

Item 9. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

Exhibit No. Description

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|-------|--|
| 14 | Code of Conduct for Directors
and Employees of Harris &
Harris Group, Inc. |
| 14 | Code of Ethics Pursuant to
Rule 17-j1 |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 4, 2004 HARRIS & HARRIS GROUP, INC.

By: /s/ Helene B. Shavin

Helene B. Shavin
Vice President and Controller

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EXHIBIT INDEX

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CODE OF ETHICS PURSUANT TO RULE 17J-1

BACKGROUND

This Code of Ethics has been adopted by the Board of Directors of the Company in accordance with Rule 17j-1(c) under the Investment Company Act of 1940 (the "Act"). Rule 17j-1 generally prohibits fraudulent or manipulative practices by access persons of investment companies and business development companies including with respect to purchases or sales of securities held or to be acquired by such companies.

The purpose of this Code of Ethics is to reflect the following: (1) the duty at all times to place the interests of shareholders of the Company first; (2) the requirement that all personal securities transactions be conducted consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and (3) the fundamental standard that Company personnel should not take inappropriate advantage of their positions.

Rule 17j-1(b) provides that it is unlawful for any affiliated person (as defined in the Act) or principal underwriter for a registered investment company or any affiliated person of an investment adviser or principal underwriter for a registered investment company in connection with the purchase or sale, directly or indirectly, by such person of a security held or to be acquired, as defined in this section, by such registered investment company:

- (a) To employ any device, scheme or artifice to defraud such registered investment company;
- (b) To make to such registered investment company any untrue statement of a material fact or omit to state to such registered investment company any material fact necessary in order to make the statements, in light of the circumstances under which they are made, not misleading;
- (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any such registered investment company; or
- (d) To engage in any manipulative practice with respect to such registered investment company.

Section 59 of the Act makes these provisions applicable to business development companies.

Rule 17j-1(c) requires that the Company adopt a code of ethics containing provisions reasonably necessary to prevent its "Access Persons" (as defined below) from engaging in any of the conduct referred to above.

APPLICATION

This Code of Ethics applies to the "Access Persons" of the Company. Currently this includes each employee and each director of the Company. Each Access Person must receive, read, acknowledge receipt of, make

certain reports under, periodically certify compliance with and retain this Code of Ethics.

ADMINISTRATION

This Code of Ethics is administered by the Company's Chief Compliance Officer and any questions should be directed to that individual.

DEFINITIONS

For purposes of this Code of Ethics, the following definitions shall apply:

- (a) "Access Person" means any director, officer or Advisory Person of the Company. The term includes any entity or account in which an Access Person (together with immediate family members) has a 25% or greater beneficial interest or where multiple Access Persons have a 50% or greater beneficial interest.
- (b) "Advisory Person" of the Company means (1) any employee of the Company or of any company in a control relationship to the Company who, in connection with his regular functions or duties, makes, participates in, or obtains information regarding the purchase or sale of Covered Securities by the Company, or whose functions relate to the making of any recommendations with respect to such purchases or sales; and (2) any other natural person in a control relationship to the Company who obtains information reasonably

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contemporaneously concerning recommendations made to the Company with regard to the purchase or sale of Covered Securities.

- (c) "Affiliated Person" means, in reference to the Company, (i) any person owning or holding with the power to vote 5% or more of the outstanding voting securities of the Company or of which the Company owns or holds with power to vote 5% or more of the outstanding voting securities, (ii) any director, officer or employee of the Company or (iii) any person controlling, controlled by or under common control with the Company.
- (d) A Covered Security is "being considered for purchase or sale" when, in the case of a potential purchase, the Company has commenced or completed due diligence and has not determined not to seek to acquire such security and, in the case of a sale, the Company has commenced formal consideration of whether to sell such security and has not determined not to seek to sell it.
- (e) "Beneficial Ownership" means an interest in securities, the financial benefits of which are enjoyed, directly or indirectly, by the person in question by reason of ownership or any contract, understanding, relationship, agreement, or other arrangement, and by reason of which such person should be regarded as the true owner. It is not relevant whether such securities are registered or standing on the books of the issuer in the name of such person

