apr	25	1996,	5.22,	5.27,	5.20,	5.23
Apr	26	1996,	5.17,	5.17,	5.15,	5.15
Apr	29	1996,	5.25,	5.25,	5.20,	5.20
Apr	30	1996,	5.35,	5.40,	5.35,	5.40
May	1	1996,	5.28,	5.36,	5.27,	5.35
May	2	1996,	5.26,	5.32,	5.26,	5.32
May	3	1996,	5.22,	5.25,	5.20,	5.20
May	6	1996,	5.27,	5.27,	5.25,	5.25
May	7	1996,	5.26,	5.28,	5.20,	5.20
May	8	1996,	5.20,	5.40,	5.20,	5.38
May	9	1996,	5.25,	5.25,	5.24,	5.25
May	10	1996,	5.20,	5.22,	5.20,	5.22
May	13	1996,	5.25,	5.27,	5.25,	5.25
May	14	1996,	5.25,	5.25,	5.23,	5.23
May	15	1996,	5.45,	5.50,	5.45,	5.50
May	16	1996,	5.25,	5.25,	5.25,	5.25
May	17	1996,	5.20,	5.20,	5.15,	5.15
May	20	1996,	5.22,	5.22,	5.15,	5.20
May	21	1996,	5.15,	5.15,	5.10,	5.10
May	22	1996,	5.39,	5.40,	5.35,	5.40
May	23	1996,	5.18,	5.21,	5.18,	5.21
May	24	1996,	5.17,	5.17,	5.15,	5.15
May	28	1996,	5.27,	5.27,	5.20,	5.22
May	29	1996,	5.23,	5.24,	5.20,	5.24
May	30	1996,	5.20,	5.25,	5.20,	5.24
May	31	1996,	5.35,	5.43,	5.35,	5.43
Jun	3	1996,	5.33,	5.50,	5.33,	5.50
Jun	4	1996,	5.35,	5.35,	5.28,	5.28
Jun	5	1996,	5.45,	5.45,	5.35,	5.35

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REPOBID

Jun	6	1996,	5.24,	5.32,	5.24,	5.32
Jun	7	1996,	5.20,	5.25,	5.20,	5.25
Jun	10	1996,	5.13,	5.27,	5.13,	5.26
Jun	11	1996,	5.21,	5.24,	5.21,	5.22
Jun	12	1996,	5.23,	5.24,	5.20,	5.24
Jun	13	1996,	5.24,	5.31,	5.24,	5.31
Jun	14	1996,	5.32,	5.32,	5.27,	5.32
Jun	17	1996,	5.38,	5.50,	5.38,	5.49
Jun	18	1996,	5.32,	5.33,	5.22,	5.22
Jun	19	1996,	5.24,	5.45,	5.24,	5.36
Jun	20	1996,	5.30,	5.36,	5.30,	5.35
Jun	21	1996,	5.20,	5.22,	5.15,	5.15
Jun	24	1996,	5.25,	5.25,	5.22,	5.22
Jun	25	1996,	5.15,	5.15,	5.10,	5.10
Jun	26	1996,	5.15,	5.15,	5.11,	5.15
Jun	27	1996,	5.18,	5.18,	5.17,	5.17
Jun	28	1996,	5.55,	5.55,	5.42,	5.42
Jul	1	1996,	5.38,	5.45,	5.38,	5.45
Jul	2	1996,	5.40,	5.45,	5.40,	5.43
Jul	3	1996,	5.55,	5.60,	5.50,	5.60
Jul	5	1996,	5.33,	5.36,	5.25,	5.30
Jul	8	1996,	5.30,	5.30,	5.20,	5.20
Jul	9	1996,	5.17,	5.20,	5.17,	5.20
Jul	10	1996,	5.15,	5.15,	5.11,	5.11
Jul	11	1996,	5.13,	5.20,	5.13,	5.18
Jul	12	1996,	5.15,	5.15,	5.13,	5.15
Jul	15	1996,	5.29,	5.40,	5.29,	5.40
Jul	16	1996,	5.36,	5.36,	5.25,	5.25
Jul	17	1996,	5.34,	5.43,	5.34,	5.38
Jul	18	1996,	5.28,	5.32,	5.28,	5.32
Jul	19	1996,	5.18,	5.22,	5.18,	5.22
Jul	22	1996,	5.21,	5.22,	5.21,	5.22
Jul	23	1996,	5.20,	5.25,	5.20,	5.26
Jul	24	1996,	5.20,	5.28,	5.20,	5.27
Jul	25	1996,	5.28,	5.50,	5.28,	5.50
Jul	26	1996,	5.30,	5.38,	5.30,	5.38
Jul	29	1996,	5.35,	5.37,	5.35,	5.37
Jul	30	1996,	5.35,	5.35,	5.33,	5.33
Jul	31	1996,	5.70,	5.80,	5.67,	5.80
Aug	1	1996,	5.45,	5.85,	5.45,	5.85
Aug	2	1996,	5.54,	5.75,	5.54,	5.68
Aug	5	1996,	5.45,	5.48,	5.35,	5.35
Aug	6	1996,	5.36,	5.36,	5.20,	5.20
Aug	7	1996,	5.16,	5.16,	5.10,	5.12
Aug	8	1996,	5.16,	5.21,	5.15,	5.20
Aug	9	1996,	5.15,	5.18,	5.15,	5.15
Aug	12	1996,	5.22,	5.30,	5.22,	5.28
Aug	13	1996,	5.37,	5.37,	5.10,	5.10
Aug	14	1996,	5.33,	5.33,	5.23,	5.23
Aug	15	1996,	5.35,	5.55,	5.35,	5.55
Aug	16	1996,	5.25,	5.27,	5.18,	5.18
Aug	19	1996,	5.25,	5.25,	5.23,	5.26
Aug	20	1996,	5.15,	5.25,	5.13,	5.25
Aug	21	1996,	5.10,	5.10,	5.07,	5.07

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Aug	22	1996,	5.07,	5.20,	5.07,	5.15
Aug	23	1996,	5.14,	5.16,	5.14,	5.15
Aug	26	1996,	5.25,	5.30,	5.25,	5.29
Aug	27	1996,	5.25,	5.25,	5.15,	5.15
Aug	28	1996,	5.37,	5.42,	5.32,	5.32
Aug	29	1996,	5.25,	5.32,	5.25,	5.30
Aug	30	1996,	5.28,	5.30,	5.20,	5.24
Sep	3	1996,	5.50,	5.70,	5.50,	5.70
Sep	4	1996,	5.35,	5.35,	5.30,	5.30
Sep	5	1996,	5.26,	5.28,	5.23,	5.26
Sep	6	1996,	5.18,	5.18,	5.10,	5.10
Sep	9	1996,	5.23,	5.23,	5.20,	5.20
Sep	10	1996,	5.17,	5.17,	5.12,	5.12
Sep	11	1996,	5.33,	5.34,	5.18,	5.18
Sep	12	1996,	5.18,	5.20,	5.12,	5.12
Sep	13	1996,	5.18,	5.25,	5.15,	5.25
Sep	16	1996,	5.45,	5.50,	6.43,	5.43
Sep	17	1996,	5.20,	5.20,	6.05,	5.13
Sep	18	1996,	5.08,	5.08,	4.95,	4.95
Sep	19	1996,	5.05,	5.30,	5.05,	5.30
Sep	20	1996,	5.20,	5.20,	5.15,	5.20
Sep	23	1996,	6.28,	6.32,	5.27,	5.27
Sep	24	1996,	5.35,	5.35,	5.32,	5.32
Sep	25	1996,	5.40,	6.42,	5.20,	5.20
Sep	26	1996,	5.23,	6.23,	5.20,	5.20
Sep	27	1996,	5.18,	5.30,	5.18,	5.30
Sep	30	1996,	5.80,	5.80,	5.75,	5.80
Oct	1	1996,	5.33,	5.43,	5.33,	5.43
Oct	2	1996,	5.30,	6.30,	5.23,	5.27
Oct	3	1996,	5.18,	5.25,	5.18,	5.25
Oct	4	1996,	5.13,	5.16,	5.05,	5.05
Oct	7	1996,	5.18,	5.21,	5.16,	5.21
Oct	8	1996,	5.15,	5.15,	5.08,	5.08
Oct	9	1996,	5.37,	5.45,	5.35,	5.45
Oct	10	1996,	5.18,	5.25,	5.18,	5.25
Oct	11	1996,	5.16,	5.20,	5.16,	5.20
Oct	16	1996,	6.36,	5.45,	5.35,	5.36
Oct	16	1996,	5.26,	5.25,	5.13,	5.13
Oct	17	1996,	5.18,	5.25,	5.18,	5.25
Oct	18	1996,	5.15,	5.15,	5.12,	5.15
Oct	21	1996,	5.21,	5.21,	5.20,	5.20
Oct	22	1996,	5.20,	6.22,	5.19,	5.22
Oct	23	1996,	5.45,	5.63,	5.45,	5.63
Oct	24	1996,	5.25,	5.28,	6.25,	5.26
Oct	25	1996,	5.18,	6.21,	5.18,	5.18
Oct	28	1996,	5.29,	5.32,	5.29,	5.32
Oct	29	1996,	5.35,	5.37,	5.22,	5.22
Oct	30	1996,	5.27,	5.35,	5.26,	5.35
Oct	31	1996,	5.59,	5.75,	5.59,	5.75
Nov	1	1996,	5.70,	5.70,	5.60,	5.70
Nov	4	1996,	5.35,	5.40,	5.22,	5.22
Nov	5	1996,	5.20,	5.20,	5.16,	5.16
Nov	6	1996,	5.70,	5.70,	5.53,	5.60
Nov	7	1996,	5.28,	5.35,	5.26,	5.35

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Nov	8	1996,	5.35,	6.35,	5.18,	5.18
Nov	12	1996,	5.35,	5.38,	5.35,	5.35
Nov	13	1996,	5.28,	5.28,	5.17,	5.17
Nov	14	1996,	5.27,	5.30,	5.25,	5.29
Nov	15	1996,	5.70,	5.75,	5.70,	5.75
Nov	18	1996,	5.38,	5.38,	5.29,	5.29
Nov	19	1996,	5.18,	5.19,	5.15,	5.15
Nov	20	1996,	5.16,	5.50,	5.15,	5.38
Nov	21	1996,	5.23,	5.28,	5.23,	5.25
Nov	22	1996,	5.16,	5.16,	5.12,	5.12
Nov	25	1996,	5.30,	5.30,	5.28,	5.29
Nov	26	1996,	5.25,	5.30,	5.25,	5.30
Nov	27	1996,	5.40,	5.40,	5.40,	5.40
Nov	29	1996,	5.75,	6.00,	5.75,	6.00
Dec	2	1996,	5.70,	5.82,	5.70,	5.76
Dec	3	1996,	5.52,	5.52,	5.40,	5.40
Dec	4	1996,	5.45,	5.45,	5.30,	5.30
Dec	5	1996,	5.32,	5.40,	5.32,	5.40
Dec	6	1996,	5.24,	5.25,	5.24,	5.25
Dec	9	1996,	5.28,	5.28,	5.25,	5.28
Dec	10	1996,	5.28,	5.28,	5.23,	5.23
Dec	11	1996,	5.20,	5.25,	5.20,	5.25
Dec	12	1996,	5.23,	5.30,	5.23,	5.30
Dec	13	1996,	5.18,	5.24,	5.18,	5.23
Dec	16	1996,	5.60,	5.85,	5.55,	5.85
Dec	17	1996,	5.34,	5.38,	5.33,	5.38
Dec	18	1996,	5.36,	5.70,	5.36,	5.65
Dec	19	1996,	5.35,	5.35,	5.30,	5.35
Dec	20	1996,	5.20,	5.20,	5.20,	5.20
Dec	23	1996,	5.28,	5.28,	5.25,	5.25
Dec	24	1996,	5.25,	5.25,	5.22,	5.22
Dec	26	1996,	5.27,	5.32,	5.27,	5.32
Dec	27	1996,	5.30,	5.35,	5.20,	5.35
Dec	30	1996,	5.70,	5.70,	5.25,	5.25
Dec	31	1996,	5.30,	6.50,	5.30,	6.50
Jan	2	1997,	6.40,	6.60,	6.40,	6.55
Jan	3	1997,	5.32,	5.32,	5.24,	5.24
Jan	6	1997,	5.27,	5.27,	5.20,	5.20
Jan	7	1997,	5.20,	5.20,	5.15,	5.15
Jan	8	1997,	5.20,	5.21,	5.18,	5.18
Jan	9	1997,	5.25,	5.25,	5.23,	5.25
Jan	10	1997,	5.16,	5.20,	5.15,	5.15
Jan	13	1997,	5.28,	5.28,	5.22,	5.22
Jan	14	1997,	5.23,	5.23,	5.18,	5.18
Jan	15	1997,	5.50,	5.50,	5.39,	5.40
Jan	16	1997,	5.27,	5.30,	5.27,	5.28
Jan	17	1997,	5.18,	5.19,	5.15,	5.18
Jan	20	1997,	5.18,	5.18,	5.18,	5.18
Jan	21	1997,	5.28,	5.28,	5.24,	5.24
Jan	22	1997,	5.25,	5.25,	5.19,	5.19
Jan	23	1997,	5.20,	5.28,	5.20,	5.28
Jan	24	1997,	5.27,	5.27,	5.15,	5.15
Jan	27	1997,	5.29,	5.33,	5.29,	5.33
Jan	28	1997,	5.27,	5.28,	5.25,	5.25

