

Code of Ethics
AARP Financial Incorporated

As amended January 24, 2006

Section 1: Background

Except as otherwise noted in this Code of Ethics concerning Access Persons, all AARP Financial Incorporated (“AARP Financial”) Directors, officers and employees (collectively, “AARP Financial personnel”) must comply with our Code of Ethics, which provides a standard of business conduct for personnel and imposes restrictions on the purchase or sale of securities for certain personnel with regard to their own accounts and the accounts of certain affiliated persons.

AARP Financial has organized a Code of Ethics Review Committee which meets regularly to review actual and perceived violations of the Code and determine if any sanctions or actions should be recommended to senior management. The Code of Ethics is an organic document that is subject to regular review by the Code of Ethics Review Committee to examine the impact to the Code of Ethics of changes in AARP Financial’s business activities, personnel, and emerging risks.

The Code of Ethics has also been adopted in compliance with the requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended, and Rule 17j-1 under the Investment Company Act of 1940, as amended, and to ensure compliance with Federal Securities Laws.

Terms that are capitalized in this Code of Ethics are defined in Section 15 below.

Section 2: Fiduciary Standards

This Code of Ethics is based on the overriding principle that, as fiduciaries to the AARP Funds and AARP Portfolios, their shareholders and AARP members serviced by AARP Financial product lines (“Clients”), AARP Financial personnel must act in the best interests of the Clients. The confidence and trust placed in AARP Financial by our Clients is something we value and endeavor to protect. Accordingly, AARP Financial has adopted this Code and implemented policies and procedures to prevent fraudulent, deceptive and manipulative practices and to ensure compliance with the Federal Securities Laws and the fiduciary duties owed to our Clients.

All AARP Financial personnel must conduct themselves at all times in accordance with Federal Securities Laws and the following mandates:

- a) Clients' interests take priority. In the course of performing their duties and responsibilities AARP Financial personnel must at all times place the interests of Clients ahead of their own personal interests.
- b) Conflicts of interest or the appearance of conflicts of interest must be avoided. AARP Financial personnel must not take advantage of the trust that Clients have placed in them. All personnel must avoid any situation that might present a conflict or the perception of a conflict. All personnel must avoid situations that might be perceived as an impropriety or a compromise to the AARP Financial personnel's fulfillment of his/her duties and responsibilities.

AARP Financial personnel also must not:

- a) Employ any device, scheme or artifice to defraud a Client;
- b) Make to a Client any untrue statements of a material fact or omit to state to a Client a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- c) Engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon a Client;
- d) Engage in any manipulative practice with respect to a Client;
- e) Use their positions, or any investment opportunities presented by virtue of their positions, to personal advantage or to the detriment of a Client; or
- f) Conduct personal trading activities in contravention of this Code or applicable legal principles or in such a manner as may be inconsistent with the duties owed to Clients as a fiduciary.

These general standards are meant as overriding guidelines to be adhered to in all current and emerging situations and are not limited to the detailed behavior specifically discussed in the Code.

Section 3: Duty of Confidentiality

AARP Financial personnel must keep confidential at all times any nonpublic information they may obtain as a result of their duties and responsibilities at AARP Financial. This includes, but is not limited to, information concerning the following:

- a) AARP Funds, AARP Portfolios,
- b) Any financial product developed or serviced by AARP Financial,
- c) Any and all new business initiatives including start-up products or enhancements of existing products,

- d) Clients or prospective Clients, including their identities, their investments and their account activity, and
- e) Any AARP Financial personnel particularly, their pay and performance ratings.

No confidential or nonpublic information is to be released without consulting the Chief Compliance Officer in advance. AARP Financial personnel should be diligent in not only ensuring that information is not released but protecting it from unlawful or inappropriate third party access.

Section 4: Reporting and Investigating Concerns of Suspected Wrongdoing

AARP Financial requires AARP Financial personnel to promptly disclose concerns of suspected wrongdoing and violations of this Code. Wrongdoing includes but is not limited to: violation of the Federal Securities Laws, misuse of corporate assets, and misuse of nonpublic information. Reports should be made directly to the Chief Compliance Officer or her delegate. If anonymity is desired, please call outside counsel David Leahy of Sullivan & Worcester LLP, 1666 K Street, NW, Washington DC 20006. His telephone number is 202-775-1201. Mr. Leahy will then forward the anonymous report to the Chief Compliance Officer.

Section 5: Gift Policy

AARP Financial personnel cannot give, accept or solicit gifts including business meals, entertainment or promotional gifts of material value from any person or entity doing business with AARP Financial, AARP Funds, or AARP Portfolios. AARP Financial personnel may give or accept gifts of common courtesies of a de minimus value (\$25 or less). If the value of a gift exceeds the de minimus but is otherwise not material, AARP Financial personnel may give or accept the gift but are responsible for maintaining a record of all gifts received or given. If there is any doubt regarding the propriety or value of a gift, AARP Financial personnel should obtain prior approval from the Chief Compliance Officer or her delegate. Gifts of cash or cash equivalents must not be accepted under any circumstances.

Section 6: Outside Employment

AARP Financial personnel are prohibited from working for any business or enterprise in the financial services industry that competes with AARP Financial. AARP Financial personnel are prohibited from providing services to any other organization that could directly or indirectly benefit from any of AARP Financial's confidential information. If secondary employment does not violate the above restrictions, AARP Financial personnel may accept employment but only with prior approval of the Chief Compliance Officer or her delegate. All reportable employment activities should be reported to the Chief Compliance Officer or her delegate prior to undertaking the activities. Activities to be approved include: all compensated positions outside of AARP Financial, all entrepreneurial activities, volunteer positions that involve finance activities, serving in

any federal, state or local government authority, and serving on the Board of Directors of any company, whether public or private.

Section 7: Insider Trading Policy

All AARP Financial personnel are prohibited from taking personal advantage of their knowledge of recent or impending securities related activities of AARP Financial, AARP Funds, or AARP Portfolios. AARP Financial personnel are prohibited from purchasing or selling (including shorting), directly or indirectly, any security when they have knowledge of any confidential information that might directly or indirectly affect the value of that security. This prohibition applies to all securities in which an AARP Financial personnel has beneficial ownership, including all securities owned by his/her spouse or minor children. Any violation of this policy will result in severe penalties, including possible termination of employment from AARP Financial.

