Internal Revenue Service

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Department of the Treasury
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Date of Communication: Not Applicable

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CC:CORP:B05
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Date:
August 23, 2012

Legend

Trust =

State A =

Acquiring Fund =

Target Fund =

Adviser =

A Shares =

B Shares =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Acquiring Objective =

Acquiring Investments =

Target Objective =

Target Investments =

a =

b =

X =

Dear :

This letter responds to your representative's letter dated December 16, 2011, requesting rulings as to the federal income tax consequences of a proposed transaction. The material information submitted in that request and in subsequent correspondence is summarized below.

Summary of Facts

The Trust is a State A business trust organized on Date 1 and registered as an open-end management investment company with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the "1940 Act")

The Acquiring Fund is a diversified series of the Trust formed on Date 2 that has elected to be a regulated investment company (a "RIC") under sections 851 through 855 of the Internal Revenue Code (the "Code") and is treated as a separate corporation and separate taxpayer for federal income tax purposes pursuant to § 851.

The Acquiring Fund's investment objective is Acquiring Objective. The Acquiring Fund invests primarily in the Acquiring Investments. As of Date 4, the Acquiring Fund has approximately $a in assets under management. The Acquiring Fund has two classes of stock outstanding, Acquiring Fund A Shares and B Shares (together the "Acquiring Fund Shares").

The Target Fund is a diversified series of the Trust formed on Date 3 that has elected to be a RIC under §§ 851 through 855 and is treated as a separate corporation and separate taxpayer for federal income tax purposes pursuant to § 851.

The Target Fund's investment objective is Target Objective. The Target Fund invests primarily in the Target Investments. As of Date 5, the Target Fund has approximately $b in assets under management. The Target Fund has two classes of stock outstanding, Target Fund A Shares and B Shares (together the "Target Fund Shares").

Both the Acquiring Fund and the Target Fund (the "Funds") are managed by the Adviser.

Each of the Funds has provided financial statements describing its respective investment portfolio for the preceding five years. In each of the past five completed taxable years, over X% of the Acquiring Investments has been in investment assets that have met Target Objective.

Proposed Transaction

For business reasons and pursuant to a plan of reorganization, it is proposed that the Acquiring Fund and the Target Fund undertake the following transactions (the "Reorganization"):

(i) The Target Fund will transfer all of its assets and stated liabilities to the Acquiring Fund solely in exchange for Acquiring Fund A Shares and B Shares having a value equivalent to the net assets transferred and in proportion to the net asset value of the Target Fund attributable to Target Fund A Shares and B Shares, respectively.

(ii) The Target Fund will distribute to its shareholders (the "Target Fund Shareholders") the Acquiring Fund A Shares and B Shares received in step (i) in constructive exchange for the Target Fund A Shares and B Shares, respectively; and

(iii) The Target Fund will liquidate and will be terminated as a series of the Trust.

Representations

The following representations have been made in connection with the Reorganization:

(a) The fair market value of the Acquiring Fund Shares that will be received by the Target Fund Shareholders will be approximately equal to the fair market value of the Target Fund Shares to be surrendered in exchange therefor. In the Reorganization, the Acquiring Fund will issue no consideration to the Target Fund Shareholders other than the Acquiring Fund Shares (including fractional shares, if any) in exchange for their Target Fund Shares.

(b) On the date of the Reorganization, there will be no plan or intention for the Acquiring Fund or any person "related" (within the meaning of Treas. Reg. section 1.368-1(e)(4)) to the Acquiring Fund to acquire or redeem any of the Acquiring Fund Shares issued in the Reorganization either directly or through any transaction, agreement, or other arrangement with any other person, other than redemptions that the Acquiring Fund will make as a series of an open-ended investment company pursuant to section 22(e) of the 1940 Act.

(c) During the period beginning on Date 3 and ending the date of the Reorganization, neither the Target Fund nor any person related (within the meaning of Treas. Reg. § 1.368-1(e)(4), without regard to Treas. Reg. § 1.368-1(e)(4)(i)(A)) to the Target Fund will have (a) acquired Target Fund Shares with consideration other than Acquiring Fund Shares or Target Fund Shares, except in the ordinary course of the Target Fund's business as a series of an open-ended investment company pursuant to section 22(e) of the 1940 Act or (b) made distributions with respect to the Target Fund Shares except for (i) normal, regular dividend distributions made pursuant to the Target Fund's historic dividend-paying practice and (ii) dividends and other distributions declared and paid in order to ensure the Target Fund's continuing qualification as a RIC and to avoid the imposition of fund-level tax.

(d) Prior to or in the Reorganization, neither the Acquiring Fund nor any person related (within the meaning of Treas. Reg. § 1.368-1(e)(4)) to the Acquiring Fund will have acquired, directly or through any transaction, agreement, or arrangement with any other person, Target Fund Shares with consideration other than Acquiring Fund Shares.

(e) The Acquiring Fund will acquire at least 90% of the fair market value of the net assets, and at least 70% of the fair market value of the gross assets, held by the Target Fund immediately prior to the Reorganization. For purposes of this representation, amounts used immediately preceding the Reorganization by the Target Fund to pay its reorganization expenses, to make distributions, and to make redemptions of any shareholder who meaningfully participated in planning or negotiating the Reorganization will be included as assets of the Target Fund held immediately before the Reorganization. However, amounts the Target Fund uses to make (a) all other redemptions of shares pursuant to section 22(e) of the 1940 Act and (b) dividends and other distributions declared and paid in order to ensure the Target Fund's continuing qualification as a RIC and to avoid the imposition of fund-level tax will not be included in the assets of the Target Fund held immediately before the Reorganization.