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REPOBID

Jan	29	1997,	5.55,	5.57,	5.55,	5.57
Jan	30	1997,	5.40,	5.40,	5.35,	5.36
Jan	31	1997,	5.37,	5.50,	5.37,	5.50
Feb	3	1997,	5.38,	5.36,	5.28,	5.28
Feb	4	1997,	5.25,	5.25,	5.19,	5.19
Feb	5	1997,	5.20,	5.20,	5.16,	5.20
Feb	6	1997,	5.22,	5.27,	5.22,	5.28
Feb	7	1997,	5.15,	5.17,	5.15,	5.17
Feb	10	1997,	5.23,	5.25,	5.23,	5.25
Feb	11	1997,	5.18,	5.18,	5.14,	5.15
Feb	12	1997,	5.14,	5.33,	5.14,	5.30
Feb	13	1997,	5.18,	5.25,	5.18,	5.25
Feb	14	1997,	5.25,	5.25,	5.05,	5.05
Feb	18	1997,	5.48,	5.48,	5.42,	5.45

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REPOASK

Oct	17	1995,	5.69,	5.70,	5.68,	5.69
Oct	18	1995,	5.63,	5.65,	5.63,	5.63
Oct	19	1995,	5.72,	5.72,	5.63,	5.72
Oct	20	1995,	5.85,	5.73,	5.65,	5.73
Oct	23	1995,	5.73,	5.79,	5.73,	5.75
Oct	24	1995,	6.72,	5.73,	5.72,	5.72
Oct	25	1995,	6.72,	5.85,	5.72,	5.85
Oct	28	1995,	5.75,	5.77,	5.75,	5.76
Oct	27	1995,	5.72,	5.75,	5.68,	5.70
Oct	28	1995,	5.72,	5.70,	5.70,	5.70
Oct	30	1995,	5.75,	5.77,	5.75,	5.77
Oct	31	1995,	5.85,	5.80,	5.85,	5.90
Nov	1	1995,	5.80,	5.84,	5.80,	5.80
Nov	2	1995,	5.70,	5.74,	5.70,	5.74
Nov	3	1995,	5.72,	5.75,	5.72,	5.74
Nov	6	1995,	5.75,	5.78,	5.75,	5.78
Nov	7	1995,	5.72,	5.75,	5.69,	5.69
Nov	8	1995,	5.85,	5.95,	5.85,	5.95
Nov	9	1995,	5.75,	5.79,	5.75,	5.79
Nov	10	1995,	5.72,	5.75,	5.72,	5.75
Nov	13	1995,	5.75,	5.79,	5.75,	5.79
Nov	14	1995,	5.75,	5.76,	5.70,	5.70
Nov	15	1995,	5.90,	5.94,	5.90,	5.93
Nov	16	1995,	5.81,	5.88,	5.81,	5.86
Nov	17	1995,	5.73,	5.77,	5.73,	5.75
Nov	20	1995,	5.77,	5.80,	5.77,	5.77
Nov	21	1995,	5.72,	5.74,	5.70,	5.70
Nov	22	1995,	5.85,	5.90,	5.80,	5.80
Nov	24	1995,	6.05,	6.15,	6.05,	6.15
Nov	27	1995,	5.80,	5.82,	5.76,	5.76
Nov	28	1995,	5.75,	5.75,	5.68,	5.68
Nov	29	1995,	5.70,	5.70,	5.65,	5.67
Nov	30	1995,	5.90,	5.95,	5.90,	5.90
Dec	1	1995,	5.80,	5.80,	5.75,	5.75
Dec	4	1995,	5.70,	5.75,	5.70,	5.75
Dec	5	1995,	5.75,	5.78,	5.75,	5.78
Dec	6	1995,	5.88,	5.95,	5.88,	5.95
Dec	7	1995,	5.80,	5.86,	5.80,	5.86
Dec	8	1995,	5.75,	5.78,	5.75,	5.75
Dec	11	1995,	5.74,	5.78,	5.74,	5.75
Dec	12	1995,	5.73,	5.73,	5.71,	5.71
Dec	13	1995,	5.70,	5.72,	5.68,	5.68
Dec	14	1995,	5.72,	5.85,	5.72,	5.85
Dec	15	1995,	5.90,	5.94,	5.90,	5.94
Dec	18	1995,	5.90,	5.90,	5.73,	6.76
Dec	19	1995,	5.75,	5.78,	5.75,	5.75
Dec	20	1995,	5.69,	5.70,	5.65,	5.65
Dec	21	1995,	5.60,	5.68,	5.80,	5.68
Dec	22	1995,	5.80,	5.60,	5.60,	5.60
Dec	26	1995,	5.57,	5.67,	5.57,	5.60
Dec	27	1995,	5.50,	5.52,	5.47,	5.47
Dec	28	1995,	5.50,	5.50,	5.40,	5.40
Dec	29	1995,	5.85,	5.95,	5.85,	5.85
Jan	2	1996,	5.67,	5.67,	5.55,	5.55

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Jan	3	1996,	5.85,	6.25,	5.80,	6.25
Jan	4	1996,	6.25,	6.25,	5.70,	5.74
Jan	5	1996,	5.50,	5.50,	5.45,	5.45
Jan	8	1996,	5.75,	5.75,	5.75,	5.75
Jan	9	1996,	5.58,	5.58,	5.55,	5.55
Jan	10	1996,	5.43,	5.43,	5.38,	5.38
Jan	11	1996,	5.40,	5.55,	5.38,	5.55
Jan	12	1996,	5.38,	5.43,	5.38,	5.43
Jan	16	1996,	5.62,	5.67,	5.62,	5.67
Jan	17	1996,	5.90,	6.10,	5.90,	6.10
Jan	18	1996,	6.55,	6.55,	5.52,	5.55
Jan	19	1996,	5.38,	5.43,	5.38,	5.43
Jan	22	1996,	5.40,	5.43,	5.40,	5.43
Jan	23	1996,	5.40,	5.43,	5.40,	5.43
Jan	24	1996,	5.40,	5.41,	5.40,	5.41
Jan	25	1996,	5.42,	5.48,	5.42,	5.46
Jan	28	1996,	5.45,	5.50,	5.45,	5.50
Jan	29	1996,	5.55,	5.61,	5.55,	5.61
Jan	30	1996,	5.55,	5.55,	5.40,	5.40
Jan	31	1996,	5.75,	5.75,	5.75,	5.75
Feb	1	1996,	5.30,	5.30,	5.22,	5.22
Feb	2	1996,	5.15,	5.19,	5.13,	5.19
Feb	5	1996,	5.18,	5.18,	5.15,	5.16
Feb	6	1996,	5.15,	5.20,	5.15,	5.20
Feb	7	1996,	5.14,	5.15,	5.13,	5.13
Feb	8	1996,	5.14,	5.17,	5.14,	5.15
Feb	9	1996,	5.13,	5.18,	5.12,	5.14
Feb	12	1996,	5.20,	5.23,	5.20,	5.23
Feb	13	1996,	5.18,	5.18,	5.18,	5.18
Feb	14	1996,	5.33,	5.35,	5.33,	5.35
Feb	15	1996,	5.40,	5.40,	5.10,	5.10
Feb	16	1996,	5.12,	5.13,	5.10,	5.13
Feb	20	1996,	5.15,	5.15,	5.15,	5.15
Feb	21	1996,	5.12,	5.17,	5.12,	5.17
Feb	22	1996,	5.10,	5.10,	5.08,	5.10
Feb	23	1996,	5.13,	5.15,	5.13,	5.15
Feb	26	1996,	5.15,	5.16,	5.15,	5.16
Feb	27	1996,	5.15,	5.20,	5.15,	5.20
Feb	28	1996,	5.32,	5.32,	5.31,	5.31
Feb	29	1996,	5.30,	5.45,	5.30,	5.43
Mar	1	1996,	5.23,	5.35,	5.23,	5.35
Mar	4	1996,	5.25,	5.50,	5.25,	5.50
Mar	5	1996,	5.20,	5.28,	5.20,	5.25
Mar	6	1996,	5.16,	5.17,	5.15,	5.15
Mar	7	1996,	5.17,	5.20,	5.10,	5.20
Mar	8	1996,	5.12,	5.18,	5.12,	5.15
Mar	11	1996,	5.22,	5.25,	5.16,	5.16
Mar	12	1996,	5.20,	5.20,	5.18,	5.18
Mar	13	1996,	5.21,	5.55,	5.21,	5.55
Mar	14	1996,	5.30,	5.40,	5.30,	5.40
Mar	15	1996,	5.45,	5.60,	5.45,	5.60
Mar	18	1996,	5.25,	5.30,	5.25,	5.30
Mar	19	1996,	5.20,	5.23,	5.20,	5.23
Mar	20	1996,	5.20,	5.20,	5.15,	5.15

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Mar	21	1996,	5.18,	5.19,	6.18,	5.19
Mar	22	1996,	5.15,	5.17,	5.14,	5.17
Mar	25	1996,	5.23,	5.27,	5.23,	5.25
Mar	26	1996,	5.25,	5.25,	5.18,	5.18
Mar	27	1996,	5.60,	5.52,	5.50,	5.52
Mar	28	1996,	5.45,	5.45,	5.33,	5.33
Mar	29	1996,	6.40,	5.42,	5.30,	5.30
Apr	1	1996,	5.35,	5.36,	5.35,	5.36
Apr	2	1996,	5.30,	5.35,	5.30,	5.35
Apr	3	1996,	5.30,	5.37,	5.30,	5.35
Apr	4	1996,	5.26,	5.30,	5.26,	5.28
Apr	5	1996,	5.28,	5.28,	5.25,	5.25
Apr	8	1996,	5.30,	5.32,	5.30,	5.32
Apr	9	1996,	5.25,	5.27,	5.25,	5.25
Apr	10	1996,	5.35,	5.38,	5.30,	5.32
Apr	11	1996,	5.20,	5.31,	5.20,	5.31
Apr	12	1996,	5.25,	5.28,	5.25,	5.25
Apr	15	1996,	5.30,	5.35,	5.30,	5.35
Apr	16	1996,	5.23,	5.23,	5.22,	5.22
Apr	17	1996,	5.17,	5.18,	5.14,	5.14
Apr	18	1996,	5.15,	5.18,	5.13,	5.18
Apr	19	1996,	5.13,	5.13,	5.05,	5.05
Apr	22	1996,	5.18,	5.18,	5.13,	5.13
Apr	23	1996,	5.10,	5.18,	5.10,	5.18
Apr	24	1996,	6.35,	5.40,	5.35,	5.38
Apr	25	1996,	6.15,	5.25,	5.15,	5.20
Apr	26	1996,	5.13,	5.13,	5.13,	5.13
Apr	29	1996,	5.20,	5.20,	5.18,	5.18
Apr	30	1996,	5.30,	6.35,	5.30,	5.35
May	1	1996,	5.20,	6.30,	5.20,	5.30
May	2	1996,	5.20,	5.30,	5.20,	5.30
May	3	1996,	5.19,	5.20,	5.17,	5.17
May	6	1996,	5.22,	5.23,	5.22,	5.23
May	7	1996,	5.22,	5.24,	5.15,	6.15
May	8	1996,	5.15,	5.35,	5.15,	5.35
May	9	1996,	5.20,	5.23,	5.20,	5.20
May	10	1996,	5.13,	5.18,	5.13,	5.18
May	13	1996,	5.16,	5.22,	5.16,	5.22
May	14	1996,	5.20,	6.21,	5.20,	5.21
May	15	1996,	5.37,	6.46,	6.36,	5.48
May	16	1996,	5.20,	5.23,	5.20,	5.23
May	17	1996,	5.15,	5.16,	5.10,	5.10
May	20	1996,	5.15,	5.20,	6.10,	5.15
May	21	1996,	5.13,	5.13,	5.07,	5.07
May	22	1996,	5.32,	5.37,	5.25,	5.37
May	23	1996,	5.15,	5.20,	5.15,	5.20
May	24	1996,	5.13,	5.13,	5.10,	5.13
May	28	1996,	5.17,	5.20,	5.15,	5.18
May	29	1996,	5.15,	5.21,	5.15,	5.21
May	30	1996,	5.18,	5.22,	5.18,	5.22
May	31	1996,	5.31,	5.39,	5.31,	5.39
Jun	3	1996,	5.27,	5.45,	5.27,	5.45
Jun	4	1996,	5.30,	5.33,	5.25,	5.25
Jun	5	1996,	5.35,	5.39,	5.30,	6.30