Section 8: Trading in AARP Funds

AARP Financial personnel must comply in all respects with the AARP Funds' prospectus, including the restrictions on market timing activities. The Compliance Department will monitor trading activity and review all short term trades of AARP Funds shares occurring within sixty calendar days. AARP Financial personnel will be required to relinquish all applicable short term profits if it has been determined by the Compliance Department that the terms of the prospectus have been violated. If deemed appropriate, abusive activity may result in termination of employment from AARP Financial. AARP Financial personnel are also restricted from short term trades in Reportable Securities, as described below.

Section 9: Additional Trading Restrictions for Access Persons

For purposes of the Code of Ethics, Access Person is defined as any:

- a) Director of AARP Financial,
- b) Officer of AARP Financial, and
- c) Employee of AARP Financial who in the course of his or her regular duties is regularly privy to confidential or nonpublic information regarding AARP Funds, AARP Portfolios, or other AARP Financial products.

The AARP Financial Compliance Department will notify all Access Persons of their additional duties and responsibilities under the Code of Ethics. The restrictions set forth in this section will apply to all transactions in which an Access Person has or will acquire beneficial ownership of a Reportable Security, including transactions by Immediate Family. However, the restrictions do not apply to transactions involving the following types of securities which are not considered Reportable Securities: (1) direct obligations of the Government of the United States; (2) high quality short-term debt instruments, including bankers' acceptances, bank certificates of deposit, commercial paper, and repurchase agreements; (3) shares issued by money market funds; (4) shares of open-end

investment companies other than any registered investment company advised by AARP Financial (such as the AARP Funds) or any registered investment company whose investment adviser or principal underwriter controls, is controlled by or is under common control with AARP Financial.

Each Access Person shall obtain the prior approval of the AARP Financial Compliance Department for all personal securities transactions in Reportable Securities except for:

- a) Purchases or sales effected in any account over which the Access Person has no direct or indirect influence or control;
- b) Purchases or sales of Reportable Securities which are not eligible for purchase or sale by any Client;
- c) Purchases or sales which are non-volitional on the part of either the Access Person or the Client;
- d) Transactions in securities which are not Reportable Securities;
- e) Purchases which are part of an Automatic Investment Plan;
- f) Purchases effected upon the exercise of rights issued by an issuer pro rata to all holders of a class of its securities, to the extent such rights were acquired from such issuer, and sales of such rights so acquired;
- g) Any equity securities transaction, or series of related transactions, involving 500 shares or less in the aggregate, if the issuer has a market capitalization (outstanding shares multiplied by the current price per share) greater than \$1 billion; and
- h) Any fixed income securities transaction, or series of related transactions, involving 100 units (\$100,000 principal amount) or less in the aggregate, if the Access Person has no prior knowledge of transactions in such securities on behalf of a Client.

Access Persons are subject to pre-clearance of certain securities transactions. While Access Persons are not prohibited from placing margin trades, buying or selling of futures and options, private placements, IPOs or short selling, all such proposed activity must receive prior approval from the AARP Financial Compliance Department. The AARP Financial Compliance Department will notify the Access Person if his/her proposed securities transactions are permitted under the Code of Ethics. Note that AARP Financial Compliance Department will retain the authority to apply any and all of the trading restrictions to all personnel or groups of personnel if it deems it appropriate.

Except as otherwise expressly set forth in this document, Section 9 of this Code shall not apply to any Non-management Director.

Section 10: Required Reports/Certifications

- Disclosure of personal holdings – Annual and Initial Holdings Reports. All AARP Financial personnel other than Non-management Directors are required to disclose their personal securities holdings to the AARP Financial Compliance Department upon commencement of employment

with AARP Financial, including holdings of all open-end investment companies and unit investment trusts. These disclosures must identify the title, number of shares, exchange ticker symbol or CUSIP number and principal amount with respect to each security holding (whether held directly or indirectly). Copies of the most recent brokerage statements must be submitted. All AARP Financial personnel other than Non-management Directors are required to submit this information on an annual basis on a date selected by the Chief Compliance Officer.

- Records of securities transactions. All AARP Financial personnel must notify the AARP Financial Compliance Department if they open a brokerage account. They must arrange to have duplicate confirmations of securities transactions and copies of all periodic statements transmitted to AARP Financial Compliance Department from existing and newly opened accounts. If AARP Financial personnel execute a transaction in Reportable Securities, he/she must submit a transaction report to the Chief Compliance Officer which includes the date of the transaction, the title, number of shares, exchange ticker symbol or CUSIP number, the nature of the transaction (whether sale, purchase or other type of disposition), price of the transaction, and the name of the broker, dealer, or bank through which the transaction was effected.
- All AARP Financial personnel will submit quarterly statements of any account which they own or have beneficial ownership for any investment management company for which AARP Financial is the adviser.
- Certification of compliance. All AARP Financial personnel must certify annually to the AARP Financial Compliance Department that they have read and understand the Code of Ethics, that they have complied with ALL requirements of the Code of Ethics and that they have recorded all transactions required to be reported under the Code of Ethics. The Compliance Department will deliver a copy of the Code of Ethics to all AARP Financial personnel annually as well as any amendments to the Code of Ethics.

Except as otherwise expressly set forth in this document, Section 10 of this Code shall not apply to any Non-management Director.

Section 11: Sanctions

In the event of a violation of the Code of Ethics, AARP Financial senior management will impose such sanctions as deemed necessary and appropriate. Sanctions range from a letter of censure, suspension of employment without pay, referral to the appropriate regulatory agency or permanent termination of employment.

Section 12: Review of Compliance Reports on the Code of Ethics

The AARP Financial Compliance Department will provide to the Board of Directors of AARP Financial an annual report that includes, but is not limited to, the following:

- A description of issues that have arisen under the Code of Ethics since the last reporting period including such items as any violations of the Code, sanctions imposed in response to the violations, changes in the Code and any recommended changes; and
- A certification that AARP Financial has adopted such procedures as are reasonably necessary to prevent access persons from violating the Code of Ethics.

Section 13: Record Retention

AARP Financial will maintain all records required by Rule 17j-1 of the Investment Company Act of 1940 and Rule 204A-1 and Rule 204-2 of the Investment Advisers Act of 1940 including copies of the Code of Ethics, records of violations and sanctions, if applicable, holdings and transactions reports, copies of AARP Financial personnel certifications, list of all Access Persons within the last 5 years, and copies of the annual reports and certifications to the Board of Directors.

Section 14: Waivers

The Chief Compliance Officer may grant waivers of any substantive restriction in appropriate circumstances (e.g., personal hardship) and will maintain records to justify such waivers.