or some other person. Thus, for example, securities held for a person's benefit in the names of others, such as nominees, trustees and other fiduciaries, securities held by any partnership of which a person is a partner, and securities held by any corporation which is controlled by a person (directly or through intermediaries), would be deemed to be beneficially owned by said person. Similarly, a person ordinarily obtains benefits equivalent to ownership from, and thus is generally regarded as the "beneficial owner" of, securities held in the name of a spouse, a minor child, or an immediate family member living in the same household or substantially dependent on such person for support. As a consequence, you normally need to obtain prior approval for, and report, any transaction by a member of your immediate family that you would need to report or obtain prior approval for if you were engaging in the transaction yourself. Other illustrations of benefits substantially equivalent to those of ownership include application of the income derived from

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securities to maintain a common home and application of the income derived from securities to meet expenses which the person otherwise would meet from other sources. In some cases a fiduciary, such as a trustee, may have beneficial ownership by having or sharing voting or investment power with respect to such securities even if such person does not have a financial interest in the securities.

- (f) "Chief Compliance Officer" means the individual appointed to that position by the Board of Directors; provided that, for purposes of determinations under this Code of Ethics, in the absence of the Chief Compliance Officer, either the chief operating officer or the chief financial officer may be treated as the Chief Compliance Officer and that, for purposes of determinations regarding the Chief Compliance Officer, one of such other individuals shall be treated as the Chief Compliance Officer.
- (g) "control" means the power of a stockholder to exercise a controlling influence over the management or policies of a company; control does not include such power arising solely as the result of an official position with such company.
- (h) "Covered Security" means a security as defined in Section 2(a)(36) of the 1940 Act, except that it does not include (i) direct obligations of the Government of the United States, (ii) banker's acceptances, bank certificates of deposit, commercial paper and high-quality short-term debt instruments, including repurchase agreements, and (iii) shares issued by open-end registered investment companies.
- (i) "Independent Director" means a director of the Company who is not an "interested person" of the Company within the meaning of Section 2(a)(19) of the Act. A director is not deemed

an interested person of the Company solely by reason of his being a member of the Board of Directors or an owner of shares of the Company.

- (j) "Insider Trading" generally means trading in a security on the basis of Material Non-Public Information in violation of a duty to the marketplace, the issuer, the person's employer or client or the like. Passing Material Non-Public Information to another person in violation of such a duty may also be treated

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as Insider Trading. The circumstances in which such a duty exists are not easily defined. An Access Person of the Company who has Material Non-Public Information about a security should assume that he or she has such a duty unless the Chief Compliance Officer makes a contrary determination.

- (k) "Interested Person" shall mean any affiliated person of such company, any affiliated person's family member, any interested person of any investment advisor or principal underwriter, legal counsel, broker dealers, or anyone the SEC deems to have a material professional relationship. However, the term does not include any person solely by reason of his being a director of such company or his ownership of securities issued by such company.

- (l) "Material Non-Public Information" is information that is both material and non-public. For this purpose, information is considered material if there is a substantial likelihood that a reasonable investor would consider it important in deciding how to act. If the information has influenced a person's investment decision, it would be very likely to be considered material. In addition, information that, when disclosed, is likely to have a direct effect on the stock's price should be treated as material. Examples include information concerning impending mergers, sales of subsidiaries, significant revenue or earnings swings, dividend changes, impending securities offerings, awards of patents, technological developments, impending product announcements, impending financial news and other major corporate events. Information is non-public when it has not been disseminated in a manner making it available to investors generally. Information is public once it has been publicly disseminated, such as when it is reported in widely disseminated news services and/or publications, and investors have had a reasonable time to react to the information. Once the information has become public, it may be traded on freely.

- (m) "Purchase or Sale of a Covered Security" includes, among other things, the purchase or sale of an option to purchase or sell a Covered Security or entering into any contract such as a swap the value or payout of which varies with the value of such Covered Security.