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Jun	6/1996	5.18	5.28	5.18	5.28
Jun	7/1996	5.17	5.21	5.17	5.20
Jun	10/1996	5.10	5.25	5.10	5.20
Jun	11/1996	5.18	5.21	5.18	5.20
Jun	12/1996	5.18	5.22	5.16	5.19
Jun	13/1996	5.18	5.28	5.18	5.28
Jun	14/1996	5.29	5.29	5.23	5.28
Jun	17/1996	5.30	5.46	5.30	5.46
Jun	18/1996	5.27	5.30	5.20	5.20
Jun	19/1996	5.20	5.40	5.20	5.25
Jun	20/1996	5.20	5.30	5.20	5.30
Jun	21/1996	5.15	5.18	5.10	5.10
Jun	24/1996	5.20	5.20	5.18	5.18
Jun	25/1996	5.12	5.12	5.05	5.05
Jun	26/1996	5.08	5.13	5.07	5.10
Jun	27/1996	5.10	5.15	5.10	5.15
Jun	28/1996	5.50	5.50	5.36	5.36
Jul	1/1996	5.35	5.42	5.35	5.40
Jul	2/1996	5.35	5.41	5.35	5.41
Jul	3/1996	5.40	5.50	5.40	5.50
Jul	5/1996	5.25	5.31	5.22	5.25
Jul	8/1996	5.23	5.25	5.15	5.15
Jul	9/1996	5.16	5.18	5.15	5.18
Jul	10/1996	5.10	5.10	5.05	5.08
Jul	11/1996	5.10	5.13	5.10	5.12
Jul	12/1996	5.10	5.10	5.08	5.08
Jul	15/1996	5.25	5.35	5.25	5.35
Jul	16/1996	5.28	5.28	5.20	5.20
Jul	17/1996	5.30	5.35	5.30	5.32
Jul	18/1996	5.25	5.28	5.20	5.28
Jul	19/1996	5.15	5.17	5.15	5.15
Jul	22/1996	5.16	5.20	5.16	5.20
Jul	23/1996	5.15	5.21	5.15	5.21
Jul	24/1996	5.15	5.22	5.15	5.22
Jul	25/1996	5.23	5.45	5.20	5.45
Jul	26/1996	5.25	5.35	5.25	5.35
Jul	29/1996	5.24	5.28	5.24	5.27
Jul	30/1996	5.25	5.30	5.25	5.28
Jul	31/1996	5.55	5.70	5.55	5.70
Aug	1/1996	5.38	5.80	5.38	5.80
Aug	2/1996	5.50	5.53	5.50	5.53
Aug	5/1996	5.35	5.43	5.30	5.30
Aug	6/1996	5.31	5.31	5.15	5.15
Aug	7/1996	5.13	5.13	5.05	5.07
Aug	8/1996	5.13	5.17	5.10	5.17
Aug	9/1996	5.10	5.15	5.10	5.13
Aug	12/1996	5.18	5.27	5.18	5.25
Aug	13/1996	5.27	5.27	5.07	5.07
Aug	14/1996	5.27	5.27	5.21	5.21
Aug	15/1996	5.25	5.50	5.25	5.50
Aug	16/1996	5.15	5.22	5.13	5.13
Aug	19/1996	5.22	5.22	5.19	5.20
Aug	20/1996	5.13	5.15	5.10	5.15
Aug	21/1996	5.05	5.05	5.03	5.04

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Aug	22	1996,	5.04,	5.15,	6.04,	5.10
Aug	23	1996,	5.08,	5.10,	5.05,	5.10
Aug	26	1996,	5.18,	5.25,	5.18,	5.25
Aug	27	1996,	5.22,	5.22,	5.10,	5.10
Aug	28	1996,	5.35,	5.35,	5.25,	5.25
Aug	29	1996,	5.20,	5.25,	5.20,	5.25
Aug	30	1996,	5.23,	5.25,	5.14,	5.14
Sep	3	1996,	5.45,	5.60,	5.45,	5.60
Sep	4	1996,	5.30,	5.32,	5.25,	5.25
Sep	5	1996,	5.17,	5.21,	5.17,	5.20
Sep	6	1996,	5.13,	5.15,	5.05,	5.05
Sep	9	1996,	5.20,	5.20,	5.17,	5.18
Sep	10	1996,	5.15,	5.15,	5.07,	5.07
Sep	11	1996,	5.28,	5.29,	5.13,	5.13
Sep	12	1996,	5.12,	5.16,	5.07,	5.07
Sep	13	1996,	5.15,	5.20,	5.12,	5.20
Sep	16	1996,	5.35,	5.45,	5.35,	5.40
Sep	17	1996,	5.15,	5.15,	4.95,	5.08
Sep	18	1996,	5.00,	5.00,	4.90,	4.90
Sep	19	1996,	5.00,	5.25,	5.00,	5.25
Sep	20	1996,	5.10,	5.15,	5.05,	5.10
Sep	23	1996,	5.22,	5.25,	5.22,	5.23
Sep	24	1996,	5.25,	5.30,	5.25,	5.28
Sep	25	1996,	5.30,	5.32,	5.15,	5.15
Sep	26	1996,	5.20,	5.20,	5.15,	5.18
Sep	27	1996,	5.15,	5.20,	5.15,	5.20
Sep	30	1996,	5.70,	5.70,	5.70,	5.70
Oct	1	1996,	5.30,	5.40,	5.30,	5.40
Oct	2	1996,	5.25,	5.25,	5.18,	5.23
Oct	3	1996,	5.12,	5.20,	5.12,	5.20
Oct	4	1996,	5.08,	5.10,	5.01,	5.01
Oct	7	1996,	5.13,	5.18,	5.12,	5.18
Oct	8	1996,	5.10,	5.11,	5.03,	5.03
Oct	9	1996,	5.30,	5.37,	5.30,	5.37
Oct	10	1996,	5.15,	5.20,	5.15,	5.20
Oct	11	1996,	5.13,	5.15,	5.12,	5.15
Oct	15	1996,	5.30,	5.40,	5.30,	5.30
Oct	16	1996,	5.20,	5.20,	5.08,	5.08
Oct	17	1996,	5.13,	5.20,	5.13,	5.20
Oct	18	1996,	5.10,	5.12,	5.10,	5.12
Oct	21	1996,	5.17,	5.18,	5.15,	5.17
Oct	22	1996,	5.16,	5.18,	5.15,	5.16
Oct	23	1996,	5.35,	5.55,	5.35,	5.55
Oct	24	1996,	5.21,	5.23,	5.21,	5.23
Oct	25	1996,	5.16,	5.18,	5.13,	5.13
Oct	28	1996,	5.23,	5.28,	5.23,	5.28
Oct	29	1996,	5.31,	5.32,	5.18,	5.18
Oct	30	1996,	5.21,	5.30,	5.21,	5.30
Oct	31	1996,	5.50,	5.65,	5.50,	5.65
Nov	1	1996,	5.60,	5.65,	5.60,	5.65
Nov	4	1996,	5.30,	5.35,	5.20,	5.20
Nov	5	1996,	5.15,	5.17,	5.14,	5.14
Nov	6	1996,	5.80,	5.80,	5.48,	5.50
Nov	7	1996,	5.25,	5.30,	5.25,	5.30

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Nov	8	1996,	5.30,	5.30,	5.12,	5.15
Nov	12	1996,	5.25,	5.32,	5.25,	5.32
Nov	13	1996,	5.25,	5.25,	5.13,	5.13
Nov	14	1996,	5.22,	5.25,	5.20,	5.25
Nov	15	1996,	5.55,	5.70,	5.55,	5.70
Nov	18	1996,	5.30,	5.31,	5.25,	5.25
Nov	19	1996,	5.15,	5.15,	5.13,	5.13
Nov	20	1996,	5.13,	5.42,	5.13,	5.30
Nov	21	1996,	5.21,	5.22,	5.20,	5.20
Nov	22	1996,	5.13,	5.13,	5.08,	5.08
Nov	25	1996,	5.25,	5.26,	5.25,	5.25
Nov	26	1996,	5.20,	5.25,	5.20,	5.25
Nov	27	1996,	5.32,	5.35,	5.30,	5.35
Nov	29	1996,	5.55,	5.90,	5.55,	5.90
Dec	2	1996,	5.65,	5.72,	5.85,	5.72
Dec	3	1996,	5.45,	5.45,	5.35,	5.35
Dec	4	1996,	5.41,	5.41,	5.25,	5.25
Dec	5	1996,	5.27,	5.33,	5.27,	5.33
Dec	6	1996,	5.15,	5.23,	5.15,	5.22
Dec	9	1996,	5.22,	5.23,	5.22,	5.23
Dec	10	1996,	5.18,	5.20,	5.18,	5.18
Dec	11	1996,	5.18,	5.20,	5.18,	5.20
Dec	12	1996,	5.18,	5.25,	5.18,	5.25
Dec	13	1996,	5.15,	5.22,	5.15,	5.22
Dec	16	1996,	5.50,	5.80,	5.45,	5.80
Dec	17	1996,	5.24,	5.35,	5.23,	5.36
Dec	18	1996,	5.33,	5.65,	5.33,	5.80
Dec	19	1996,	5.28,	5.30,	5.25,	5.30
Dec	20	1996,	5.16,	5.17,	5.15,	5.15
Dec	23	1996,	5.25,	5.25,	5.18,	5.18
Dec	24	1996,	5.20,	5.20,	5.17,	5.17
Dec	26	1996,	5.22,	5.27,	5.22,	5.27
Dec	27	1996,	5.28,	5.30,	5.10,	5.30
Dec	30	1996,	5.55,	5.55,	5.20,	5.20
Dec	31	1996,	5.20,	6.35,	5.20,	6.35
Jan	2	1997,	6.25,	6.55,	6.25,	6.50
Jan	3	1997,	5.27,	5.27,	5.20,	5.20
Jan	6	1997,	6.20,	5.20,	5.18,	5.18
Jan	7	1997,	5.13,	5.13,	5.08,	5.10
Jan	8	1997,	5.13,	5.18,	5.13,	5.15
Jan	9	1997,	5.20,	5.22,	5.20,	5.22
Jan	10	1997,	5.14,	5.15,	5.10,	5.13
Jan	13	1997,	5.20,	5.25,	5.18,	5.18
Jan	14	1997,	5.15,	5.15,	5.15,	5.15
Jan	15	1997,	5.40,	5.40,	5.35,	5.35
Jan	16	1997,	5.22,	5.25,	5.22,	5.23
Jan	17	1997,	5.08,	5.13,	5.08,	5.13
Jan	20	1997,	5.13,	5.13,	5.13,	5.13
Jan	21	1997,	5.22,	5.23,	5.19,	5.19
Jan	22	1997,	5.20,	5.20,	5.15,	5.15
Jan	23	1997,	5.10,	5.23,	5.10,	5.23
Jan	24	1997,	5.23,	5.23,	5.08,	5.10
Jan	27	1997,	5.17,	5.30,	5.17,	5.28
Jan	28	1997,	5.17,	5.25,	5.17,	5.20