Section 15: Definitions

Access Person – any Director of AARP Financial other than a Non-management Director, any officer of AARP Financial, and any employee of AARP Financial who in the course of his or her regular duties is regularly privy to confidential information regarding AARP Funds, AARP Portfolios, or other AARP Financial products.

Automatic Investment Plan – any program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation, including, but not limited to, any dividend reinvestment plan (DRIP).

Clients – the AARP Funds and AARP Portfolios, their shareholders and any AARP members serviced by AARP Financial products.

Federal Securities Laws – the a) Securities Act of 1933, as amended; b) Securities Exchange Act of 1934, as amended; c) Sarbanes-Oxley Act of 2002; d) Investment Company Act of 1940, as amended; e) the Investment Advisers Act of 1940, as amended; f) title V of the Gramm-Leach-Bliley Act; g) any rules adopted by the SEC under the foregoing statutes; h) the Bank Secrecy Act, as it applies to funds and investment advisers; and i) any rules adopted under relevant provisions of the Bank Secrecy Act by the Securities and Exchange Commission or the U.S. Department of the Treasury.

Immediate Family – any of the following persons who reside in the same household as the Access Person:

child	grandparent	son-in-law
stepchild	spouse	daughter-in-law
grandchild	sibling	brother-in-law
parent	mother-in-law	sister-in-law
stepparent	father-in-law	

Non-management Directors – AARP Financial Directors designated as such in Appendix B who do not serve in an employment or consulting capacity for AARP Financial, or have any day to day involvement in the management of AARP Financial, AARP Funds or AARP Portfolios and comply with the requirements of Appendix A.

Reportable Security – any security as defined in Section 202(a)(18) of the Investment Advisers Act of 1940, as amended, and Section 2(a)(36) of the Investment Company Act of 1940, as amended except a) direct obligations of the Government of the United States; b) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; c) shares issued by money market funds; and d) shares issued by open-end funds other than funds advised by AARP Financial or funds whose investment adviser or principal underwriter controls, is controlled by or is under common control with AARP Financial.

APPENDIX A

Role Limitations and Information Barrier Procedures For Non-Management Directors

A. Role Limitations

- Non-management Directors may not serve in an employment or consulting capacity for AARP Financial or have any day to day involvement in the management of AARP Financial, other than that of a Director of the AARP Financial Board of Directors or serving on a committee of or at the direction of the Board of Directors.
- Non-management Directors may not be involved in the securities selection and trading functions of either AARP Financial or AARP Funds or AARP Portfolios.

B. Information Barrier Procedures

1. Restricted Information

Non-management Directors must not have access to Restricted Information. "Restricted Information" is information regarding any possible transaction including a Reportable Security by the AARP Funds, AARP Portfolio or any other AARP Financial client during the last 15 days.

2. Access Restrictions

To ensure that Non-management Directors do not have access to Restricted Information:

- Non-management Directors are prohibited from communicating with the sub-adviser to AARP Funds, AARP Portfolio or to any other AARP Financial investment management client except as part of Board meetings.
- Non-management Directors are prohibited from communicating with AARP Financial personnel who have access to Restricted Information for the purpose of obtaining Restricted Information.

In addition, AARP Financial personnel must not provide Restricted Information to any Non-management Director, nor may AARP Financial personnel consult with Non-management Directors regarding such matters.

If it should be determined by the Chief Compliance Officer that a Non-management Director has gained access to inside trading information, the Non-management Director will no longer be an exempt Director and will be designated as an Access Person.

APPENDIX B

Non-management Directors of AARP Financial

Nelda Barnett
Nancy LeaMond
Erik Olsen
Dawn Sweeney

Management Directors of AARP Financial

Larry C. Renfro

**AARP FUNDS
AARP PORTFOLIOS**

**CODE OF ETHICS
PURSUANT TO THE SARBANES-OXLEY ACT OF 2002**

I. Introduction and Application

In accordance with the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”) and the rules promulgated thereunder by the Securities and Exchange Commission, the AARP Funds and the AARP Portfolios (together, the “Trusts”) are each required to publicly disclose on Form N-CSR whether they have adopted a code of ethics¹ applicable to its principal executive officer, principal financial officer and principal accounting officer or controller (each a “Covered Officer”). The Trusts’ Covered Officers are listed on Appendix A.

Recognizing the importance of high ethical standards in the conduct of its business, the Trusts’ Board of Trustees, including a majority of its Independent Trustees (as defined below), has adopted this Code of Ethics (“Code”). This Code does not supersede or otherwise limit the applicability of the separate code of ethics that the Trusts have adopted pursuant to Rule 17j-1 under the Investment Company Act of 1940, as amended, with respect to any Covered Officer.

All persons listed on Appendix A are directed to read this Code carefully, retain it for future reference, and abide by the rules and policies set forth herein. Any questions concerning the applicability or interpretation of this Code should be directed to the Trusts’ Compliance Officer (as defined below) or to outside counsel for the Trusts (“Fund counsel”).

II. Purpose

This Code is designed to deter wrongdoing and to promote:

- A. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- B. Full, fair, accurate, timely and understandable disclosure in reports and documents the Trusts or any of their series (each a “Fund” and, together, the “Funds”) files with, or submits to, the SEC or in other public communications made by the Trusts or the Funds;
- C. Compliance with applicable governmental laws, rules and regulations;
- D. The prompt internal reporting of violations of this Code to an appropriate person or persons identified in this Code; and
- E. Accountability for adherence to this Code.

¹ The term “code of ethics” is defined in Item 2(b) of Form N-CSR.

III. **Definitions**

A. “*Covered Officer*” means the principal executive officer of the Trusts and senior financial officers of the Trusts, including the principal financial officer, controller or principal accounting officer, or persons performing similar functions, regardless of whether these persons are employed by the Trusts or a third party.

B. “*Compliance Officer*” means the person appointed by the Board of Trustees to administer the Code. The Compliance Officer is listed on Appendix A.

C. “*Executive Officer*” has the same meaning as set forth in Rule 3b-7 under the Securities Exchange Act of 1934, as amended. Subject to any changes in that rule, the term “executive officer,” when used in this Code, means the president, any vice president, any officer who performs a policy making function, or any other person who performs similar policy making functions for the Trusts. The Executive Officers are listed on Appendix A.

D. “*Implicit Waiver*” means the Trusts’ failure to take action within a reasonable period of time regarding a material departure from this Code that has been made known to an Executive Officer.

E. “*Independent Trustee*” means a Trustee who is not an “interested person” of the Trusts within the meaning of Section 2(a)(19) of the 1940 Act.

