



Information Update

MARCH 2021 | IM-INFO-2021-01

DIVISION OF INVESTMENT MANAGEMENT STAFF STATEMENT REGARDING WITHDRAWAL AND MODIFICATION OF STAFF LETTERS RELATED TO RULEMAKING ON USE OF DERIVATIVES AND CERTAIN OTHER TRANSACTIONS BY REGISTERED INVESTMENT COMPANIES AND BUSINESS DEVELOPMENT COMPANIES

On November 2, 2020, the Commission adopted rule 18f-4 under the Investment Company Act of 1940, which will permit registered investment companies and business development companies (“funds”) to enter into derivatives and certain other transactions notwithstanding the restrictions under section 18 and section 61 of the Investment Company Act, provided that these funds comply with the conditions of the rule.¹ Consistent with the adopted rule and the discussion in the related release, the staff is withdrawing staff statements relating to section 18 and section 12(a) of the Investment Company Act included in staff letters and a staff issue of interest as noted in Appendix A herein, effective as of August 19, 2022.

This Staff Statement represents the views of the staff of the Division of Investment Management. It is not a rule, regulation, or statement of the Securities and Exchange Commission. The Commission has neither approved nor disapproved its content. This Staff Statement, like all staff guidance, has no legal force or effect: it does not alter or amend applicable law, and it creates no new or additional obligations for any person.

Endnote

- 1 See [Use of Derivatives by Registered Investment Companies and Business Development Companies, Investment Company Act Release No. 34084 \(Nov. 2, 2020\)](#).

IM Information Updates are recurring notices regarding the activities of the Division. The Division generally issues IM Information Updates to alert the public—including investors and industry participants—to key developments, such as updates to Frequently Asked Questions, technical improvements to SEC forms, and certain other staff actions. IM Information Updates may also explain administrative and procedural matters, such as how to most effectively communicate with the staff.

If you have any questions about this IM Information Update, please contact:

SEC Division of Investment Management
Chief Counsel's Office
Phone: 202.551.6825



US Securities and Exchange Commission

Division of Investment Management

Appendix A

ITEM DESCRIPTION	DATE ISSUED	DATE MODIFIED OR WITHDRAWN	NOTES	TOPIC(S)
Staff Letters including Statements Relating to Section 18 of the Investment Company Act				
Merrill Lynch Asset Management, L.P., SEC Staff Letter	July 2, 1996	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Robertson Stephens Investment Trust, SEC Staff Letter	Aug. 24, 1995	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Sanford C. Bernstein Fund, Inc., SEC Staff Letter	June 25, 1990	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Hutton Options Trading LP, SEC Staff Letter	Feb. 2, 1989	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Dreyfus Strategic Investing and Dreyfus Strategic Income, SEC Staff Letter	June 22, 1987	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
SAFECO Municipal Bond Fund, Inc., SEC Staff Letter	Nov. 26, 1982	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Staff Issue of Interest including Statements Relating to Section 18 of the Investment Company Act				
Funds Using Tender Option Bond (TOB) Financings, Investment Management Staff Issue of Interest	Mar. 29, 2012	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Staff Letters including Statements Relating to Section 12(a) and Section 18 of the Investment Company Act				
DataConcepts Fund, Inc., SEC Staff Letter	Aug. 25, 1980	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Emerald Mgt. Co., SEC Staff Letter	Jan. 21, 1978	August 19, 2022	Withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities

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Staff Letters including Statements Relating to Section 12(a), Section 18, and Section 17(f) of the Investment Company Act				
Claremont Capital Corp. , SEC Staff Letter	Sept. 16, 1979	August 19, 2022	Modified. Statements relating to section 12 and statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Staff Letters including Statements Relating to Section 18 and Section 17(f) of the Investment Company Act				
Investment Company Institute and SIFMA AMG , SEC Staff Letter	May 27, 2020	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Franklin Templeton Investments , SEC Staff Letter	June 19, 2009	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Prudential-Bache IncomeVertible Plus Fund, Inc. , SEC Staff Letter	Nov. 20, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
State Street Income Fund, State Street Balanced Fund , SEC Staff Letter	Oct. 21, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
New England Life Government Securities Trust , SEC Staff Letter	Sept. 26, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Thomson McKinnon Investment Trust , SEC Staff Letter	Sept. 23, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities

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Putnam Option Income Trust II, SEC Staff Letter	Sept. 23, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
GMO Core Trust, SEC Staff Letter	Aug. 19, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Bartlett Capital Trust, SEC Staff Letter	Aug. 19, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Continental Option Income Plus Fund, SEC Staff Letter	Aug. 12, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Colonial High Yield Securities Trust, Colonial Enhanced Mortgage Trust, SEC Staff Letter	July 25, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Putnam High Income Government Trust, SEC Staff Letter	June 3, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Bartlett Management Trust, SEC Staff Letter	May 17, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Drexel Series Trust – Government Securities Series, SEC Staff Letter	Apr. 25, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities

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Koenig Tax-Advantaged Liquidity Fund, Inc., SEC Staff Letter	Mar. 27, 1985	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Colonial Tax-Exempt High Yield Trust, SEC Staff Letter	Dec. 31, 1984	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Monitrend Fund, SEC Staff Letter	Nov. 14, 1984	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Pilot Fund, Inc., SEC Staff Letter	Sept. 14, 1984	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Colonial Government Securities Plus Trust, SEC Staff Letter	June 15, 1984	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Z-Seven Fund, Inc., SEC Staff Letter	May 21, 1984	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Pension Hedge Fund Inc., SEC Staff Letter	Jan. 20, 1984	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
SteinRoe Bond Fund, Inc., SEC Staff Letter	Jan. 17, 1984	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities

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IDS Bond Fund, Inc. , SEC Staff Letter	Apr. 11, 1983	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Montgomery Street Income Securities, Inc., SEC Staff Letter	Apr. 11, 1983	August 19, 2022	Modified. Statements relating to section 18 are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
Staff Letters including Statements Relating to Section 18 of the Investment Company Act as it relates to fund (i) use of options and (ii) engagement in securities lending activities				
SIFE Trust Fund , SEC Staff Letter	Feb. 17, 1982	August 19, 2022	Modified. Statements relating to section 18 and the use of written options are withdrawn. In connection with a securities loan in which the lending fund invests cash collateral in instruments other than cash and cash equivalents, only statements relating to section 18(f) and statements relating to the limitation on the amount of securities on loan are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities

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Staff Letters including Statements Relating to Section 18 of the Investment Company Act as it relates to fund engagement in securities lending activities				
Salomon Brothers , SEC Staff Letter	May 4, 1975	August 19, 2022	Modified. In connection with a securities loan in which the lending fund invests cash collateral in instruments other than cash and cash equivalents, only statements relating to section 18(f) and statements relating to the limitation on the amount of securities on loan are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities
The Brinson Funds, et al. , SEC Staff Letter	Nov. 25, 1997	August 19, 2022	Modified. In connection with a securities loan in which the lending fund invests cash collateral in instruments other than cash and cash equivalents, only statements relating to section 18(f) and statements relating to the limitation on the amount of securities on loan are withdrawn. See Investment Company Act Rel. No. 34084 (Nov. 2, 2020) .	Senior Securities