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Jan	29	1997,	5.45,	5.52,	5.45,	5.52
Jan	30	1997,	5.28,	5.35,	5.28,	5.30
Jan	31	1997,	5.32,	5.45,	5.32,	5.45
Feb	3	1997,	5.28,	5.28,	5.23,	5.23
Feb	4	1997,	5.15,	5.18,	5.14,	5.14
Feb	5	1997,	5.10,	5.15,	5.10,	5.15
Feb	6	1997,	5.17,	5.23,	5.17,	5.23
Feb	7	1997,	5.13,	5.15,	5.12,	5.13
Feb	10	1997,	5.20,	5.23,	5.20,	5.23
Feb	11	1997,	5.15,	5.15,	5.10,	5.10
Feb	12	1997,	5.10,	5.28,	5.10,	5.25
Feb	13	1997,	5.16,	5.18,	5.15,	5.15
Feb	14	1997,	5.15,	5.15,	4.96,	4.98
Feb	18	1997,	5.38,	5.40,	5.38,	5.40

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**Institutional Daily Income Fund
Class B**

**Short Term Income Fund
U.S. Treasury Class B**

02/20/96	6.27	4.76
02/27/96	5.25	4.74
03/05/96	6.24	4.80
03/12/96	5.18	4.73
03/18/96	5.25	4.85
03/26/96	5.22	4.72
04/02/96	5.26	4.82
04/09/96	6.20	4.80
04/16/96	5.20	4.80
04/23/96	6.19	5.35
04/30/96	5.21	4.78
05/07/96	5.19	4.73
05/14/96	6.25	4.74
05/21/96	5.27	4.91
05/28/96	5.25	4.88
06/04/96	6.20	4.75
06/11/96	5.28	4.74
06/18/96	6.28	4.75
06/25/96	6.27	4.76
07/02/96	5.30	4.82
07/09/96	6.29	4.83
07/16/96	5.31	4.74
07/23/96	5.29	4.74
07/30/96	5.29	4.79
08/06/96	5.31	4.89
08/13/96	5.27	4.76
08/20/96	5.29	4.79
08/27/96	5.27	4.88
09/03/96	5.30	4.79
09/10/96	5.29	4.78
09/17/96	6.31	4.79
09/24/96	5.32	4.72
10/01/96	6.36	4.83
10/08/96	5.28	4.74
10/15/96	5.29	4.77
10/22/96	5.28	4.72
10/29/96	6.34	4.77
11/05/96	5.33	4.85
11/12/96	5.33	4.78
11/19/96	6.31	4.90
11/26/96	5.29	4.77
12/03/96	6.32	4.87
12/10/96	5.29	4.80
12/17/96	6.40	4.79
12/24/96	6.31	4.76
12/31/96	5.36	4.95

Source: IBC Financial Data, Inc.

Source: IBC Financial Data, Inc.

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01/07/97	6.32	4.96
01/14/97	5.29	4.74
01/21/97	6.31	4.76
01/28/97	5.29	4.74
02/04/97	6.31	4.91
02/11/97	5.28	4.74
Average:	5.28	4.80

Source: IBC Financial Data, Inc.

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TOTAL P.01



Account Name(s)	Account Number(s)

MASTER REPURCHASE AGREEMENT

Between:

REICH + TANG ASSET MANAGEMENT L.P.

AS INVESTMENT ADVISOR FOR FUNDS LISTED IN SCHEDULE A.

and

Dated as of January 4, 1995

Goldman, Sachs & Co.

1. Applicability.

From time to time the parties hereto may enter into transactions in which one party ("Seller") agrees to transfer to the other ("Buyer") securities or financial instruments ("Securities") against the transfer of funds by buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto, unless otherwise agreed in writing.

2. Definitions

(a) "Act of Insolvency", with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or such party seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, or (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of such party's inability to pay such party's debts as they become due;

(b) "Additional Purchased Securities", Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;

(c) "Buyer's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Seller's Margin Amount under subparagraph (q) of this Paragraph), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date;

(d) "Confirmation", the meaning specified in Paragraph 3(b) hereof;

(e) "Income", with respect to any Security at any time, any principal thereof then payable and all interest, dividends or other distributions thereon;

(f) "Margin Deficit", the meaning specified in Paragraph 4(a) hereof;

(g) "Margin Excess", the meaning specified in Paragraph 4(b) hereof;

(h) "Market Value", with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued income to the extent not included therein (other than any income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities);

(i) "Price Differential", with respect to any Transaction hereunder as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 360 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);

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Note: This Master Repurchase Agreement is the same as the model prepared by the Public Securities Association.

(j) "Pricing Rate", the per annum percentage rate for determination of the Price Differential;
(k) "Prime Rate", the prime rate of U.S. money center commercial banks as published in *The Wall Street Journal*;

(l) "Purchase Date", the date on which Purchased Securities are transferred by Seller to Buyer;

(m) "Purchase Price", (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph 4(b) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduce Seller's obligations under clause (ii) of Paragraph 5 hereof;

(n) "Purchased Securities", the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefor in accordance with Paragraph 9 hereof. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) and shall exclude Securities returned pursuant to Paragraph 4(b);

(o) "Repurchase Date", the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraphs 3(c) or 11 hereof;

(p) "Repurchase Price", the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the Price Differential as of the date of such determination, increased by any amount determined by the application of the provisions of Paragraph 11 hereof;

(q) "Seller's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Buyer's Margin Amount under subparagraph (c) of this Paragraph), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date.

3. Initiation; Confirmation; Termination

(a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.

(b) Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Transaction is to be terminable on demand, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.

(c) In the case of Transactions terminable upon demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be effected by transfer to Seller or its agent of the Purchased Securities and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) against the transfer of the Repurchase Price to an account of Buyer.

4. Margin Maintenance

(a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Buyer's Margin Amount (decreased by the amount of any Margin Deficit as of such date arising from any Transactions in which such Buyer is acting as Seller).

(b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount (increased by the amount of any Margin Excess as of such date arising from any Transactions in which such Seller is acting as Buyer).

(c) Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.

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(d) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or Margin Excess exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).

(e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

5. Income Payments

Where a particular Transaction's term extends over an Income payment date on the Securities subject to that Transaction, Buyer shall, as the parties may agree with respect to such Transaction (or, in the absence of any agreement, as Buyer shall reasonably determine in its discretion), on the date such Income is payable either (i) transfer to or credit to the account of Seller an amount equal to such Income payment or payments with respect to any Purchased Securities subject to such Transaction or (ii) apply the Income payment or payments to reduce the amount to be transferred to Buyer by Seller upon termination of the Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or additional Purchased Securities sufficient to eliminate such Margin Deficit.

6. Security Interest

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all proceeds thereof.

7. Payment and Transfer

Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer. As used herein with respect to Securities, "transfer" is intended to have the same meaning as when used in Section 8-313 of the New York Uniform Commercial Code or, where applicable, in any federal regulation governing transfers of the Securities.

8. Segregation of Purchased Securities

To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial intermediary or a clearing corporation. Title to all Purchased Securities shall pass to Buyer and, unless otherwise agreed by Buyer and Seller, nothing in this Agreement shall preclude Buyer from engaging in repurchase transactions with the Purchased Securities or otherwise pledging or hypothecating the Purchased Securities, but no such transaction shall relieve Buyer of its obligations to transfer Purchased Securities to Seller pursuant to Paragraphs 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay income to, or apply income to the obligations of, Seller pursuant to Paragraph 5 hereof.

Required Disclosure for Transactions in Which the Seller Retains Custody of the Purchased Securities

Seller is not permitted to substitute other securities for those subject to this Agreement and therefore must keep Buyer's securities segregated at all times, unless in this Agreement Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's securities will likely be commingled with Seller's own securities during the trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they [will]* [may]** be subject to liens granted by Seller to [its clearing bank]* [third parties]** and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy [the clearing]* [any]** lien or to obtain substitute securities.

*Language to be used under 17 C.F.R. §403.4(e) if Seller is a government securities broker or dealer other than a financial institution

**Language to be used under 17 C.F.R. §403.5(d) if Seller is a financial institution

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9. Substitution

(a) Seller may, subject to agreement with and acceptance by Buyer, substitute other Securities for any Purchased Securities. Such substitution shall be made by transfer to Buyer of such other Securities and transfer to Seller of such Purchased Securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.

(b) In Transactions in which the Seller retains custody of Purchased Securities, the parties expressly agree that Buyer shall be deemed, for purposes of subparagraph (a) of this Paragraph, to have agreed to and accepted in this Agreement substitution by Seller of other Securities for Purchased Securities; *provided, however*, that such other Securities shall have a Market Value at least equal to the Market Value of the Purchased Securities for which they are substituted.

10. Representations

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing in advance of any Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

11. Events of Default

In the event that (i) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date, (ii) Seller or Buyer fails, after one business day's notice, to comply with Paragraph 4 hereof, (iii) Buyer fails to comply with Paragraph 5 hereof, (iv) an Act of Insolvency occurs with respect to Seller or Buyer, (v) any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vi) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default"):

(a) At the option of the nondefaulting party, exercised by written notice to the defaulting party (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Act of Insolvency), the Repurchase Date for each Transaction hereunder shall be deemed immediately to occur.

(b) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, (i) the defaulting party's obligations hereunder to repurchase all Purchased Securities in such Transactions shall thereupon become immediately due and payable, (ii) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction shall be increased by the aggregate amount obtained by daily application of (x) the greater of the Pricing Rate for such Transaction or the Prime Rate to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to subparagraph (a) of this Paragraph (decreased as of any day by (A) any amounts retained by the nondefaulting party with respect to such Repurchase Price pursuant to clause (iii) of this subparagraph, (B) any proceeds from the sale of Purchased Securities pursuant to subparagraph (d)(i) of this Paragraph, and (c) any amounts credited to the account of the defaulting party pursuant to subparagraph (e) of this Paragraph) on a 360 day per year basis for the actual number of days during the period from and including the date of the Event of Default giving rise to such option to but excluding the date of payment of the Repurchase Price as so increased, (iii) all income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices owed by the defaulting party, and (iv) the defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession.

(c) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the nondefaulting party of payment of the aggregate Repurchase Prices for all such Transactions, the defaulting party's right, title and interest in all Purchased Securities subject to such Transactions shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.

(d) After one business day's notice to the defaulting party (which notice need not be given if an Act of Insolvency shall have occurred, and which may be the notice given under subparagraph (a) of this Paragraph or the notice referred to in clause (ii) of the first sentence of this Paragraph), the nondefaulting party may:

(i) as to Transactions in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder

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or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; and

(ii) as to Transactions in which the defaulting party is acting as Buyer, (A) purchase securities ("Replacement Securities") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the nondefaulting party as required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source.

(e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party (i) with respect to Purchased Securities (other than Additional Purchased Securities), for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities therefor over the Repurchase Price for such Purchased Securities and (ii) with respect to Additional Purchased Securities, for the price paid (or deemed paid) by the nondefaulting party for the Replacement Securities therefor. In addition, the defaulting party shall be liable to the nondefaulting party for interest on such remaining liability with respect to each such purchase (or deemed purchase) of Replacement Securities from the date of such purchase (or deemed purchase) until paid in full by Buyer. Such interest shall be at a rate equal to the greater of the Pricing Rate for such Transaction or the Prime Rate.

(f) For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the nondefaulting party of its option under subparagraph (a) of this Paragraph.

(g) The defaulting party shall be liable to the nondefaulting party for the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a consequence of an Event of Default, together with interest thereon at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the Prime Rate.