F. “*Waiver*” means the approval by the Compliance Officer of a material departure from a provision of the Code.

IV. **Honest and Ethical Conduct**

A. **General Objectives.** Each Covered Officer should adhere to a high standard of business ethics and should be sensitive to and try to avoid any situations that may present, or appear to present, a conflict of interest. Covered Officers are expected to place the interests of the Trusts and the Funds above the Covered Officer’s own personal interests.

B. **Conflicts of Interests.** Each Covered Officer should handle actual or apparent conflicts of interest in an ethical manner. In the event that a Covered Officer intends to engage in a transaction, activity or relationship that the Covered Officer reasonably believes that the Board of Trustees would view as giving rise to a material conflict of interest, the Covered Officer must (i) avoid (or cease) such transaction, activity or relationship or (ii) consult with the Compliance Officer and provide an accurate description of the transaction, activity or relationship. Upon such consultation, the Compliance Officer (in consultation with Fund counsel if the Compliance Officer deems appropriate) shall conduct a review to determine (i) whether engaging in such transaction, activity or relationship reasonably could be expected to give rise to a conflict of interest, and (ii) the appropriate resolution of any such conflict.

Based on its review, the Compliance Officer may provide instructions to the Covered Officer to resolve any potential conflict of interest. The Covered Officer shall either (i) comply with such instructions or (ii) request a review of the instructions by the Trusts’ president, a vice president or the Board of Trustees (provided that the review is not undertaken by a person involved in the matter giving rise to the possible conflict of interest), such review being

conclusive (provided that the Board may act in its discretion in any event). The records of any consultation with the Compliance Officer in this regard, and of any review by the Trusts' president, a vice president or the Board of Trustees shall be retained in the manner set forth below in Section X of this Code.

The following discussion on specific types of conflicts of interest that may arise is not intended to be comprehensive, and each Covered Officer is expected to treat even an appearance of impropriety as a potential conflict of interest that should be avoided or brought to the attention of the Compliance Officer. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Trusts or the Funds. Examples of conflicts of interest include the following:

1. Personal Business Transactions. A Covered Officer may not cause the Funds to engage in any business transaction with his or her family members or relatives or utilize the Covered Officer's relationship with the Funds to cause any third party to engage in any business transaction with his or her family members or relatives. This provision is not intended, however, to restrict Covered Officers and their family members or relatives from purchasing or redeeming shares of a Fund as long as such purchases or redemptions are made in accordance with the procedures, limitations and restrictions set forth in the Fund's registration statement.

2. Use of Nonpublic or Confidential Information. A Covered Officer may not use, or disclose to a third party, non-public or confidential information about the Funds or their activities or any of the Funds' service providers for the purpose of personal gain by the Covered Officer or his or her family members or relatives (including, but not limited to, securities transactions based on such information).

3. Outside Employment or Activities. A Covered Officer may not engage in any outside employment or activity that interferes with his or her duties and responsibilities with respect to the Funds or is otherwise in conflict with or prejudicial to the Funds. A Covered Officer must disclose to the Compliance Officer any outside employment or activity that may constitute, or appear to constitute, a conflict of interest and obtain the Compliance Officer's approval before engaging in such employment or activity. Any such employment or activity is permissible only if it would not be inconsistent with the best interests of the Funds and their shareholders.

4. Gifts. A Covered Officer may not accept any gift, entertainment, favor, or loan from any person or entity that does or seeks to do business with the Funds which goes beyond the courtesies generally associated with accepted business practice. Non-cash gifts of a *de minimis* nature are considered to be within accepted business practices. Cash gifts of any amount are strictly prohibited. Entertainment (in the form of meals, tickets to events or otherwise) must be reasonable in cost, appropriate as to time and place, and not so frequent as to raise any question of impropriety.

5. Corporate Opportunities. A Covered Officer may not exploit, for his or her own personal gain or the personal gain of family members or relatives, opportunities that are discovered through the use of Fund property, information, or the Covered

Officer's position unless the opportunity is fully disclosed, in writing, to the Board of Trustees and the Board declines to pursue such opportunity on behalf of the Funds.

6. Other Situations. Because other conflicts of interest may arise, it is not practical to list in this Code all possible situations that could result in a conflict of interest. If a proposed transaction, interest, personal activity, or investment raises any questions, concerns or doubts, a Covered Officer should consult with the Compliance Officer before engaging in the transaction, making the investment or pursuing the interest or activity.

C. Reporting. Any potential conflict of interest must be disclosed and reported by the Covered Officer to the Compliance Officer and resolved before the Covered Officer takes any action. In certain instances, subject to applicable state and federal law, the conflict may be approved by the informed vote of those Trustees who have no interest in the proposed course of action.

V. Full, Fair, Accurate, Timely and Understandable Disclosure

A. General Policy. This Code is intended to promote the full, fair, accurate, timely and understandable disclosure in reports and other documents filed by the Trust with the SEC or made in other public communications by the Funds. Accordingly, the Covered Officers are expected to consider it central to their roles as officers of the Trusts to ensure that full, fair, accurate, timely and understandable disclosure is made in the Funds' disclosure in reports and other SEC-filed documents and in other public communications. Covered Officers shall undertake, not only to prevent knowing or careless failures in this regard, but to affirmatively act to provide such quality of disclosure by familiarizing themselves with the disclosure requirements generally applicable to the Funds. Similarly, the Covered Officers shall endeavor to cause the Funds to communicate or make disclosures in a manner that is understandable and provided on a timely basis in accordance with regulatory requirements or other relevant standards. The Covered Officers must promptly inform the Compliance Officer upon determining that information in draft or existing reports or disclosure documents is not full, fair, accurate, timely or understandable. Any deficiency discovered in the Trusts' financial controls and procedures must promptly be reported to the Audit Committee.

B. Changes in Disclosure Process. If, at any time, a Covered Officer believes that measures should be taken to improve any of the Funds' disclosure processes, he or she shall advise the Compliance Officer and work with the Compliance Officer and other appropriate personnel to facilitate such improvement.

VI. Compliance With Applicable Governmental Laws, Rules and Regulations

A. General Policy. Each Covered Officer shall undertake to be familiar with the laws, rules, and regulations that govern the operations of the Funds, including, but not limited to, the regulatory framework imposed on the Funds by state law, the 1940 Act, other federal securities laws, Sarbanes-Oxley, and related SEC rules and regulations.