(f) The Target Fund's liabilities that will be assumed (within the meaning of § 357(d) of the Code) by the Acquiring Fund were incurred by the Target Fund in the ordinary course of its business and are associated with the assets that will be transferred to the Acquiring Fund.

(g) On the date of the Reorganization, (a) at least 33 1/3% of the Target Fund's portfolio assets will meet the investment objectives, strategies, policies, risks, and restrictions of the Acquiring Fund, (b) the Target Fund will not have altered its portfolio in connection with the Reorganization to meet the 33 1/3% threshold, (c) neither Fund will have modified any of its investment objectives, strategies, policies, risks, or restrictions as part of the plan of Reorganization for purposes of Treas. Reg. § 1.368-1(d)(2), and (d) the Acquiring Fund will have no plan or intention to change any of its investment objectives, strategies, policies, risks, or restrictions after the Reorganization. To the best of the knowledge of the Acquiring Fund's management, there is no plan or intention by the Target Fund Shareholders to sell, exchange, or otherwise dispose of a number of Target Fund Shares (or Acquiring Fund Shares received in the Reorganization), in connection with the Reorganization, that would reduce the Target Fund Shareholders' ownership of Target Fund Shares (or equivalent Acquiring Fund Shares) to a number of shares that is less than 50% of the current number of Target Fund Shares outstanding.

(h) The Target Fund will distribute all of the Acquiring Fund Shares received by it in the Reorganization to the Target Fund Shareholders in complete liquidation in proportion to the number of Target Fund Shares owned by each Target Fund Shareholder.

(i) The Target Fund Shareholders will pay their own expenses, if any, incurred in connection with the Reorganization, and each Fund will pay its own portfolio transaction costs, if any, so incurred. All other expenses, including all fees, incurred directly in connection with the Reorganization by the Funds will be borne by the Target Fund or the Adviser. All such expenses so incurred and borne shall be solely and directly related to the Reorganization in accordance with the guidelines established in Rev. Rul. 73-54, 1973-1 C.B. 187, and shall be paid directly by the Target Fund or the Adviser, as applicable, to the relevant providers of services or other payees.

(j) The fair market value of the assets of Target Fund transferred to Acquiring Fund will equal or exceed the sum of the liabilities assumed by Acquiring Fund, plus the amount of liabilities, if any, to which the transferred assets are subject.

(k) At the date of the Reorganization, there will be no intercorporate indebtedness existing between the Funds that was issued, acquired, or settled at a discount.

(l) Each Fund has elected to be a RIC under § 851; and for all of its taxable periods (including the last short taxable period ending on the date of the Reorganization for the Target Fund), each Fund has qualified or intends to continue to qualify for the special tax treatment afforded to RICs under the Code. After the Reorganization, the Acquiring Fund intends to continue to so qualify.

(m) The Acquiring Fund does not own, directly or indirectly, nor has it owned, directly or indirectly, any Target Fund shares.

(n) The Target Fund is not under the jurisdiction of a court in a "title 11 or similar case" (as defined in § 368(a)(3)(A)).

Rulings

Based solely on the information submitted and the representations set forth above, we hold as follows:

(1) The Reorganization will qualify as a "reorganization within the meaning of § 368(a)(1)(C). The Acquiring Fund and the Target Fund are each "a party to the reorganization" within the meaning of § 368(b).

(2) No gain or loss will be recognized by the Target Fund upon the transfer of all of its assets to the Acquiring Fund in exchange for the Acquiring Fund stock and the assumption by the Acquiring Fund of the Target Fund liabilities. Sections 361(a) and 357(a).

(3) No gain or loss will be recognized by the Target Fund on the distribution of Acquiring Fund stock to its shareholders. Section 361(c).

(4) No gain or loss will be recognized by the Acquiring Fund upon receipt of the assets of the Target Fund in exchange for Acquiring Fund stock. Section 1032(a).

(5) The basis of the assets of the Target Fund in the hands of the Acquiring Fund will be the same as the basis of those assets in the hands of the Target Fund immediately prior to the transfer. Section 362(b).

(6) The holding period of the assets of the Target Fund in the hands of the Acquiring Fund will include the period during which those assets were held by the Target Fund. Section 1223(2).

(7) No gain or loss will be recognized by the Target Fund Shareholders on the receipt of Acquiring Fund stock solely in exchange for their Target Fund stock. Section 354(a).

(8) The basis of the shares of Acquiring Fund stock received by the Target Fund Shareholders will be the same as the basis of the Target Fund stock surrendered in exchange therefor. Section 358(a)(1).

(9) The holding period of the Acquiring Fund stock received by the Target Fund Shareholders will include the period during which the Target Fund Shareholders held the Target Fund stock surrendered in exchange therefor, provided the Target Fund stock was held as a capital asset on the date of the exchange. Section 1223(1).

(10) Pursuant to §§ 381(a) and 1.381(a)-1, the Acquiring Fund will succeed to and take into account the items of the Target Fund described in § 381(c), subject to the provisions and limitations specified in §§ 381, 382, 383, and 384, and the regulations thereunder. Pursuant to Treas. Reg. § 1.381(b)-1, the tax year of the Target Fund will end on the effective date of the Reorganization

Caveats

The rulings contained in this letter are based upon facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

We express no opinion about the tax treatment of the transactions described above under other provisions of the Code or Income Tax Regulations, or the tax treatment of any conditions existing at the time of, or effects resulting from, the transactions described above that are not specifically covered by the above rulings.

Procedural Statements

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

_Lisa A Fuller_____________________
Lisa A. Fuller
Branch Chief, Branch 5
Office of Associate Chief Counsel
(Corporate)