(h) The nondefaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

12. Single Agreement

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

13. Notices and Other Communications

Unless another address is specified in writing by the respective party to whom any notice or other communication is to be given hereunder, all such notices or communications shall be in writing or confirmed in writing and delivered at the respective addresses set forth in Annex II attached hereto.

14. Entire Agreement; Severability

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

15. Non-assignability; Termination

The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be cancelled by either party upon giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.

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AMERICAN
FIDELITY
& SECURITY COMPANY

16. Governing Law

This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof.

17. No Waivers, Etc.

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to subparagraphs 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

18. Use of Employee Plan Assets

(a) If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA") are intended to be used by either party hereto (the "Plan Party") in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.

(b) Subject to the last sentence of subparagraph (a) of this Paragraph, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.

(c) By entering into a Transaction pursuant to this Paragraph, Seller shall be deemed (i) to represent to Buyer that since the date of Seller's latest such financial statements, there has been no material adverse change in Seller's financial condition which Seller has not disclosed to Buyer, and (ii) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

19. Intent

(a) The parties recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract", as that term is defined in Section 741 of Title 11 of the United States Code, as amended.

(b) It is understood that either party's right to liquidate Securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Paragraph 11 hereof, is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.

20. Disclosure Relating to Certain Federal Protections

The parties acknowledge that they have been advised that:

(a) in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Transaction hereunder;

(b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and

(c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

Goldman, Sachs & Co.

Goldman, Sachs & Co.

Walter A. Gavora

WALTER A. GAVORA
VICE PRESIDENT
AUTHORIZED SIGNER

[Name of Party] *RETA & TRAIL ASSET MANAGEMENT
L.P. AS INVESTMENT ADVISER FOR FUNDS
LISTED IN SCHEDULE A.*

By *Molly Edworthy*
Title *Vice President*

Date *12-27-91*

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ANNEX I

Supplemental Terms & Conditions

Goldman, Sachs & Co. (the "Company") may not assign its rights nor delegate its obligations under this Agreement, in whole or in part, without the prior written consent of the other party to this Agreement or any purported assignment and delegation absent such consent is void, except for an assignment or delegation of all of Company's rights and obligations hereunder in whatever form the Company determines may be appropriate to a partnership, corporation, trust or other organization in whatever form that succeeds to all or substantially all of the Company's assets and business and that assumes such obligations by contract, operation of law or otherwise. Upon any such delegation and assumption of obligations, the Company shall be relieved of and fully discharged from all obligations hereunder, whether such obligations arose before or after such delegation and assumption.

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ANNEX II

Names and Addresses for Communications Between Parties

Goldman, Sachs & Co.
85 Broad Street
26th Floor
New York, New York 10004
Attention: New York Funding
(212) 902-8245

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Schedule A

REICH & TANG ASSET MANAGEMENT L.P. as investment adviser
for:

Short Term Income Fund Inc.
- Money Market Portfolio
- U.S. Government Portfolio

Cortland Trust, Inc.
- Cortland General Money Market Fund
- U.S. Government Fund

Institutional Daily Income Fund

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CUSTODIAL UNDERTAKING IN CONNECTION

WITH MASTER REPURCHASE AGREEMENT

BY AND AMONG

REICH & TANG ASSET MANAGEMENT L.P.

(Buyer)

AND

GOLDMAN, SACHS & CO.

(Seller)

AND

THE BANK OF NEW YORK

(Custodian)

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THIS CUSTODIAL UNDERTAKING is made and entered into as of the date set forth below by and among Buyer, Seller, and Custodian.

RECITALS

WHEREAS, Buyer and Seller have entered into a PSA Master Repurchase Agreement (the "Master Repurchase Agreement") dated as of 1/4/95 and may from time to time enter into Transactions with respect to Eligible Securities (as hereinafter defined); and

WHEREAS, Custodian has agreed to act as agent for Buyer and Seller in order to effect Transactions on their behalf, all as more particularly set forth herein;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. DEFINITIONS

Whenever used in this Custodial Undertaking, the following words shall have the meanings set forth below. Capitalized terms used but not defined herein shall have the meanings given them in the Master Repurchase Agreement.

A. "Authorized Person" shall mean any person, whether or not any such person is an officer or employee of Buyer or Seller, as the case may be, duly authorized to give Oral Instructions and Written Instructions on behalf of Buyer or Seller, such persons and their specimen signatures to be designated in Schedule II attached hereto, as such Schedule II may be amended from time to time.

B. "Book-Entry Securities" shall mean Book-entry Treasury securities (as defined in Subpart O of Treasury Department Circular No. 300, 31 C.F.R. 306) issued or guaranteed directly or indirectly by the United States government or any agency, instrumentality or establishment of the United States government and registered in the form of an entry on the records of the Book-Entry System and any other securities registered in the form of an entry on the records of the Book-Entry System.

C. "Book-Entry System" shall mean the book-entry system for securities maintained at The Federal Reserve Bank of New York ("FRBNY").

D. "Business Day" shall mean any day on which Custodian, Seller, the Book-Entry System and appropriate Clearing Corporation(s) are open for business.

E. "Buyer's Account" shall mean the custodial account maintained by Custodian on behalf of Buyer for the deposit of Eligible Securities with respect to Transactions and any account for the deposit of cash in connection therewith.

F. "Clearing Corporation" shall mean the Depository Trust Company, Participants Trust Company and any other clearing corporation within the meaning of Section 8-102(3) of the Uniform Commercial Code of the State of New York, as amended (the "UCC") or otherwise authorized to act as a securities depository or clearing agency.

G. "Clearing Corporation Securities" shall mean securities which are registered in the name of Custodian or its nominee in the form of an entry on the records of a Clearing Corporation.

H. "Eligible Securities" shall mean those types of Securities which Buyer, Seller and Custodian have agreed shall be eligible for Transactions by inclusion on a Schedule of Eligible Securities substantially in the form of Schedule I hereto, as such Schedule of Eligible Securities may be amended from time to time, and cash.

I. "Margin Percentage" shall mean the percentage indicated on Schedule I with respect to specific types of Eligible Securities, as Schedule I may be amended from time to time.

J. "Margin Value" shall mean the amount obtained by dividing the Market Value of Securities by the applicable Margin Percentage.

K. "Market Value of Securities" shall mean with respect to any Security as of any date, the sum of (i) the market value of such Security based on the most recently available closing bid price (usually from the previous Business Day) for the particular Security as made available to Custodian by pricing information services which Custodian uses generally for pricing such Securities, and (ii) accrued but unpaid Income, if any, on the particular Security (to the extent not included therein). In the case of cash and certificates of deposit, the face amount shall be deemed the Market Value. In the event that Custodian is unable to

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obtain the price of a particular Security from such pricing information services on any Business Day, the Market Value shall be as determined by Custodian in the exercise of its discretion based on information furnished to Custodian by one or more brokers in such Security or Custodian may price such Security using a formula utilized by Custodian for such purpose in the ordinary course of its business.

L. "Notice of Default" shall mean a written notice delivered by Buyer to Custodian and Seller, or by Seller to Custodian and Buyer, informing Custodian and the defaulting party of an Event of Default pursuant to Paragraph 11 of the Master Repurchase Agreement and setting forth the specific Event of Default thereunder.

M. "Oral Instructions" shall mean verbal instructions received by Custodian from an Authorized Person.

N. "Physical Securities" shall mean securities and money market instruments issued in definitive form which are not Book-Entry Securities or Clearing Corporation Securities.

O. "Purchased Securities" shall mean Eligible Securities transferred to Buyer's Account in connection with Transactions.

P. "Securities" shall mean Book-Entry Securities, Clearing Corporation Securities, Physical Securities and cash.

Q. "Seller's Account" shall mean Seller's clearing account on Custodian's Government Securities Clearance System ("GSCS"), any other account in which Securities are held by Custodian on behalf of Seller pursuant to the terms of this Agreement and any account for the deposit of cash maintained in connection therewith.

R. "Written Instructions" shall mean written communications received by Custodian from an Authorized Person by telex, facsimile, through GSCS or any other electronic system whereby the receiver of such communications is able to verify by codes, passwords or otherwise with a reasonable degree of certainty the identity of the sender of such communications.

All references to time in this Custodial Undertaking shall mean the time in effect on that day in New York, New York. Except as may otherwise apply for Income payable on particular Securities or as otherwise may be agreed to in writing by the parties hereto, all provisions in this Custodial Undertaking for the custody, transfer, payment or receipt of funds or cash shall mean custody or transfer of, payment in, or receipt of, United States dollars in immediately available funds.

2. APPOINTMENT OF CUSTODIAN; ACCOUNTS

A. Buyer and Seller hereby appoint Custodian as custodian of all Securities, including cash, at any time delivered to Custodian in connection with Transactions subject to this Custodial Undertaking and as their agent to effect Transactions and Custodian hereby accepts appointment as custodian and agent.

B. Buyer and Seller each authorizes and instructs Custodian to utilize the Book-Entry System, Clearing Corporations and the receipt and delivery of physical certificates or any combination thereof in connection with its performance hereunder. Book-Entry Securities and Clearing Corporation Securities credited to Buyer's Account will be represented in accounts at the Book-Entry System and the appropriate Clearing Corporation in the name of Custodian or its nominee which include only assets held by Custodian for its customers and shall not include any assets held by Custodian in its individual capacity. Transactions with respect to Book-Entry Securities and Clearing Corporation Securities will be effected in accordance with, and subject to, the rules and regulations of the Book-Entry System and each Clearing Corporation, respectively.

3. REPRESENTATIONS AND WARRANTIES

A. Buyer, Seller and Custodian. Buyer, Seller and Custodian each represents and warrants, which representations and warranties shall be deemed to be repeated on each Purchase Date and each Repurchase Date, that:

(i) It is duly organized and existing under the laws of the jurisdiction of its organization with full power and authority to execute and deliver this Custodial Undertaking and to perform all of the duties and obligations to be performed by it hereunder;

(ii) This Custodial Undertaking is, and each Transaction will be, legally and validly entered into, does not, and will not, violate any ordinance, charter, by-law, rule or statute applicable to it, and is enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency or similar laws, or by equitable principles relating to or limiting creditors' rights generally; and

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(iii) The person executing this Custodial Undertaking on its behalf has been duly and properly authorized to do so.

B. Further Representations and Warranties of Custodian. Custodian further represents and warrants, which representations and warranties shall be deemed to be repeated on each Purchase Date and each Repurchase Date, that:

(i) It is a New York trust company with its principal office at 48 Wall Street, New York, New York 10286;

(ii) It will maintain Buyer's Account as a custodial securities and cash account and shall administer Buyer's Account in the same manner it administers similar accounts established for the same purpose that it maintains for its customers in the ordinary course of its business; and

(iii) It is a "Member Bank" of FRBNY (within the meaning of 31 C.F.R. 306.115(g)) and maintains a book-entry securities account with FRBNY and each Clearing Corporation in which it holds Securities hereunder.

4. DEPOSIT OF CASH AND ELIGIBLE SECURITIES

A. Seller's Instructions. On each Business Day that Seller and Buyer agree to enter into a Transaction subject to this Custodial Undertaking, Seller shall deliver to Custodian, prior to 2:00 p.m., Oral or Written Instructions containing the following information:

- (i) the Purchase Date and Purchase Price;
- (ii) the Repurchase Date and Repurchase Price (or rate); and
- (iii) name of Buyer.

B. Seller's Tender of Securities. By the close of business on the Purchase Date, Seller shall transfer, or cause to be transferred, to Seller's Account sufficient Eligible Securities to complete Transactions on such Purchase Date. In connection therewith, Seller shall either deliver to Custodian Oral or Written Instructions identifying the Eligible Securities to be sold by Seller to Buyer, including a description setting forth the face amount of each Eligible Security and, where applicable, the CUSIP number for each such Eligible Security or instruct Custodian to identify Eligible Securities in Seller's Account to be transferred to Buyer's Account.

C. Buyer's Purchase Price. Prior to 4:00 p.m. on the Purchase Date, Buyer shall transfer, or cause to be transferred, to Buyer's Account sufficient cash such that the total cash balance in Buyer's Account after such transfer equals or exceeds the Purchase Price contained in Seller's Oral or Written Instructions.

