

SUPPORTING STATEMENT FORM N-PX

A. JUSTIFICATION

1. Necessity for the Information Collection

Form N-PX (17 CFR 274.129) is used for reports pursuant to Section 30 of the Investment Company Act of 1940 (15 U.S.C. 80a-29) (the “Investment Company Act”) and rule 30b1-4 under the Investment Company Act (17 CFR 270.30b1-4) by all registered management investment companies, other than small business investment companies registered on Form N-5 (17 CFR 239.24; 274.5) (“Funds”), to file their complete proxy voting records not later than August 31 of each year for the most recent twelve-month period ended June 30.¹ Form N-PX is a reporting form required under the Investment Company Act, and is required to be signed by the Fund, and on behalf of the Fund by its principal executive officer or officers.²

Funds are required to disclose the following information on Form N-PX for each matter relating to a portfolio security considered at any shareholder meeting held during the period covered by the report and with respect to which the Fund was entitled to vote: (i) the name of the issuer of the portfolio security; (ii) the exchange ticker symbol of the portfolio security; (iii) the Council on Uniform Securities Identification Procedures (“CUSIP”) number for the portfolio security; (iv) the shareholder meeting date; (v) a brief identification of the matter voted on; (vi) whether the matter was proposed by the issuer or by a security holder; (vii) whether the Fund cast its vote on the matter; (viii) how the Fund cast its vote (e.g., for or against proposal, or abstain; for or withhold

¹ 17 CFR 270.30b1-4; General Instruction A and Item 1 of Form N-PX (17 CFR 274.129).

² General Instruction F.2.(a) of Form N-PX.

regarding election of directors); and (ix) whether the Fund cast its vote for or against management.³ A Fund is permitted to omit the exchange ticker symbol and CUSIP number, however, if such information is not available through reasonably practicable means.⁴

2. Purpose of the Information Collection

The purpose of Form N-PX is to meet the filing and disclosure requirements of rules under the Investment Company Act and also to enable Funds to provide investors with information necessary to evaluate an investment in the Fund. This information collection is primarily for the use and benefit of investors. The information filed with the Commission also permits the verification of compliance with securities law requirements and assures the public availability and dissemination of the information.

The Commission believes that Fund shareholders who are interested in proxy voting information have a fundamental right to know how the Fund has exercised its proxy votes on their behalf. Requiring a Fund to file its annual report on Form N-PX has the advantages of making each Fund's proxy voting record available within a relatively short period of time after the proxy voting season, and of providing disclosure of all Funds' proxy voting records over a uniform period of time.

3. Role of Improved Information Technology

The Commission's electronic filing system (Electronic Data Gathering, Analysis and Retrieval or "EDGAR") is designed to automate the filing, processing and dissemination of full disclosure filings. The system permits publicly held companies to transmit filings to the Commission electronically. This automation has increased the

³ Item 1 of Form N-PX.

⁴ Instruction 2 to Item 1 of Form N-PX.

speed, accuracy, and availability of information, generating benefits to investors and financial markets. The public may access reports on Form N-PX on EDGAR through the Commission's Internet Web site (<http://www.sec.gov>) or at EDGAR terminals located at the Commission's public reference rooms. Funds are required to file reports on Form N-PX electronically.

4. Efforts to Identify Duplication

The Commission periodically evaluates rule-based reporting and recordkeeping requirements for duplication, and reevaluates them whenever it proposes a rule or a change in a rule. The requirements of Form N-PX are not generally duplicated elsewhere.

5. Effect on Small Entities

The current disclosure requirements for the reports on Form N-PX do not distinguish between small entities and other Funds. The burden on smaller Funds, however, to prepare and file the reports may be greater than for larger Funds. The Commission believes that imposing different requirements on smaller Funds would not be consistent with investor protection.

With respect to Form N-PX, the Commission considered special requirements for small entities. Different disclosure requirements for small entities would create the risk that shareholders would not receive adequate information about proxy voting records. The Commission believes that shareholders of all Funds should have access to such information that would enable them to evaluate whether the Funds have acted to fulfill their fiduciary responsibilities with respect to the voting of proxies relating to portfolio securities.

We review all rules periodically, as required by the Regulatory Flexibility Act of 1995, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.

6. Consequences of Less Frequent Collection

Rule 30b1-4 under the Investment Company Act requires that reports of Funds' proxy voting records be filed with the Commission annually. Less frequent collection would mean that current information might not be available to Fund investors.

