

SUPPORTING STATEMENT
Form N-CSR

A. JUSTIFICATION

1. Necessity for the Information Collection

Form N-CSR (17 CFR 249.331 and 274.128) is a combined reporting form used by registered management investment companies (“funds”) to file certified shareholder reports under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) (“Investment Company Act”) and under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) (“Exchange Act”). Specifically, Form N-CSR is to be used for reports under section 30(b)(2) of the Investment Company Act (15 U.S.C. 80a-29(b)) and section 13(a) or 15(d) of the Exchange Act (15 U.S.C. 78m(a) and 78o(d)), filed pursuant to rule 30b2-1(a) under the Investment Company Act (17 CFR 270.30b2-1(a)). Reports on Form N-CSR are to be filed with the Securities and Exchange Commission (“Commission”) not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under rule 30e-1 under the Investment Company Act (17 CFR 270.30e-1).

2. Purpose of the Information Collection

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. The information provided in reports on Form N-CSR may be used by the Commission in its regulatory, disclosure review, inspection, and policymaking roles. Unlike many other federal information collections, which are primarily for the use and benefit of the collecting agency, 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.

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 filers to transmit filings to the Commission electronically. This automation has increased the speed, accuracy and availability of information, generating benefits to investors and financial markets. Reports on Form N-CSR are required to be filed with the Commission electronically on EDGAR. The public may access filings 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.

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-CSR are not generally duplicated elsewhere.

5. Effect on Small Entities

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

reports. The Commission reviews all rules periodically, as required by the Regulatory Flexibility Act, to identify methods to minimize recordkeeping or reporting requirements affecting small businesses.

6. Consequences of Less Frequent Collection

The Investment Company and Securities Exchange Acts require that funds file with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under rule 30e-1 under the Investment Company Act. 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 and the staff of the Division of Investment Management participate in an ongoing dialogue with representatives of the investment company industry and through public conferences, meetings, and informal exchanges. These various forums provide the Commission and the staff with a means of ascertaining and acting upon paperwork burdens confronting the industry. The Commission requested public comment on the collection of information requirements in Form N-CSR 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.

9. Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality

Not applicable.

11. Sensitive Questions

Not applicable.

12. Estimate of Hour Burden

The current total annual burden hour inventory for Form N-CSR is 138,663 hours.

We now estimate that the burden hours that will be imposed by Form N-CSR are as follows:

Calculation of Hour Burden for Reports on Form N-CSR

• Number of respondents	2,700
• Average number of portfolios per respondent	3.75
• Number of portfolios referenced in filings annually (10,150 portfolios x 2 filings per year)	20,300
• Hour burden per filing	28.58
• Hour burden per portfolio (28.58 hours ÷ 3.75 portfolios)	7.62
• Annual hour burden per portfolio (7.62 hours per portfolio x 2 filings per year)	15.24
• Total annual hour burden (7.62 hours x 20,300 portfolios)	154,686

The Commission estimates that the appropriate compensation rate for professionals commonly used in the preparation of filings on Form N-CSR is \$288 per hour.¹ We estimate that the total annualized cost to respondents of the Form N-CSR

¹ This figure is estimated by multiplying the total annual hour burden (154,686 hours) by the estimated hourly wage rate of \$288.00. 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 \$291 and \$285, respectively. See Securities Industry and Financial Markets Association, Report on Management & Professional Earnings in the Securities Industry 2009 (Sept. 2009). The estimated wage rate is further based on the estimate that attorneys and programmers would divide time equally, resulting in a weighted wage rate of \$288.00 (((\$291.00 x 0.50) + (\$285 x 0.50)).

information collection burden is approximately \$44,550,000 for all filers of Form N-CSR.²

13. Estimate of Total Annual Cost Burden

Cost burden is the cost of goods and services purchased to prepare and update filings on Form N-CSR, such as for the services of independent auditors and outside counsel. The cost burden does not include the hour burden discussed in Item 12. Estimates are based on the Commission's experience with the filing of registration forms.

The total annual cost burden to respondents for outside professionals associated with the collection of data relating to Form N-CSR is currently \$1,119,001 based on the previous estimate of 6,743 filings per year. The new total cost burden allocated to Form N-CSR would be as follows:

Cost Burden of Preparing and Filing Reports on Form N-CSR Filings

• Cost burden per portfolio for report filings	\$76.67 ³
• Number of portfolios referenced in filings annually (10,150 portfolios x 2 filings per year)	20,300
• Total cost burden of filings (20,300 portfolios x \$76.67 per portfolio)	\$1,556,401

14. Estimate of Cost to the Federal Government

² \$154,686 hours x \$288 per hour = \$44,549,568.

³ Previously, we estimated a cost of \$66.38 per portfolio. By adjusting for inflation, we now estimate the inflated cost per portfolio is \$76.67.

The annual cost of reviewing and processing new registration statements, post-effective amendments, proxy statements, and shareholder reports of investment companies amounted to approximately \$20.4 million in fiscal year 2009, 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

As noted in section 12 above, the current total annual burden hour inventory for Form N-CSR is 138,663 hours and the new estimated annual hour burden for Form N-CSR is 154,686 hours, representing an increase of 16,023 hours per year. As noted in section 13 above, the current total annual cost burden to respondents for outside professionals associated with the collection of data relating to Form N-CSR is currently \$1,119,001 and the new total annual cost burden to respondents is estimated to be \$1,556,401, representing an increase of \$437,400. These increases are due to the increase in the estimated number of portfolios contained in reports on Form N-CSR filed per year.

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.