5. EFFECTING TRANSACTIONS

A. Purchase Date. On the Purchase Date for any Transaction subject to this Custodial Undertaking, Custodian shall transfer to Seller's Account cash from Buyer's Account in an amount equal to the Purchase Price and transfer from Seller's Account to Buyer's Account Eligible Securities in accordance with Seller's Oral or Written Instructions with respect to such Transaction, subject to the following provisions:

(i) **Determination of Eligible Securities; Negotiability.** Custodian shall determine that Securities to be transferred to Buyer's Account are Eligible Securities and that Physical Securities are in negotiable form. Any Securities which are not Eligible Securities and any Physical Securities which are not in negotiable form shall not be included in the calculations set forth below and shall not be transferred to Buyer's Account.

(ii) **Determination of Margin Value.** Custodian shall determine the Margin Value of Eligible Securities to be transferred to Buyer's Account.

(iii) **Payment of Purchase Price.** Provided the Margin Value of Eligible Securities to be transferred to Buyer's Account equals or exceeds the Purchase Price with respect to such Transaction, Custodian shall transfer such Eligible Securities from Seller's Account to Buyer's Account and shall disburse from Buyer's Account to Seller's Account cash in an amount equal to the Purchase Price.

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(iv) Maintenance of Buyer's Account.

(a) Physical Securities. Custodian shall take possession of each Eligible Security which is a Physical Security at a secured facility at one of its offices in New York City and, during the term of a particular Transaction, shall identify such Physical Securities on its books and records as belonging to Buyer.

(b) Book-Entry Securities. Each Eligible Security which is either (i) a Book-Entry Security, or (ii) a part of a fungible bulk of Book-Entry Securities shall be continuously maintained by Custodian in the Book-Entry System. During the term of a particular Transaction, Custodian shall identify such Book-Entry Securities on its books and records as belonging to Buyer.

(c) Clearing Corporation Securities. Each Eligible Security which is either (i) a Clearing Corporation Security, or (ii) part of a fungible bulk of Clearing Corporation Securities shall be continuously maintained by Custodian in an account with the appropriate Clearing Corporation. During the term of a particular Transaction, Custodian shall continuously identify such Clearing Corporation Securities on its books and records as belonging to Buyer.

(v) Intent of Buyer and Seller. Buyer and Seller agree that it is intended that Custodian act as a "financial intermediary" as such term is defined in Section 8-313 of the UCC with respect to Transactions hereunder and that each transfer of Securities effected by Custodian hereunder shall be a "transfer" of securities as provided in Section 8-313 of the UCC.

B. Trust Receipts. Custodian is hereby authorized and directed to accept trust receipts (each, a "Trust Receipt") evidencing either the holding by the issuer of such Trust Receipt (a "Trust Receipt Issuer") of Eligible Securities subject to Transactions or the crediting by the Trust Receipt Issuer to the account of Custodian of Eligible Securities subject to Transactions. Trust Receipt Issuers from whom Custodian may accept Trust Receipts in connection with Transactions hereunder shall be listed on Schedule I attached hereto, as such Schedule I may be amended from time to time. Custodian shall hold each Trust Receipt at a secure facility at one of its offices in New York City and, during the term of a particular Transaction, shall identify the Eligible Securities represented by such Trust Receipt on its books and records as belonging to Buyer.

C. Custodian's Inability to Complete a Transaction. If Custodian is unable to complete a Transaction because Seller has failed to provide complete Oral or Written Instructions as required by Paragraphs 4A and 4B or either Buyer or Seller has failed to arrange for the transfer of sufficient cash or Eligible Securities to Buyer's Account or Seller's Account, respectively, Custodian shall, to the best of its ability, promptly notify Seller and Buyer and await the receipt of such Oral or Written Instructions, cash or Eligible Securities. If Custodian has not received Oral or Written Instructions from Seller by 4:30 p.m., sufficient cash from Buyer by the close of the FRBNY money wire or sufficient Eligible Securities by the close of GSCS or the appropriate Clearing Corporation, Buyer and Seller irrevocably agree and instruct Custodian to effect the Transaction as follows: (i) if the cash balance in Buyer's Account shall be less than the Purchase Price set forth in Seller's Instructions, the cash balance in Buyer's Account shall be deemed to be the Purchase Price, the remaining terms of the Transaction shall be determined in accordance with Paragraph 5A, and Seller shall provide Custodian with further Oral or Written Instructions with respect to a recalculated Repurchase Price for such Transaction; (ii) if the cash in Buyer's Account equal to the Purchase Price exceeds the Margin Value of the Eligible Securities in Seller's Account, Custodian shall credit to Seller's Account cash in an amount equal to the Margin Value of the Eligible Securities, and the difference between the amount credited to Seller's Account and the Purchase Price shall be held by Custodian in Buyer's Account and shall be designated cash held in substitution for Purchased Securities in Buyer's Account in accordance with Paragraph 6B. In any event, Buyer and Seller shall remain obligated to each other pursuant to the original terms of each Transaction.

D. Simultaneous Transaction. Buyer and Seller agree that in effecting Transactions transfers between Buyer's Account and Seller's Account are intended to be, and shall be deemed to be, simultaneous.

E. Ownership of Securities. Upon the transfer of cash to Seller's Account and the transfer of Eligible Securities to Buyer's Account, it is agreed by Seller and Buyer that, subject to Seller's right of substitution pursuant to Paragraph 6B and notwithstanding the credit of Income to Seller's Account pursuant to Paragraph 5G, the Purchased Securities shall be for all purposes the property of Buyer. Buyer agrees, however, that, subject to Paragraph 8 hereof and Paragraph 11 of the Master Repurchase Agreement, it will resell to Seller on the Repurchase Date the Purchased Securities at the Repurchase Price. In addition, until the earlier of (i) the Repurchase Date or (ii) the date, if any, when Custodian shall receive a Notice of Default from Buyer under Paragraph 8, Buyer hereby instructs Custodian to hold the Purchased Securities in Buyer's Account and to refuse to act upon any Oral or Written Instruction of Buyer or Seller to deliver Purchased Securities other than as expressly

provided in this Custodial Undertaking. Except as provided in Paragraphs 6A and 6B or until such time as Custodian receives a Notice of Default from Buyer pursuant to Paragraph 8, Buyer further agrees that unless Custodian shall receive the written consent of Seller, Buyer shall not sell, transfer, assign, pledge, or otherwise utilize or transfer Purchased Securities.

F. No Lien or Pledge by Custodian. Custodian agrees that Purchased Securities shall not be subject to any security interest, lien or right of setoff by Custodian or any third party claiming through Custodian (other than Buyer) and Custodian shall not pledge, encumber, hypothecate, transfer, dispose of, or otherwise grant any third party an interest in, any Purchased Securities.

G. Payment of Income. Until such time that Custodian shall receive a Notice of Default from Buyer pursuant to Paragraph 8, Custodian shall credit to Seller's Account Income received by Custodian. After receipt of such Notice of Default from Buyer, Custodian shall credit to Buyer's Account Income received by Custodian.

H. Confirmations. Custodian shall provide Buyer and Seller with confirmation statements reflecting Purchased Securities, including cash positions, in Buyer's Account on each Business Day or as otherwise may be requested by Buyer. Buyer and Seller shall promptly review all such confirmation statements and shall promptly advise Custodian of any error, omission or inaccuracy in such statements. Custodian shall undertake to correct any errors, failures or omissions that are reported to Custodian by Buyer or Seller. Any such corrections shall be reflected on subsequent confirmation statements.

I. Deliveries by Custodian. All transfers of Securities or cash by Custodian to Buyer from Buyer's Account shall be made to Buyer by delivery to the account(s) designated in Schedule III, as may be amended from time to time by delivery to and receipt by Custodian of a new Schedule III.

6. VALUATION AND SUBSTITUTIONS OF SECURITIES

A. Valuation of Securities. At the opening of each Business Day during which a Transaction subject to this Custodial Undertaking shall remain outstanding, Custodian shall determine the Margin Value of all Purchased Securities.

(i) Margin Deficit. In the event the Purchase Price of outstanding Transactions is greater than the aggregate Margin Value of all Purchased Securities, Custodian shall so notify Seller prior to 2:00 p.m. On the date of any such notice, Seller shall promptly transfer to Buyer's Account additional Eligible Securities ("Additional Eligible Securities") such that, after transfer thereof to Buyer's Account, the aggregate Margin Value of all Purchased Securities (including Additional Eligible Securities) equals or exceeds the Purchase Price of outstanding Transactions. If Seller fails to transfer an appropriate amount of Additional Eligible Securities on the date of any such notice, Custodian shall notify Buyer and Seller and await further instructions. All Additional Eligible Securities transferred to Buyer's Account shall be deemed to be Purchased Securities.

(ii) Margin Excess. In the event the then aggregate Margin Value of Purchased Securities shall exceed the Purchase Price of outstanding Transactions (such excess amount, the "Margin Excess"), Custodian shall so notify Seller and, upon Oral or Written Instructions from Seller, Custodian shall transfer Purchased Securities from Buyer's Account to Seller's Account having a Market Value equal to the Margin Excess. Buyer hereby irrevocably authorizes Custodian to accept the Oral or Written Instructions of Seller identifying the specific Purchased Securities to be released from Buyer's Account pursuant hereto. Upon transfer from Buyer's Account, released Securities shall cease to be Purchased Securities for all purposes hereunder.

B. Substitutions of Purchased Securities. Buyer hereby authorizes Custodian, upon Oral or Written Instructions from Seller, to transfer Purchased Securities to Seller against transfer to Buyer's Account of substitute Eligible Securities ("Substitute Eligible Securities") determined by Custodian to have an aggregate Margin Value equal to or greater than the aggregate Margin Value of Purchased Securities released hereunder. All Substitute Eligible Securities transferred to Buyer's Account shall be deemed to be Purchased Securities.

7. REPURCHASE DATE

On the Repurchase Date for any Transaction, subject to Paragraph 8 hereof and Paragraph 11 of the Master Repurchase Agreement, Buyer hereby irrevocably instructs Custodian to tender to Seller the Purchased Securities with respect to such Transaction and to transfer such Purchased Securities from Buyer's Account to Seller's Account. Seller hereby irrevocably instructs Custodian at the time Purchased Securities are transferred to Seller's Account to make payment to Buyer of the Repurchase Price by debiting cash from Seller's Account and crediting cash to Buyer's Account. If on the Repurchase Date Seller's Account does not contain sufficient cash available to repurchase all Purchased Securities with respect to any Transactions, Custodian shall notify Seller and Buyer, and Seller shall give Custodian Oral or Written Instructions identifying

which Purchased Securities, if any, are to be repurchased and the Repurchase Price. The Repurchase Date with respect to a Transaction shall not be altered or modified subsequent to the Purchase Date unless Custodian shall receive Oral or Written Instructions from Seller and Buyer.

8. DEFAULT

In the event that Buyer or Seller delivers a Notice of Default to Custodian, Custodian shall notify the defaulting party of its receipt of such Notice of Default and act in accordance with the instructions of the non-defaulting party with respect to such non-defaulting party's rights pursuant to Paragraph 11 of the Master Repurchase Agreement. Custodian may fully rely without further inquiry on the statements set forth in such Notice of Default. In addition, Buyer and Seller acknowledge and agree that the provisions of Paragraph 12 of the Master Repurchase Agreement shall be fully effective with respect to all Transactions entered into between them, irrespective of whether such Transactions are entered into in connection with this Custodial Undertaking, directly between Buyer and Seller or otherwise.