RESTRICTIONS ON PERSONAL INVESTING ACTIVITY FOR ACCESS PERSONS

1. General Prohibition. Except as permitted by the Exempted Transaction provisions or with prior written approval from the Chief Compliance Officer, no Access Person shall purchase or sell, directly or indirectly, any Covered Security in which he or she has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership and which such Access Person knows or should have known at the time of such purchase or sale:
 - (a) is or proposes to be engaged to a substantial extent in micro or nano technologies and does not have equity securities as to which the issuer is obligated to file periodic reports with the SEC; or
 - (b) is being considered for purchase or sale by the Company, or
 - (c) is being held, purchased or sold by the Company.
2. No Access Person shall reveal to any other person (except in the normal course of his duties on behalf of the Company) any information regarding Covered Securities being considered for purchase or sale by the Company.
3. No Access Person shall engage in Insider Trading whether for his own benefit or the benefit of the Company or others.
4. No Access Person shall make or participate in the formation of recommendations concerning the purchase or sale by the Company of any Covered Security in which such Access Person has acquiring Beneficial Ownership of any Covered Securities of the same issuer or has any other business relationship with such issuer, without disclosing to the Chief Compliance Officer any interest such Access Person has in such Covered Securities or issuer.
5. No Access Person of the Company shall participate in any Covered Securities transaction on a joint basis with the Company without the prior written approval of the Chief Compliance Officer.

6. Except as permitted by the Exempted Transactions provisions or with prior written approval from the Chief Compliance Officer, no Advisory Person shall purchase, directly or indirectly, any Covered Securities in which he or she by reason of such transaction acquires any direct or indirect Beneficial Ownership pursuant to an initial public offering, private placement or other private offering of Covered Securities. A record of any decision to approve the request, and the reasons underlying the decision, must be maintained

for at least five years after the end of the fiscal year in which the approval is granted. In determining whether such prior approval shall be granted, the Chief Compliance Officer shall take into account whether the opportunity to purchase such Covered Securities is being offered to such Advisory Person because of his or her position with the Company, and whether the opportunity to purchase such Covered Security should be reserved for the Company. Note that the term Advisory Person generally does not include Independent Directors, who may accordingly generally acquire securities in initial public offerings without prior written approval.

7. Advisory Persons are prohibited from receiving any gift or other things of more than de minimis value (generally less than \$200) from any person or entity that does business with or on behalf of the Company. Gifts received in excess of \$100 must be listed on each employee's quarterly compliance statement.
8. Advisory Persons must have the Chairman's prior written authorization to serve on any boards of directors of outside companies including charitable and non-profit organizations and foundations other than (at the request of the Company) any company in which the Company has an investment. In the case of the Chairman of the Company, the Executive Committee shall approve serving on any such non-Company investee board.
9. No Access Person may sell short any security issued by the Company or by a portfolio company or take a short equivalent position in any related security.

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PRIOR APPROVAL REQUIREMENTS

Except as permitted by the Exempted Transactions provisions, no Access Person shall purchase or sell, directly or indirectly, any Covered Security in which he or she has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership, unless such purchase or sale has been pre-cleared in writing by the Chief Compliance Officer. Because nearly all such pre-clearances will be for private placements, any pre-clearance shall be effective for 90 days, subject to termination at any time during the 90 day period by the Chief Compliance Officer in order to prevent issues under the Code of Ethics. Except as permitted by the Special Procedures for Buying or Selling Securities Issued by the Company, no Access Person shall purchase or sell, directly or indirectly, any securities issued by the Company or any related securities (such as an option or swap) in which he or she has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership, unless such purchase or sale has been precleared by the Chief Compliance Officer. The Chief Compliance Officer shall maintain a record of each preclearance approval or disapproval.

SPECIAL PROCEDURES FOR BUYING OR SELLING SECURITIES ISSUED BY THE COMPANY

1. The Chief Compliance Officer will notify all Access Persons when the Company's stock is

placed on the restricted list and when it is removed from such list.