B. Cooperation with Service Providers. Each Covered Officer shall cooperate with Fund counsel, independent accountants, administrator and other service providers with the goal of maintaining the Funds in material compliance with applicable laws, rules and regulations.

C. Continuing Education. Covered Officers are encouraged to attend courses and seminars for the purpose of keeping themselves apprised of developments relating to laws, rules, and regulations applicable to the Funds.

D. Reporting of Violations. Upon learning of any material violation of any applicable law, rule or regulation by a Fund or a person acting with or on behalf of a Fund, Covered Officers must report such violation to the Compliance Officer and assist with the resolution of such violation. A Covered Officer should seek guidance whenever he or she is in doubt as to the applicability of any law, rule, or regulation with respect to the contemplated course of action. **If in doubt as to a course of action, a good guideline is to “always ask first, act later” -- if a Covered Officer is unsure of what to do in any situation, he or she should seek guidance before acting.**

VII. Accountability and Internal Reporting of Violations of this Code

A. Acknowledgement. Each Covered Officer and each Executive Officer that is not a Covered Officer must, upon adoption of this Code (or upon becoming a Covered Officer or an Executive Officer) affirm in writing (in substantially the form attached hereto as Appendix B) that he or she has received, read and understands this Code and that he or she has complied with and will continue to comply with the requirements of this Code.

B. Reporting. Each Covered Officer must promptly notify the Compliance Officer if he or she knows of any actual or potential departure from this Code, whether the violation or potential violation was committed by the Covered Officer personally or by another Covered Officer. Each Executive Officer must promptly notify the Compliance Officer if any actual or potential departure from this Code by a Covered Officer is known to the Executive Officer. In either case, failure to do so is itself a violation of this Code. If no written report is made by a Covered Officer or Executive Officer, the Compliance Officer must document his or her receipt of any oral report of a suspected material violation of this Code received. If the Covered Officer making the report is also the Compliance Officer, then he or she shall report to the president of the Trusts who, with the assistance of Fund counsel as necessary, shall follow the procedures set forth below for the Compliance Officer. In the event that the president of the Trusts is also implicated in the alleged violation, the Covered Officer shall report to the chairperson of the Audit Committee

C. Action by Compliance Officer. Upon receiving a report from a Covered Officer or an Executive Officer, the Compliance Officer must conduct an internal investigation into the potential violation(s) of the Code, consulting with Fund counsel as necessary, to determine whether a violation of the Code has occurred and whether such violation has had or may have a material adverse impact upon the Trust or any of its series.

1. If, after such investigation, the Compliance Officer determines that no violation has occurred, the Compliance Officer is not required to take any further action.

2. If, after such investigation, the Compliance Officer, after consultation with Fund counsel, concludes that there has been a violation of the Code, but the violation has not caused a material adverse impact on the Trusts or the Funds, the Compliance Officer,

upon consultation with counsel, shall determine what sanctions, if any, may be appropriate.

3. If, after such investigation, the Compliance Officer, after consultation with counsel, concludes that there has been a violation of the Code, and that such violation has had or may have a material adverse effect on a Trust or a Fund, the Compliance Officer shall report the violation and his or her proposed sanctions to the Audit Committee. The Audit Committee shall be entitled to consult with independent legal counsel to determine whether the violation actually has had a material adverse impact upon a Trust or a Fund and to formulate appropriate actions or sanctions that the Audit Committee, in its business judgment, determines to be necessary or advisable. The Audit Committee shall have the discretion, in its business judgment, to impose sanctions on the Covered Officer if it deems such action to be necessary or appropriate.

D. Periodic Reports to the Board. The Compliance Officer shall report to the Board at each regularly scheduled Board meeting any and all violations of the Code (whether or not they caused a material adverse impact on a Trust or a fund), any Waivers or Implicit Waivers, and any sanctions imposed since the last Board meeting, if any.

E. Waivers. Notwithstanding the foregoing, the Compliance Officer shall be entitled to grant a Waiver of one or more provisions of this Code as set forth in Section VIII of this Code.

VIII. Waivers of Provisions of this Code

A. Waivers. A Covered Officer may seek, and the Compliance Officer may grant, Waivers from a provision of this Code in circumstances that would otherwise constitute a violation of the Code. Waivers will only be granted under extraordinary or special circumstances. The procedure for obtaining and granting a Waiver is set forth below:

1. The Covered Officer must submit to the Compliance Officer a written request for a Waiver describing the transaction, activity or relationship for which the Covered Officer seeks a Waiver that briefly explains the reason for engaging in the transaction, activity or relationship.

2. The determination with respect to the Waiver must be made by the Compliance Officer, in consultation with Fund counsel. If the Compliance Officer and Fund counsel determine that a Waiver is appropriate, the decision must be submitted to the Board for ratification.

3. The Compliance Officer must document all Waiver determinations. The documentation must remain in the Funds' records for a period of not less than six years following the end of the fiscal year in which the Waiver occurred.

B. Disclosure of Waivers. To the extent required by applicable law, Waivers and Implicit Waivers will be publicly disclosed on a timely basis. If a material departure from a provision of this Code is known only by the Covered Person that has caused the material departure from the Code, the material departure from the Code will not be considered to have been made known to an Executive Officer for purposes of deciding whether there has been an Implicit Waiver.

IX. Accountability for Adherence to this Code

A. Accountability. The matters covered in this Code are of the utmost importance to the Funds and their shareholders and are essential to the Funds' ability to conduct their business in accordance with its stated values. Each Covered Officer and each Executive Officer is expected to adhere to these rules (to the extent applicable) in carrying out his or her duties for the Funds. The conduct of each Covered Officer and each Executive Officer can reinforce an ethical atmosphere and positively influence the conduct of all officers, employees and agents of the Funds. The Trusts will, if appropriate, take action against any Covered Officer whose actions are found to violate this Code. The Trusts may also take action against any Executive Officer who fails to promptly report any known actual or potential departures from this Code, whether or not such failure ultimately results in an Implicit Waiver. Appropriate sanctions for violations of this Code will depend on the materiality of the violation to the Trusts.

B. Sanctions. Sanctions may include, among other things, a requirement that the violator undergo training related to the violation, a letter of sanction or written censure by the Board, the imposition of a monetary penalty, suspension of the violator as an officer of the Trusts or termination of the employment of the violator. If a Trust or a Fund has suffered a loss because of violations of this Code, the Trust or the Fund may pursue its remedies against the individuals or entities responsible.

