

cash, cash items and obligations of municipal, state and federal government and governmental agencies, but including obligations secured by a lien on real property owned or to be acquired by such government or governmental agencies, securities of the Federal Housing Administration, securities of the Federal National Mortgage Association, securities of other governmental agencies issuing securities backed by a pool of mortgages and securities of others which are backed by a pool of mortgages and are guaranteed by the federal government, or an agency thereof, with the full faith and credit of the United States. The term "Net Income" shall mean the net income of the Trust for such fiscal year (calculated at least quarterly on a basis consistently applied) excluding provision for depreciation, realized capital gains and losses and extraordinary items, and before deducting any compensation paid by the Trust to the Investment Administrator and any other investment adviser and mortgage servicing fees and expenses, if any. Any such contract shall provide that, if the Investment Administrator acts as investment administrator or adviser for any Person other than the Trust, the Investment Administrator shall be required to act on a basis which is fair and reasonable to the Trust and the Shareholders in selecting, from among the investment opportunities that come to the Investment

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