2. In order to avoid any appearance of impropriety, conflict with, or disadvantage to the Company, prior to effecting any transaction in the Company's stock or any related security, each Access Person must verify that the Company's stock is not on the restricted list and is not being placed on the restricted list. The Chief Compliance Officer shall maintain a record of each inquiry.
3. If an Access Person has verified that the Company's stock is not on the restricted list and is not being placed on the restricted list, such Access Person may purchase or sell on a long only basis the Company's stock or a related security on the same day as such verification.
4. Form 4 is generally required to be filed with the SEC within 2 business days following a purchase, sale transaction, gift (or receipt

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thereof) in the Company's stock or related securities by a Director or executive officer of the Company. Details of any such transaction must be sent to the Chief Compliance Officer, preferably by email or fax, on the same day as the transaction so that a Form 4 may be completed accurately and on a timely basis.

EXEMPTED TRANSACTIONS

The prior approval requirements of the Code of Ethics shall not apply to:

- (a) Purchases or sales of common stock of public companies (other than the Company and initial public offerings) that are not held by the Company, U.S. government and government agency securities, municipal securities, non-convertible debt and preferred securities of public companies and securities of investment companies.
- (b) Purchases or sales effected in any account in which the Access Person does not have direct or indirect Beneficial Ownership of the holdings of such account (such as mutual funds).
- (c) Purchases or sales effected in any account over which the Access Person has no direct or indirect influence or control or in any account which is managed on a discretionary basis by a person other than such Access Person and with respect to which such Access Person does not in fact have or seek to exercise influence or control over such transactions. No account shall be treated as qualifying for the foregoing exception without the prior written approval of the Chief Compliance Officer.
- (d) Purchases or sales which are non-volitional on

the part of the Access Person (such as a merger).

- (e) Purchases which are part of an automatic dividend reinvestment 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.

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USE OF CONFIDENTIAL AND MATERIAL NON-PUBLIC INFORMATION

The Company considers all information concerning its investment activities and the operations of the private companies in which it primarily invests to be confidential. Access Persons may not trade on that information and may not communicate that information to others who do not need to know that information in the interests of the Company's business or are not permitted to receive such information under the Company's confidentiality agreements with the companies in which it invests or considers investing.

If an Access Person believes he has learned Material Non-Public Information about a public company in which the Company has or is considering acquiring an investment interest, he should contact the Chief Compliance Officer immediately so that the Company can address the insider trading issues and preserve the integrity of the Company's activities. Such Access Person may not trade on the information or discuss the possible Material Non-Public Information with any other person at the Company or out of the Company.

If the Chief Compliance Officer, after consultation with senior management, concludes that such Access Person may in fact have learned Material Non-Public Information which the Company, in its activities, may not utilize, a Chinese Wall will be established so that other persons at the Company do not learn the Material Non-Public Information. Further, securities of the issuer in which Material Non-Public Information was acquired will be placed on the restricted list maintained by the Chief Compliance Officer.

The following are steps that can be taken to preserve the confidentiality of confidential information and Material Non-Public Information:

1. Material Non-Public Information should be communicated only when there exists a justifiable business reason to do so. Before such information about a public company is communicated to persons outside the Company, the Access Person must consult with the Chief Compliance Officer.
2. Access Persons should not discuss confidential matters in elevators, hallways, restaurants, airplanes, taxis, or any place where they might be overheard.

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3. Access Persons should not read confidential documents in public places or discard them

where others can retrieve them. Access Persons should not carry confidential documents in an exposed manner.

4. Access Persons should not discuss confidential business information with spouses or other relatives or with friends.
5. Access Persons should avoid even the appearance of an impropriety. Serious repercussions may follow Insider Trading and the law proscribing Insider Trading is constantly changing.
6. Access Persons should assume that all confidential information about the Company and other public companies is Material Non-Public Information, the use or dissemination of which for other than a legitimate business purpose would be wrong.