X. Records; Confidentiality; Amendments; Disclosure

A. Records. The Compliance Officer must maintain a copy of this Code, any amendments hereto, and any reports or other records created in relation to Waivers or Implicit Waivers of the provisions of this Code for a period of six years from the end of the fiscal year in which such document was created.

B. Confidentiality. All reports and records prepared and maintained pursuant to this Code are considered confidential and shall be maintained and protected accordingly. Except as otherwise required by law or this Code, such matters shall not be disclosed to anyone other than the Board and Fund counsel.

C. Amendments. The Covered Officers and the Compliance Officer may recommend amendments to the Code for the consideration and approval of the Board. All such proposals for amendments must be in writing. In connection with any approved amendment to the Code, the Compliance Officer shall prepare a brief description of the amendment, so that the necessary disclosure may be (i) made with the next Form N-CSR to be filed on behalf of the Funds or (ii) posted on the Funds' Internet website within five business days following the date of the amendment (where it shall remain posted for twelve months).

D. Disclosure. The Trusts must disclose this Code, any substantive amendments and any Waivers or Implicit Waivers by: (i) filing with the SEC a copy of the Code, any such amendments and Waivers or Implicit Waivers in the Funds' annual report on Form N-CSR; or (ii) posting the text of the Code, any such amendments and Waivers or Implicit Waivers on the Funds' Internet website and disclosing in each report on Form N-CSR, its Internet address and the fact that it has posted the Code on the website; or (iii) undertaking in each report on Form N-CSR to provide to any person without charge, upon request, a copy of this Code, any such

amendments and Waivers or Implicit Waivers and explain the manner in which such request may be made.

XI. Other Policies and Procedures

This Code shall be the sole code of ethics adopted by the Trusts for the purposes of Section 406 of Sarbanes-Oxley and the rules and forms applicable to the Trusts thereunder. To the extent that other policies or procedures of the Trusts or the Trusts' investment adviser govern or purport to govern the activities and behavior of the Covered Officers, they are superseded by this Code to the extent that they overlap or conflict with this Code. The code of ethics adopted by the Trusts and their investment adviser pursuant to Rule 17j-1 under the 1940 Act are separate requirements applying to the Covered Officers and others and are not part of this Code.

XII. Internal Use

This Code is intended solely for the internal use of the Trusts. This Code does not constitute an admission by or on behalf of the Trusts as to any fact, circumstance or legal conclusion.

APPENDIX A

**AARP FUNDS
AARP PORTFOLIOS**

**CODE OF ETHICS
PURSUANT TO THE SARBANES-OXLEY ACT OF 2002**

Covered Officers

Larry C. Renfro (principal executive officer (President))

Richard M. Hisey (principal financial officer (Treasurer))

Compliance Officer

Leilani Sander Hall

Executive Officer

Larry C. Renfro

Richard M. Hisey

APPENDIX B

**AARP FUNDS
AARP PORTFOLIOS**

**CODE OF ETHICS
PURSUANT TO THE SARBANES-OXLEY ACT OF 2002**

Initial and Annual Certification of Compliance

Name (please print)

This is to certify that I have received a copy of the Code of Ethics Pursuant to the Sarbanes-Oxley Act of 2002 (“Code”) for the AARP Funds and the AARP Portfolios and that I have read and understand the Code. Moreover, I agree to promptly report to the Compliance Officer any violation or possible violation of this Code of which I become aware. I understand that violation of the Code will be grounds for disciplinary action or dismissal.

Check one:

Initial

I further certify that I am subject to the Code and will comply with each of the Code’s provisions to which I am subject.

Annual

I further certify that I have complied with and will continue to comply with each of the provisions of the Code to which I am subject.

Signature

Date

Received by: _____

Name:

Title:

Date: _____

**Rule 17j-1 Code of Ethics
for
AARP Funds
AARP Portfolios**

Effective December 08, 2005

This Code of Ethics has been adopted by the Board of the Trusts in accordance with Rule 17j-1 under the 1940 Act.¹ Terms that are capitalized in this Code of Ethics are defined in Section 8 below.

This Code of Ethics is designed to ensure that those individuals with access to information regarding the portfolio securities activities of the Trusts do not intentionally use that information for their personal benefit and to the detriment of the Trusts. It is not the intention of this Code of Ethics to prohibit personal securities activities by Access Persons.

Separate Codes of Ethics that comply with both Rule 17j-1 under the 1940 Act and, as appropriate, Rule 204A-1 under the Advisers Act govern the Trusts' investment adviser, investment sub-adviser and principal underwriter. This Code of Ethics contains several carve outs from its requirements for Access Persons and/or Investment Persons of the Trusts who are also access persons and/or investment persons of those service providers.

GENERAL PRINCIPLES

Rule 17j-1(b) makes it unlawful for any affiliated person of or principal underwriter for a Trust, or any affiliated person of an investment adviser or principal underwriter for a Trust (which includes their officers, directors, employees and associated persons), in connection with the purchase and sale (directly or indirectly) by such person of a Security Held or to be Acquired by the Trust, to:

- (A) Employ any device, scheme or artifice to defraud the Trust;
- (B) Make any untrue statement of a material fact to the Trust or omit to state a material fact necessary in order to make the statements made to the Trust, in light of the circumstances under which they are made, not misleading;
- (C) Engage in any act, practice or course of business which operates or would operate as a fraud or deceit on the Trust; or
- (D) Engage in any manipulative practice with respect to the Trust.

No Access Person shall engage in any act, practice or course of conduct that would violate the provisions of Rule 17j-1(b) set forth above. The interests of the Trusts

¹ Each of the Trusts is registered as an open-end, management investment company with the U.S. Securities and Exchange Commission under the 1940 Act.

and their shareholders and investors are paramount and come before the interests of any Access Person. Personal investing activities of all Access Persons must be conducted in a manner that avoids actual or potential conflicts of interest with the Trusts and their shareholders. Access Persons shall not use their positions, or any investment opportunities presented by virtue of such positions, to the detriment of the Trusts and their shareholders.

SUBSTANTIVE RESTRICTIONS

The following substantive restrictions are imposed on personal trading activities:

- (A) Investments in Initial Public Offerings and Limited Offerings.² Investment Personnel are generally prohibited from participating in IPOs and Limited Offerings. However, an Investment Person may participate in an IPO or a Limited Offering if he or she obtains written approval from the Chief Compliance Officer before directly or indirectly acquiring Beneficial Ownership in any securities in an IPO or Limited Offering. The Chief Compliance Officer may approve the participation of an Investment Person in an IPO or Limited Offering if he or she determines that it is clear that, in view of the nature of the security, the nature of the offering, the market for such security, and other factors deemed relevant, such participation by the Investment Person will not create a material conflict with the Trusts. A record of any decision to permit investment by an Investment Person in an IPO, including the reasons for the decision, shall be kept in accordance with the requirements of Section 6, below.
- (B) Disgorgement. Any profits derived from securities transactions in violation of paragraph (A) shall be forfeited and paid to the appropriate Trust(s) for the benefit of its shareholders.