9. CONCERNING CUSTODIAN

A. Limitation of Liability: Indemnification. Custodian shall not be liable for any costs, expenses, damages, liabilities or claims, including reasonable fees of counsel (collectively, "Losses"), resulting from its action or inaction in connection with this Custodial Undertaking, including Losses which are incurred by reason of any action or inaction by the Book-Entry System, any Clearing Corporation or Trust Receipt Issuer, or their successors or nominees, except for those Losses arising out of Custodian's negligence, bad faith or wilful misconduct. In no event shall Custodian be liable to Buyer, Seller or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising under or in connection with this Custodial Undertaking. Custodian may, with respect to questions of law, apply for and obtain the advice and opinion of counsel, and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such reasonable advice or opinion. Buyer and Seller agree, jointly and severally, to indemnify Custodian and to hold it harmless against any and all Losses (including claims by Buyer or Seller) which are sustained by Custodian as a result of Custodian's action or inaction in connection with this Custodial Undertaking, except those Losses arising out of Custodian's negligence, bad faith or wilful misconduct. It is expressly understood and agreed that Custodian's right to indemnification hereunder shall be enforceable against Buyer and Seller directly, without any obligation to first proceed against any third party for whom they may act, and irrespective of any rights or recourse that Buyer or Seller may have against any such third party. This indemnity shall be a continuing obligation of Buyer and Seller notwithstanding the termination of any Transactions or of this Custodial Undertaking.

B. No Guaranty by Custodian. It is expressly agreed and acknowledged by Buyer and Seller that Custodian is not guaranteeing performance of or assuming any liability for the obligations of Buyer or Seller hereunder nor is it assuming any credit risk associated with Transactions hereunder, which liabilities and risks are the responsibility of Buyer and Seller; further, it is expressly agreed that Custodian is not undertaking to make credit available to Seller or Buyer to enable it to complete Transactions hereunder.

C. No Duty of Inquiry. Without limiting the generality of the foregoing, Custodian shall be under no obligation to inquire into, and shall not be liable for:

(i) The validity of the issue of any Securities purchased or sold by or for Buyer or Seller, the legality of the purchase or sale, or the validity or enforceability of any Trust Receipt received by Custodian hereunder;

(ii) The due authority of any Authorized Person to act on behalf of Buyer or Seller with respect to Securities, including cash, held in Buyer's Account or Seller's Account; or

(iii) The due authority of Buyer, Seller or any entities for which Buyer acts to purchase, sell or hold any particular Security hereunder.

D. Securities in Default. Custodian shall not be under any duty or obligation to take action to effect collection of any amount if the Securities upon which such amount is payable are in default, or if payment is refused after due demand or presentation, unless and until (i) it shall be directed to take such action by Written Instructions and (ii) it shall be assured to its satisfaction of reimbursement of its costs and expenses in connection with any such action.

E. Custodian Fee. Custodian shall be entitled to receive and Seller agrees to pay to Custodian such compensation as may be agreed upon from time to time between Custodian and Seller and Custodian's out-of-pocket expenses.

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F. Reliance on Oral/Written Instructions. Custodian shall be entitled to rely upon any Written Instruction or Oral Instruction received by Custodian and reasonably believed by Custodian to be delivered by an Authorized Person. Buyer and Seller agree to forward to Custodian Written Instructions confirming any and all Oral Instructions in such manner that such Written Instructions are received by Custodian by the close of business of the same day that such Oral Instructions are given to Custodian. Buyer and Seller agree that the fact that such confirming Written Instructions are not received or that contrary Written Instructions are received by Custodian shall in no way affect the validity or enforceability of the transactions previously authorized and effected by Custodian.

G. Reliance on Pricing Services. Custodian is authorized to utilize any generally recognized pricing information service (including brokers and dealers of Securities) in order to perform its valuation responsibilities hereunder, and Seller and Buyer agree to hold Custodian harmless from and against any Losses incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

H. Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Custodial Undertaking arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority or governmental, judicial or regulatory actions; provided however, that Custodian shall use its best efforts to resume performance as soon as possible.

I. No Additional Duties. Custodian shall have no duties or responsibilities except such duties and responsibilities as are specifically set forth in this Custodial Undertaking, and no covenant or obligation shall be implied in this Custodial Undertaking against Custodian.

J. Continuing Disputes. In the event of any dispute or conflicting claims by Buyer and/or Seller and any other person with respect to Securities, including cash, or any other matter covered by this Custodial Undertaking, Custodian shall promptly notify Buyer and Seller and shall act solely on joint, identical Written Instructions of Buyer and Seller. If such Written Instructions are not received by Custodian, Custodian shall decline to comply with any and all claims, demands or instructions with respect to such Securities, including cash, so long as such dispute or conflict shall continue, and Custodian shall not be liable for failure to act or comply with such claims, demands or instructions. Custodian shall be entitled to refuse to act or comply until either (i) such conflicting or adverse claims or demands shall have been determined in a court of competent jurisdiction or settled by agreement between the conflicting parties and Custodian shall have received evidence satisfactory to it of the same or (ii) Custodian shall have received security or an indemnity satisfactory to it and sufficient to hold it harmless from and against any and all Losses which it may incur by reason of taking any action or inaction, except Custodian shall accept cash from Seller in substitution of any Purchased Securities provided such cash is equal to the Market Value of such Purchased Securities. The provisions contained in this Paragraph 9J shall not in any way be deemed to limit or restrict Buyer's and Seller's other rights and remedies described in this Custodial Undertaking.

10. TERMINATION

Any of the parties hereto may terminate this Custodial Undertaking by giving to the other parties a notice in writing specifying the date of such termination, which shall be not less than thirty (30) days after the date of giving of such notice. Upon termination hereof, Seller shall pay to Custodian such compensation as may be due to Custodian as of the date of such termination, and shall likewise reimburse Custodian for any disbursements and expenses made or incurred by Custodian and payable or reimbursable hereunder. If Buyer and Seller do not provide Written Instructions designating a successor custodian prior to the termination date, Custodian shall, at Buyer's expense, continue to hold Purchased Securities, including cash, in Buyer's Account until the Repurchase Date with respect to each outstanding Transaction, or until it has received a Notice of Default in connection therewith, and Written Instructions with respect to delivery of such Purchased Securities. If Custodian has not received delivery instructions with respect to Purchased Securities, including cash, in Buyer's Account, Custodian may, in its sole discretion, hold Book-Entry Securities and Clearing Corporation Securities in escrow for the benefit of and at the expense of Buyer and deliver Physical Securities, including cash, to Buyer at the address provided below.

11. MISCELLANEOUS

A. Authorized Persons. Buyer and Seller each agrees to furnish to Custodian a new Schedule II in the event that any Authorized Person ceases to be an Authorized Person or in the event that other or additional Authorized Persons are appointed and authorized. Until such new Schedule II is received, Custodian shall be fully protected in acting under the provisions of this

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Custodial Undertaking upon Oral Instructions or Written Instructions from a person reasonably believed to be an Authorized Person as set forth in the last delivered Schedule II.

B. Access to Books and Records. Upon reasonable request, Buyer and Seller shall have access to Custodian's books and records maintained in connection with this Custodial Undertaking during Custodian's normal business hours. Upon reasonable request, copies of any such books and records shall be provided to Buyer or Seller at its expense.

C. Invalidity of any Provision. In case any provision in or obligation under this Custodial Undertaking shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations shall not in any way be affected or impaired thereby, and if any provision is inapplicable to any person or circumstances, it shall nevertheless remain applicable to all other persons and circumstances.

D. Entire Agreement/Amendments. This Custodial Undertaking represents the entire agreement among the parties hereto with respect to Transactions subject to this Custodial Undertaking and may not be amended or modified in any manner except by a written agreement executed by the parties hereto.

E. Binding Agreement. This Custodial Undertaking shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns; provided, however, that this Custodial Undertaking shall not be assignable by any party without the written consent of the other parties, and any purported assignment or delegation absent such consent is void, except for an assignment and delegation of all of Seller's rights and obligations hereunder to an entity in whatever form that succeeds to all or substantially all of the Seller's assets and business and that assumes such obligations by contract, operation of law or otherwise. Upon any such delegation and assumption of obligations, Seller shall be relieved of and fully discharged from all obligations hereunder, whether such obligations arose before or after such delegation and assumption.

F. APPLICABLE LAW/JURISDICTION. THIS CUSTODIAL UNDERTAKING SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF. THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF A STATE OR FEDERAL COURT SITUATED IN NEW YORK CITY, NEW YORK IN CONNECTION WITH ANY DISPUTE ARISING HEREUNDER.

G. Waiver of Immunity. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees not to claim, and it hereby waives, such immunity in connection with this Custodial Undertaking.

H. Headings and References. The headings and captions in this Custodial Undertaking are for reference only and shall not affect the construction or interpretation of any of its provisions.

I. Counterparts. This Custodial Undertaking 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.

J. Inconsistency with Master Repurchase Agreement. In the event of any inconsistency between the Master Repurchase Agreement and this Custodial Undertaking with respect to the rights, duties or obligations of Custodian and Transactions subject to this Custodial Undertaking, the terms and conditions of this Custodial Undertaking shall govern.

K. Notices. Any notice authorized or required by this Custodial Undertaking shall be sufficiently given if addressed to the receiving party and hand delivered or sent by mail, telex or facsimile to the individuals at the addresses specified in Schedule IV or to such other person or persons as the receiving party may from time to time designate in writing. Such notice shall be effective upon receipt.

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IN WITNESS WHEREOF, the parties hereto have caused this Custodial Undertaking to be executed by their respective corporate officers, thereunto duly authorized, as of the 4th day of January, 1995.

REICH & TANG ASSET MANAGEMENT L.P.
AS INVESTMENT ADVISER FOR FUNDS LISTED
IN SCHEDULE A

By: Molly Flewarty
Title: Vice President

GOLDMAN, SACHS & CO.

By: Valerie A. Gavora
Title: VALERIE A. GAVORA
VICE PRESIDENT
AUTHORIZED SIGNER

THE BANK OF NEW YORK

By: Ken Rindos 1/17/95
KEN RINDOS
Title: MANAGING DIRECTOR

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12/20/94

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SCHEDULE I

SCHEDULE OF ELIGIBLE SECURITIES

A. The following types of Securities shall be Eligible Securities for Transactions described in the Custodial Undertaking In Connection With Master Repurchase Agreement dated as of 1/4/95, among REICH & TANG ASSET MGMT., Goldman, Sachs & Co. and The Bank of New York, and shall have the Margin Percentage with respect thereto set forth below:

<u>Security</u>	<u>Margin Percentage</u>
U.S. TREASURY BILLS	102 9/16
U.S. TREASURY NOTES	102 9/16
U.S. TREASURY BONDS	102 9/16

B. Pursuant to Paragraph 5B of the Custodial Undertaking In Connection With Master Repurchase Agreement, Custodian is authorized and directed to accept Trust Receipts from the following Trust Receipt Issuers:

Dated: 1/4/95

REICH & TANG ASSET MANAGEMENT L.P.
ITS INVESTMENT ADVISER FOR FUNDS LISTED ON
SCHEDULE A

By: Molly Flewarty
Title: Vice president

GOLDMAN, SACHS & CO.

By: Vincent A. Savona
Title: VICE PRESIDENT
AUTHORIZED SIGNER

ACCEPTED:

THE BANK OF NEW YORK

By: Ken Rindos 1/17/95
Title: KEN RINDOS
MANAGING DIRECTOR A-96

SCHEDULE II

The following individuals have been designated as Authorized Persons of Buyer and Seller, respectively, in connection with the Custodial Undertaking In Connection With Master Repurchase Agreement dated as of 1/4/95.

BUYER

Name

Signature

MOLLY FLEWHARTY

Molly Flewharty

MATTHEW SARSON

Matthew Sarson

THERESA GILLINGHAM

Theresa Gillingham

ROBERT RICHARD

Robert Richard

SELLER

Name

Signature

Goldman, Sachs & Co. ("Goldman") hereby authorizes any person at its repurchase desk, or the person designated as the Buyer's sales representative, to enter into repurchase transactions with the Buyer on behalf of Goldman.

