

AGREEMENT

THIS AGREEMENT, made this 29th day of May, 1958, by and between Securities Research Unit of the Wharton School of Finance and Commerce, University of Pennsylvania, hereinafter referred to as Research, and the Securities and Exchange Commission, hereinafter referred to as the Commission,

WITNESSETH

WHEREAS, the Commission is authorized under Section 14(b) of the Investment Company Act of 1940 at such times as it deems that any substantial further increase in size of investment companies creates any problem involving the protection of investors or the public interest, to make a study and investigation of the effects of size on the investment policy of investment companies and on security markets, on concentration of control of wealth and industry, and on companies in which investment companies are interested, and is directed from time to time to report the results of its studies and investigations and its recommendations to the Congress; and

WHEREAS, in the light of the pronounced increase in the net asset value of many investment companies, the Commission desires to apprise itself of all the facts and circumstances relating to the subject, and to obtain the benefit of the analyses and views of other qualified experts in this field,

NOW, THEREFORE, the parties hereto do hereby mutually agree as follows:

1. Research hereby undertakes to engage in a study for the Commission of the problems created by the size of investment companies, particularly with respect to the effects of size on the investment policy of investment companies and, to the extent that funds are available as provided in paragraph 6 below, the effects of size on the security markets, and on the concentration of control of wealth and industry and on companies in which investment companies are interested.

2. Research will undertake to collect and analyze data and statistics in the four general areas of the subject matter and prepare appropriate reports to the Commission thereon:

(a) The manner and extent to which investment policies are affected by the size of investment companies; (b) relationship between the size of investment companies, character of management, costs of operation, and performance of investment companies; (c) relationship between the size of the investment company and the size of blocks of securities purchased and sold; the effects of such purchases and sales on the security markets and the marketing channels; and (d) the extent to which large investment companies control or influence the policies and decisions of portfolio companies.

3. It is understood that the study will be primarily directed to the question of the effects of size on investment policy and comparative performance of investment companies but that the other aspects of the inquiry will be developed to the extent possible in the light of available funds as provided in paragraph 6 below. Research will commence its study immediately and endeavor to complete as much of the work comprising the collection of data and material as possible before June 30, 1958, the end of the Commission's

fiscal year, including the preparation of a preliminary questionnaire to be transmitted to selected investment companies. However, it is understood that some of these activities will necessarily extend beyond such fiscal year.

4. Employment and immediate supervision of the personnel for this study shall be the responsibility of Research and said personnel shall in no way be deemed to be employed by the Commission. However, Research, through its director and managing personnel, will consult with the Commission and its staff upon questions of policy. Research will advise the Commission of its activities from time to time and adhere to any determinations made by the Commission regarding the scope of the study and the manner in which it is being conducted.

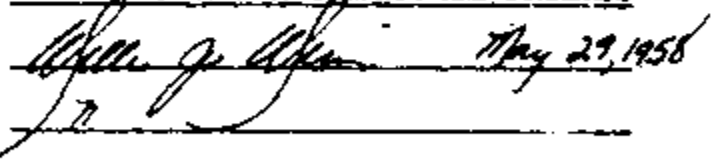
5. Without limitation of the foregoing, Research shall submit to the Commission its plan of study, drafts of any questionnaire and a list of the companies to which it should be sent. Data will be collected by the Commission for study and analysis by Research in its consulting and analytical capacity. Such data will be returned to the Commission by Research upon conclusion of its work pursuant to this contract. Any information obtained from specific companies which is not otherwise publicly available will be regarded as non-public (unless, in the public interest, the Commission determines otherwise) and not be disclosed by Research to any persons who are not retained by Research to make the study or who are not members of the Commission's staff.

6. Research will retain such personnel as in its judgment it deems necessary to make the study and to render a report to the Commission as outlined above. Research will retain personnel at the standard scale of remuneration of the University of Pennsylvania. The Commission will pay Research an amount not to exceed \$28,500. The Commission may from time to time by supplemental contract provide additional sums to extend this study in fiscal year 1958 and subsequent fiscal years. Research will submit statements at the request of the Commission covering services rendered and costs incurred.

WITNESS:



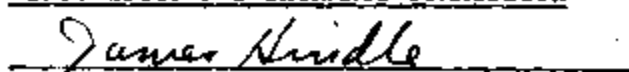
UNIVERSITY OF PENNSYLVANIA
WHARTON SCHOOL OF FINANCE AND COMMERCE

 May 29, 1958

WITNESS:



SECURITIES AND EXCHANGE COMMISSION


JAMES HINDLE, Records
and Service Officer

AMENDMENT OF AGREEMENT

The Agreement dated the 19th day of May, 1938, by and between the Trustees of the University of Pennsylvania, Wharton School of Finance and Commerce, and the Securities and Exchange Commission is hereby AMENDED as follows:

Paragraph 2 of said Agreement is hereby amended to read as follows:

"2. Research will undertake to collect and analyze statistics in the general areas of the subject matter and prepare appropriate reports to the Commission thereon;

(a) The manner and extent to which investment policies are affected by the size of investment companies; (b) Relationship between the size of investment companies, costs of operation, performance of investment companies, and character of management including relationships between investment companies and their investment advisors and principal underwriters; (c) Relationship between the size of the investment company and the size of blocks of securities purchased and sold; the effects of such purchases and sales on the security markets and the marketing channels; (d) The extent to which large investment companies control or influence the policies and decisions of portfolio companies; and (e) The impact on the market as related to the size of investment companies."

The third sentence of Paragraph 4 is amended to read: "The Commission will pay Research an amount not to exceed \$50,000."

WITNES:

Irwin Friend

WITNES:

Anthony J. Antonelli

THE TRUSTEES OF THE
UNIVERSITY OF PENNSYLVANIA
WHARTON SCHOOL OF FINANCE
AND COMMERCE

William J. [Signature]
PRES

SECURITIES AND EXCHANGE COMMISSION

James Hendler
INSPECTION AND SERVICE OFFICER

August 10, 1940