REPORTING REQUIREMENTS

To enable each Trust to determine with reasonable assurance whether the provisions of Rule 17j-1(a) and this Code of Ethics are being observed by its Access Persons, the following reporting requirements apply, except as noted in sub-section (D) below.³

- (A) Initial Holdings Report. Within 10 days after a person becomes an Access Person, he or she shall disclose in writing, in a form acceptable to the Chief Compliance Officer, all direct or indirect Beneficial Ownership

² Any Investment Personnel of a Fund otherwise subject to a code of ethics compliant with Rule 17j-1 adopted by the Advisers or a principal underwriter of the Fund need not comply with this provision of the Code.

³ Any report required to be submitted pursuant to this Section 3 may contain a statement that the report will not be construed as an admission that the person making the report has any direct or indirect Beneficial Ownership in the securities to which the report relates. Reports under this Code of Ethics shall not relieve any Access Person from responsibility to report other information required to be reported by law or to comply with other applicable requirements of the federal and state securities laws and other laws.

interests of such Access Person in Covered Securities. Information to be reported must be current as of a date no more than 45 days prior to an individual becoming an Access Person and is to include:

- (1) The title, number of shares and principal amount of each Covered Security in which the Access Person had any direct or indirect Beneficial Ownership when the person became an Access Person;
 - (2) The name of any broker, dealer or bank with whom the Access Person maintained an account in which any securities were held for the direct or indirect benefit of the Access Person as of the date the person became an Access Person; and
 - (3) The date the report is submitted by the Access Person.
- (B) Quarterly Transaction Report. Each Access Person shall report in writing to the Chief Compliance Officer within 30 days of the end of each calendar quarter in a form acceptable to the Chief Compliance Officer:
- (1) With respect to any transaction during the quarter in a Covered Security in which the Access Person had any direct or indirect Beneficial Ownership:
 - (i) The date of the transaction, the title, the interest rate and maturity date (if applicable), the number of shares and the principal amount of each Covered Security involved;
 - (ii) The nature of the transaction (*i.e.*, purchase, sale or any other type of acquisition or disposition);
 - (iii) The price of the Covered Security at which the transaction was effected;
 - (iv) The name of the broker, dealer or bank with or through which the transaction was effected; and
 - (v) The date that the report is submitted by the Access Person.
 - (2) With respect to any account established by the Access Person in which any securities were held during the quarter for the direct or indirect benefit of the Access Person:
 - (i) The name of the broker, dealer or bank with whom the Access Person established the account;
 - (ii) The date the account was established; and
 - (iii) The date that the report is submitted by the Access Person.

(C) Annual Holdings Report. Each Access Person shall report annually, no later than January 31 of each year, the following information, which must be current as of December 31 of the prior calendar year:

- (1) The title, number of shares and principal amount of each Covered Security in which the Access Person had any direct or indirect beneficial ownership;
- (2) The name of any broker, dealer or bank with whom the Access Person maintains an account in which any securities are held for the direct or indirect benefit of the Access Person; and
- (3) The date the report is submitted.

(D) Exceptions from Reporting Requirements.

- (1) A person need not submit reports pursuant to this Section 2 with respect to transactions effected for, and Covered Securities held in, any account over which the person has no direct or indirect influence or control.
- (2) An Access Person need not make a Quarterly Transaction Report with respect to transactions effected pursuant to an Automatic Investment Plan.
- (3) Any Access Person of a Trust who is also an “access person” of the Trusts’ investment adviser, investment sub-adviser or principal underwriter (as that term is defined in Rule 17j-1) need not submit reports pursuant to this Section 3 provided that such person is otherwise subject to a code of ethics compliant with the terms of Rule 17j-1 adopted by the investment adviser, investment sub-adviser or principal underwriter of the Trust, as applicable.
- (4) A trustee of a Trusts who is not an “interested person” of the Trusts (as defined in Section 2(a)(19) of the 1940 Act), and who would be required to make a report solely by reason of being a trustee of the Trusts, need not make:
 - (i) An Initial Holdings Report or an Annual Holdings Report; and
 - (ii) A Quarterly Transaction Report unless the trustee knew or, in the ordinary course of fulfilling his or her official duties as a trustee of the Trusts, should have known that, during the 15-day period immediately preceding or after the trustee’s transaction in a Covered Security, a Trust purchased or sold such Covered Security or a Trust considered purchasing or selling the Covered Security.

- (5) An Access Person need not make a Quarterly Transaction Report if the report would duplicate information contained in broker trade confirmations or account statements received by the Trusts with respect to the Access Person provided such broker trade confirmations or account statements are received by the due date required for a Quarterly Transaction Report and broker trade confirmations or account statements contain all of the information required to be included in the Quarterly Transaction Report.

COMPLIANCE PROCEDURES

- (A) Notification to Access Persons: The Chief Compliance Officer shall notify each Access Person that he or she is subject to this reporting requirement, of his or her classification as “Access Person” and/or “Investment Person” under this Code of Ethics, and shall deliver a copy of this Code of Ethics to each Access Person.
- (B) Review of Reports. The Chief Compliance Officer shall review any reports received pursuant to this Code of Ethics within 30 days of their submission.

REPORT TO THE BOARDS

The Trusts’ Chief Compliance Officer shall report to the Board at each meeting regarding the following matters not previously reported:

- (A) Issues arising under the Code of Ethics, including but not limited to material violations of the Code of Ethics, violations that are material in the aggregate, and any sanctions imposed.
- (B) With respect to any transaction not required to be reported to the Board by the operation of sub-section (A) above that the Trusts’ Chief Compliance Officer believes nonetheless may evidence violation of this Code of Ethics.

The Boards shall consider reports made hereunder and upon discovering that a violation of this Code of Ethics has occurred, the Boards may impose such sanctions, in addition to any disgorgement required pursuant to Section 2(B) hereof, as they deem appropriate, including, among other things, a letter of sanction, suspension, or termination of the employment of the violator.