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From: Reich & Tang Mutual Funds Division

Account Information For: **SHORT TERM INCOME FUND -
MONEY MARKET**

Tax I.D. 11-2521542

Physical Delivery: United Missouri Trust Company
of NY
One Battery Park Plaza
8th Floor
New York, NY 10004
Account Name: STIF
Account Number: 749499000

Nominee Name: IFTCO

DTC Delivery: Participant #2827
Agent Bank #93549
Account Name: STIF
Account Number: 749499000

Euro Delivery: The FNBC London C/D Clearing
Center
27 Leadenhall Street/Lower Ground
Floor
London, England EC3A1AA
Client A/C#: 0039098-US\$-57-01
FBO United Missouri Bank 10-104231

Fed Book Entry: Federal Reserve Bank of
Kansas City
ABA# 1010-0069-5
United KC/AcctC
Account Name: STIF
A/C Number: 749499000

Cash Wires: ABA #1010362-1
Investors Fiduciary Trust Co.
STIF
A/C 749499000

Confirm: IFTC
STIF
127 West 10th St.
Kansas City, MO 64105

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From: Reich & Tang Mutual Funds Division

Account Information For: **SHORT TERM INCOME FUND -
U.S. GOVERNMENT**

Tax I.D. 13-3447258

Physical Delivery: United Missouri Trust Company
of NY
One Battery Park Plaza
8th Floor
New York, NY 10004
Account Name: STIG
Account Number: 749500005

Nominee Name: IFTCO

DTC Delivery: Participant #2827
Agent Bank #93549
Account Name: STIG
Account Number: 749500005

Euro Delivery: The FNBC London C/D Clearing
Center
27 Leadenhall Street/Lower Ground
Floor
London, England EC3A1AA
Client A/C#: 0039098-US\$-57-01
FBO United Missouri Bank 10-104231

Fed Book Entry: Federal Reserve Bank of
Kansas City
ABA# 1010-0069-5
United KC/AcctC
Account Name: STIG
A/C Number: 749500005

Cash Wires: ABA #10100362-1
Investors Fiduciary Trust Co.
STIG
A/C # 749500005

Confirm: IFTC
Short Term Income Fund-Govt.
127 West 10th St.
Kansas City, MO 64105

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From: Reich & Tang Mutual Funds Division

Account Information For: **CORTLAND TRUST - GENERAL
MONEY MARKET FUND**

Tax I.D. 22-6388239

Physical Delivery: United Missouri Trust Company
of NY
One Battery Park Plaza
8th Floor
New York, NY 10004
Account Name: Cortland General
Account Number: 749485009

Nominee Name: IFTCO

DTC Delivery: Participant #2827
Agent Bank #93549
Account Name: Cortland General
Account Number: 749485009

Euro Delivery: The FNBC London C/D Clearing
Center
27 Leadenhall Street/Lower Ground
Floor
London, England EC3A1AA
Client A/C#: 0039098-US\$-57-01
FBO United Missouri Bank 10-104231

Fed Book Entry: Federal Reserve Bank of
Kansas City
ABA# 1010-0069-5
United KC/AcctC
Account Name: Cortland General
A/C Number: 749485009

Cash Wires: ABA #1010362-1
Investors Fiduciary Trust Co.
Cortland General
A/C # 749485009

Confirm: IFTC
Cortland General
127 West 10th St.
Kansas City, MO 64105

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From: Reich & Tang Mutual Funds Division

Account Information For: CORTLAND TRUST - U.S.
GOVERNMENT

Tax I.D. 22-6391825

Physical Delivery: United Missouri Trust Company
of NY
One Battery Park Plaza
8th Floor
New York, NY 10004
Account Name: Cortland U.S.
Account Number: 749486007

Nominee Name: IFTCO

DTC Delivery: Participant #2827
Agent Bank #93549
Account Name: Cortland U.S.
Account Number: 749486007

Euro Delivery: The FNBC London C/D Clearing
Center
27 Leadenhall Street/Lower Ground
Floor
London, England EC3A1AA
Client A/C#: 0039098-US\$-57-01
FBO United Missouri Bank 10-104231

Fed Book Entry: Federal Reserve Bank of
Kansas City
ABA# 1010-0069-5
United KC/AcctC
Account Name: Cortland U.S.
A/C Number: 749486007

Cash Wires: ABA #1010362-1
Investors Fiduciary Trust Co.
Cortland U.S.
A/C # 749486007

Confirm: IFTC
Cortland U.S.
127 West 10th St.
Kansas City, MO 64105

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From: Reich & Tang Mutual Funds Division

Account Information For: **INSTITUTIONAL DAILY INCOME
FUND -MONEY MARKET**

Tax I.D. 13-3758369

Physical Delivery: United Missouri Trust Company
of NY
One Battery Park Plaza
8th Floor
New York, NY 10004
Account Name: Institutional DIF
Account Number: 749493003

Nominee Name: IFTCO

DTC Delivery: Participant #2827
Agent Bank #93549
Account Name: Institutional DIF
Account Number: 749493003

Euro Delivery: The FNBC London C/D Clearing
Center
27 Leadenhall Street/Lower Ground
Floor
London, England EC3A1AA
Client A/C#: 0039098-US\$-57-01
FBO United Missouri Bank 10-104231

Fed Book Entry: Federal Reserve Bank of
Kansas City
ABA# 1010-0069-5
United KC/AcctC
Account Name: Institutional DIF
A/C Number: 749493003

Cash Wires: ABA #10100362-1
Investors Fiduciary Trust Co.
Institutional DIF
A/C # 749493003

Confirm: IFTC
Institutional Daily Income Fund
127 West 10th St.
Kansas City, MO 64105

Time Deposit: ABA #1010-0069-5
United Missouri/Trust
A/C Number: 70161834

4/94

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SCHEDULE IV

ADDRESS FOR NOTICES

TO SELLER:

Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004

Attn: NY Funding, 26th FL

TO BUYER:

REICH & TANG ASSET MANAGEMENT L.P.

600 FIFTH AVE.
NEW YORK, N.Y. 10020

TO CUSTODIAN:

The Bank of New York
One Wall Street, 4th Floor
New York, New York 10286

Attn: Government Securities Clearance Division

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Schedule A

REICH & TANG ASSET MANAGEMENT L.P. as investment adviser
for:

Short Term Income Fund Inc.
- Money Market Portfolio
- U.S. Government Portfolio

Cortland Trust, Inc.
- Cortland General Money Market Fund
- U.S. Government Fund

Institutional Daily Income Fund

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Att: [Handwritten initials]

SCHEDULE OF ELIGIBLE SECURITIES

CUSTODIAN UNDERTAKING IN CONNECTION WITH MASTER REPURCHASE AGREEMENT DATED AS OF _____ AMONG REICH & TANG ASSET MANAGEMENT AS INVESTMENT ADVISOR FOR THE FUNDS LISTED IN SCHEDULE A (ATTACHED) J.P. MORGAN SECURITIES INC. AND/OR THE BANK OF NEW YORK & MORGAN GUA

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REPURCHASE AGREEMENT COLLATERAL GRID

	STIG	IDIF-T	CORT-U.S.	STIF	GENERAL	IDIF-MM	LAMP	EQUITY	DELAFIELD	MARGIN FOR ALL COL- LATERAL & ALL FUNDS	OTF ALL
	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
U.S. TREASURY BILLS	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
U.S. TREASURY NOTES	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
U.S. TREASURY BONDS	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
GNMA	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
U.S. TREASURY STRIPS											
TINT INTEREST PAYMENT	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	Reic
TPRN NONCALLABLE STRIP	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	Inve:
TPRX NONCALLABLE STRIP BOND	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	Sch
RESOLUTION FUNDING CORPORATION											
RFBC REFCO BOND	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	By: _
RFCP REFCO CALLABLE PRINCIPAL	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	Title: _
RFIN REFCO STRIP INTEREST	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
FEDERAL FARM CREDIT BANKS											J.P.
FCDN FARM CREDIT DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FCBD FARM CREDIT MEDIUM TERM BOND	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	By: _
FCSB FARM CREDIT SYSTEMWIDE BONDS	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Title: _
FEDERAL HOME LOAN BANK											
FHDN FED HOME LOAN DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FHBD FED HOME LOAN MEDIUM TERM NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	The
FHLB FED HOME LOAN CONSOL BOND	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FEDERAL NATIONAL MORTGAGE ASSOC											By: _
FMDN FANNIE MAE DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Title: _
FMNT FANNIE MAE MED TERM DEBENTURES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FNSM FANNIE MAE DEBENTURES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Morg
FEDERAL HOME LOAN MORTGAGE CORP.											
FHDN FREDDIE MAC DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	By: _
FHNT FREDDIE MAC FIXED RATE NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Title: _
FINANCING CORP											
FICO FINANCING CORPORATION BOND	NO	NO	YES	YES	YES	YES	NO	YES	YES	102%	
STUDENT LOAN MARKETING ASSOCIATION											
SLBD SALLIE MAE BOND	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
SLDN SALLIE MAE DISCOUNT NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
SLFR SALLIE FLOATING RATE NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
SLMN SALLIE MAE NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
TENNESSEE VALLEY AUTHORITY								YES			
TVBD TVA BOND	NO	NO	YES	YES	YES	YES	NO	YES	YES	102%	
TVDN TVA DISCOUNT NOTE	NO	NO	YES	YES	YES	YES	NO	YES	YES	102%	
COMMERCIAL PAPER											
A1/P1 - TIER I	NO	NO	NO	YES	YES	YES	NO	NO	NO	102%	

NO
NO
NO

Reic
Inve:
Sch

By: _
Title: _

J.P.

By: _
Title: _

The

By: _
Title: _

Morg

By: _
Title: _

SCHEDULE OF ELIGIBLE SECURITIES

UNDERTAKING IN CONNECTION WITH MASTER REPURCHASE AGREEMENT DATED AS OF _____ AMONG REICH & TANG ASSET MANAGEMENT L.P.
 INVESTMENT ADVISOR FOR THE FUNDS LISTED IN SCHEDULE A (ATTACHED) J.P. MORGAN SECURITIES INC. AND/OR THE BANK OF NEW YORK & MORGAN GUARANTY TRUST COMPANY OF

REPURCHASE AGREEMENT COLLATERAL GRID

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	STIG	IDIF-T	CORT-U.S.	STIF	GENERAL	IDIF-MM	LAMP	EQUITY	DELAFIELD	MARGIN FOR ALL COL- LATERAL & ALL FUNDS	OTHER REQUIREMENTS FOR ALL COLLATERAL & ALL FUNDS
COMMERCIAL BILLS	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	NO STRUCTURED NOTES NO IOs OR POs NO INVERSE FLOATERS
COMMERCIAL NOTES	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
COMMERCIAL BONDS	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
COMMERCIAL STRIPS	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
GOVERNMENT	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	Reich & Tang Asset Management L.P. Investment Adviser for the funds listed Schedule A
GOVERNMENT STRIP	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
GOVERNMENT STRIP BOND	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	
FINANCIAL CORPORATION	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	By: _____
FINANCIAL PRINCIPAL	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	Title: _____
FINANCIAL INTEREST	YES	YES	YES	YES	YES	YES	YES	YES	YES	102%	J.P. Morgan Securities Inc..
FINANCIAL CREDIT BANKS											By: _____
DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Title: _____
MEDIUM TERM BOND	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
SYSTEMWIDE BONDS	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
REAL ESTATE LOAN BANK											
REAL ESTATE DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	The Bank of New York
REAL ESTATE MEDIUM TERM NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
REAL ESTATE CONSOL BOND	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
REAL ESTATE DONAL MORTGAGE ASSOC											By: _____
DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Title: _____
FIXED TERM DEBENTURES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FIXED TERM DEBENTURES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Morgan Guaranty Trust Company of N
REAL ESTATE LOAN MORTGAGE CORP.											By: _____
DISCOUNT NOTES	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	Title: _____
FIXED RATE NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FINANCIAL CORPORATION BOND	NO	NO	YES	YES	YES	YES	NO	YES	YES	102%	
FINANCIAL MARKETING ASSOCIATION											
FINANCIAL BOND	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
DISCOUNT NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FIXED RATE NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FIXED RATE NOTE	NO	NO	YES	YES	YES	YES	YES	YES	YES	102%	
FINANCIAL AUTHORITY								YES			
FINANCIAL NOTE	NO	NO	YES	YES	YES	YES	NO	YES	YES	102%	
FINANCIAL PAPER	NO	NO	YES	YES	YES	YES	NO	YES	YES	102%	
FINANCIAL	NO	NO	NO	YES	YES	YES	NO	NO	NO	102%	