7. Inconsistencies with Guidelines in 5 CFR 1320.5(d)(2)

Not Applicable.

8. Consultation Outside the Agency

The Commission requested public comment on the collection of information requirements of Form N-PX before it submitted this request for extension and approval to the Office of Management and Budget. The Commission received no comments in response to its request. Prior to its adoption in January 2003, Form N-PX was proposed for public comment. The form was adopted after consideration by the Commission of all views and comments received. The Commission and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry through public conferences, meetings, and informal exchanges. The various forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry.

9. Payment or Gift to Respondents

Not Applicable.

10. Assurance of Confidentiality

Not Applicable.

11. Sensitive Questions

Not Applicable.

12. Estimate of Hour Burden

Funds use Form N-PX to file reports of their proxy voting records annually with the Commission. We estimate that there are approximately 3,800 Funds registered with the Commission, representing approximately 9,400 Fund portfolios, which are required to file Form N-PX.⁵ The 9,400 portfolios are comprised of 6,200 portfolios holding equity securities and 3,200 portfolios holding no equity securities. The staff estimates that portfolios holding no equity securities require approximately a 0.17 hour burden per response and those holding equity securities require 14.4 hours per response. The overall estimated annual burden is therefore 89,824 hours ((6,200 responses x 14.4 hours per response for equity holding portfolios) + (3,200 responses x 0.17 hours per response for non-equity holding portfolios)).

⁵ The estimate of 3,800 Funds is based on the number of management investment companies currently registered with the Commission. We estimate, based on data from the Investment Company Institute and other sources, that there are approximately 5,700 Fund portfolios that invest primarily in equity securities, 500 “hybrid” or bond portfolios that may hold some equity securities, 2,400 bond Funds that hold no equity securities, and 800 money market Funds, for a total of 9,400 portfolios required to file Form N-PX.

Based on the estimated wage rate, the total cost to the Fund industry of the hour burden for complying with Form N-PX would be approximately \$25.1 million.⁶

The number of burden hours may vary depending on, among other things, the complexity of the filing and the number of proxies received for portfolio securities. The estimated average burden hours are made solely for purposes of the Paperwork Reduction Act of 1995 and are not derived from a quantitative, comprehensive, or even representative survey or study of the burdens associated with Commission rules and forms.

13. Estimate of Total Annual Cost Burden

Cost burden is the cost of services purchased to prepare Form N-PX. The cost burden does not include the hour burden discussed in Item 12 of this Supporting Statement. Estimates are based on the Commission's experience with the filing of registration forms and shareholder reports.

Because Form N-PX is filed on EDGAR, we estimate that the external costs per fund for typesetting, printing, and mailing of this additional disclosure would be minimal. In addition, as funds currently maintain the information required in Form N-PX as part of their daily operations, the costs associated with new technology or outside services to generate or maintain the information disclosed in Form N-PX is minimal as well.

⁶ The industry burden is calculated by multiplying the total annual hour burden to prepare Form N-PX (89,824) by the estimated hourly wage rate of \$279.50. The estimated wage figure is based on published rates for compliance attorneys and senior programmers, modified to account for an 1800-hour work-year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead, yielding effective hourly rates of \$270 and \$289, respectively. See SIFMA's Report on Management & Professional Earnings in the Securities Industry 2007 (Sept. 2007). The estimated wage rate was further based on the estimate that attorneys and programmers would divide time equally, resulting in a weighted wage rate of \$279.50 ($(\$270 \times .50) + (\$289 \times .50)$)

14. Estimate of Cost to the Federal Government

The annual cost of reviewing and processing new registration statements, post-effective amendments, proxy statements, and shareholder reports of investment companies amounted to approximately \$20.8 million in fiscal year 2007, based on the Commission's computation of the value of staff time devoted to this activity and related overhead.

15. Explanation of Changes in Burden

Currently, the approved annual hour burden for preparing and filing registration statements on Form N-PX is 72,483 hours based on the previous estimate of 7,900 responses. The new estimate of the total annual hour burden is 89,824 hours based on the new estimated total number of responses of 9,400. The increase in the total annual hour burden is 17,341 hours. This increase is due to the increase in our estimate of the annual number of responses.

16. Information Collection Planned for Statistical Purposes

Not Applicable.

17. Approval to not Display Expiration Date

Not Applicable.

18. Exceptions to Certification Statement

Not Applicable.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not Applicable.