The Trusts’ Chief Compliance Officer shall report to the Board on an annual basis concerning existing personal investing procedures, violations during the prior year and any recommended changes in existing restrictions or procedures.

The Board shall review the Code of Ethics and the operation of these policies at least once a year.

RECORDKEEPING

The Trusts shall maintain the following records at their principal offices as follows:

- (A) This Code of Ethics and any related procedures, and any Code of Ethics that has been in effect during the past five years shall be maintained in an easily accessible place;
- (B) A record of any violation of the Code of Ethics and of any action taken as a result of the violation, to be maintained in an easily accessible place for at least five years after the end of the fiscal year in which the violation occurs;
- (C) A copy of each report under this Code of Ethics by (or duplicate brokerage statements and/or confirmations for the account of) an Access Person, to be maintained for at least five years after the end of the fiscal year in which the report is made or the information is provided, the first two years in an easily accessible place;
- (D) A record of all persons, currently or within the past five years, who are or were required to make or to review reports made pursuant to Section 3, to be maintained in an easily accessible place;
- (E) A copy of each report by the Trusts' Chief Compliance Officer to the Boards, to be maintained for at least five years after the end of the fiscal year in which it is made, the first two years in an easily accessible place; and
- (F) A record of any decision, and the reasons supporting the decision, to approve an acquisition by an Investment Person of securities offered in an Initial Public Offering or in a Limited Offering, to be maintained for at least five years after the end of the fiscal year in which the approval is granted.

APPROVAL REQUIREMENTS

This Code of Ethics and any material changes must be approved by the Board. Before initially retaining any investment adviser, sub-adviser or principal underwriter for a Trust, the Trust's Board must approve the Code of Ethics of the relevant entity (unless the entity is not required by Rule 17j-1 to adopt a Code of Ethics), and must approve any material change to that Code of Ethics within six months after the adoption of the change. Each such approval must be based on a determination that the Code of Ethics in question contains provisions reasonably necessary to prevent Access Persons from engaging in any conduct prohibited by Rule 17j-1. Before approving a Code of Ethics or any amendment thereto, the Board must receive a certification from the relevant entity that it has adopted procedures reasonably necessary to prevent Access Persons from violating the applicable Code of Ethics.

DEFINITIONS

- (A) **1933 Act** is the Securities Act of 1933, as amended.
- (B) **1934 Act** is the Securities Exchange Act of 1934, as amended.
- (C) **1940 Act** is the Investment Company Act of 1940, as amended.
- (D) **Access Person** includes:
 - (1) Any directors and officers of a Trust;
 - (2) Each employee (if any) of a Trust (or of any company in a Control relationship with a Trust) who, in connection with his or her regular functions or duties, makes, participates in, or obtains information regarding, the purchase or sale of Covered Securities by the Trust, or whose functions relate to the making of any recommendations with respect to such purchases or sales; and
 - (3) Any natural person in a Control relationship to a Trust who obtains information concerning recommendations made to the Trust with regard to the purchase or sale of Covered Securities by the Trust.

A list of each Trust's Access Persons will be maintained by the Trust's Chief Compliance Officer.

- (E) **Advisers Act** is the Investment Advisers Act of 1940, as amended.
- (F) **Automatic Investment Plan** means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule or allocation, including a dividend reinvestment plan.
- (G) **Beneficial Ownership** generally means any interest in a security for which an Access Person or any member of his or her immediate family sharing the same household can directly or indirectly receive a monetary ("pecuniary") benefit. It shall be interpreted in the same manner as it would be under Rule 16a-1(a)(2) of the 1934 Act, in determining whether a person is the beneficial owner of a security for purposes of Section 16 of the 1934 Act and the rules and regulations thereunder, that, generally speaking, encompasses those situations where the beneficial owner has the right to enjoy a direct or indirect economic benefit from the ownership of the security. A person is normally regarded as the beneficial owner of securities held in (a) the name of his or her spouse, domestic partner, minor children, or other relatives living in his or her household; (b) a trust, estate, or other account in which he/ she has a present or future interest in the income, principal or right to obtain title to the securities; or (c) the name of another person or entity by reason of any contract, understanding,

relationship, agreement or other arrangement whereby he or she obtains benefits substantially equivalent to those of ownership.

- (H) **Board** means the Board of Trustees of the Trusts.
- (I) **Chief Compliance Officer** means the person or persons designated by the Board to fulfill the responsibilities assigned to the Chief Compliance Officer hereunder.
- (J) **Control** has the same meaning as that set forth in Section 2(a)(9) of the 1940 Act.
- (K) **Covered Security** means any “security” as defined in Section 2(a)(36) of the 1940 Act (a broad definition that includes any interest or instrument commonly known as a security),⁴ but *excluding*:
 - (1) Direct obligations of the U.S. Government,
 - (2) Bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements, and
 - (3) Shares of open-end investment companies registered under the 1940 Act that are not advised by one of the Service Providers.

A purchase or sale of a Covered Security includes, among other things, the writing of an option to purchase or sell a Covered Security.

- (L) **Initial Public Offering** or **IPO** means an offering of securities registered under the 1933 Act, the issuer of which, immediately before the registration, was not subject to the reporting requirements of Sections 13 or 15(d) of the 1934 Act.
- (M) **Investment Personnel or Investment Person** means:
 - (1) Any employee of the Trust or its investment adviser or investment sub-adviser (or of any company in a control relationship to the Trust or its investment adviser or investment sub-adviser) who, in

⁴ “Security” as defined in Section 2(a)(36) of the 1940 Act includes any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities, or any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency. Security also includes shares of closed-end investment companies, various derivative instruments, limited partnership interests and private placement of common or preferred stocks or debt instruments.

connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by the Trust; or

- (2) Any natural person who controls the Trust or its investment adviser or investment sub-adviser and who obtains information concerning recommendations made to the Trust regarding the purchase or sale of securities by the Trust.
- (N) **Limited Offering** means an offering or a private placement of securities that is exempt from registration under the 1933 Act pursuant to Section 4(2) or Section 4(6) or pursuant to Rule 504, Rule 505, or Rule 506 under the 1933 Act.
- (O) **Security Held or to be Acquired by a Trust** means:
- (1) Any Covered Security that within the most recent 15 days is or has been held by a Trust or is being considered by a Trust or its Service Provider for purchase by the Trust; or
 - (2) Any option to purchase or sell, and any security convertible into or exchangeable for, a Covered Security described in subparagraph (1) of this definition.
- (P) **Trust or Trusts** means AARP Funds and/or AARP Portfolios, as appropriate.