REPORTING AND CERTIFICATION REQUIREMENTS

1. Applicability. All Access Persons are subject to each of the reporting requirements set forth in paragraph 2 below except:

- (a) as set forth in items (b), (c) and (d) of the Exempted Transactions provisions;
- (b) a Disinterested Director who would be required to make a report solely by reason of being a director need not make an initial holdings report or an annual holdings report. Furthermore, such Disinterested Director need not make a quarterly transaction report regarding any Covered Security other than one covered by 1(a) of the Restrictions on Personal Investing Activity for Access Persons (private micro and nano technology companies) and other than one regarding which the Director knew or, in the ordinary course of fulfilling his or her official duties as a Director, should have known during the 15-day period either immediately before or after the Director's transaction in a Covered Security, that the security in question was being considered for purchase or sale;

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- (c) an Access Person need not make a quarterly transaction report to the extent the report would duplicate information contained in broker trade confirmations or account statements received by the Company with respect to the Access Person.

2. Report Types.

- (a) Initial Holdings Report. An Access Person required to file an initial report must file such report not later than 10 days after the person becomes an Access Person. Subject to the relevant exceptions set forth in the preceding Section (1), the initial report must (i) contain the title, number of units or

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; (ii) identify the account and any broker, dealer, bank or similar intermediary with whom the Access Person maintained an account in which any Covered Securities were held for the direct or indirect benefit of the Access Person, and (iii) indicate the date that the report is filed with the Chief Compliance Officer.

- (b) Quarterly Transactions Report. Each Access Person required to file a quarterly transaction report must file such report not later than 10 days after the end of each calendar quarter. With respect to any transaction made during the reporting quarter, subject to the relevant exceptions set forth in the preceding Section (1), the quarterly transaction report must contain (i) the transaction date, title, interest date and maturity date (if applicable), the number of units or principal amount of each Covered Security; (ii) the nature of the transaction; (iii) the price of the Covered Security at which the transaction occurred; (iv) the name of the broker, dealer, bank or similar intermediary through which the transaction was effected; and (v) the date that the report is submitted by the Access Person. With respect to any account established by an Access Person during the reporting quarter in which Covered Securities were held, the Access Person must report the date the account was established and the date the report is submitted.

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- (c) Annual Holdings Report. An Access Person required to file annually an annual holdings report must file such report prior to January 31 of each year. Subject to the relevant exceptions set forth in the preceding Section (1), the annual report must contain (i) the title, number of units or principal amount of each Covered Security in which the Access Person had any direct or indirect Beneficial Ownership; (ii) the name of any broker, dealer, bank or similar intermediary at which any Covered Securities are held for the direct or indirect benefit of the Access Person; and (iii) the date the report is submitted.
- (d) Confirmations and Account Statements. Every Advisory Person shall direct each of his or her brokers, dealers, banks and similar intermediaries to provide to the Chief Compliance Officer (i) duplicate confirmations of all transactions in any Covered Security in which he or she has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership, and (ii) copies of periodic statements for all investment accounts in which they have Beneficial

Ownership.

- (e) Annual Certification. Each Access Person must annually certify that such person has read this Code of Ethics, understands its requirements regarding such person and his immediate family and has complied with such requirements throughout the previous year. Such certification shall be submitted to the Chief Compliance Officer within 10 days after the receipt of the certification request from the Company.
- (f) Company Reports. No less frequently than annually, the Company must furnish to the Board of Directors and the Board of Directors must consider, a written report that: (i) describes any issues arising under the Code of Ethics or procedures since the last report to the Board of Directors, including but not limited to, information about material violations of the code or procedures and sanctions imposed in response to the material violations; and (ii) certifies that the Company has adopted procedures reasonably necessary to prevent Access Persons from violating the Code.

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- (g) Disclaimer of Beneficial Ownership. Any report required under this Code may contain a statement that the report shall not be construed as an admission by the person submitting such duplicate confirmation or account statement or making such report that he or she has any direct or indirect Beneficial Ownership in the Covered Security to which the report relates.
- (h) Review of Reports. The reports, certifications, duplicate confirmations and account statements required to be submitted under this Code shall be delivered to the Chief Compliance Officer. The Chief Compliance Officer shall review such reports, duplicate confirmations and account statements to determine whether any transactions recorded therein appear to constitute a violation of the Code of Ethics. Before making any determination that a violation has been committed by any Access Person, such Access Person shall be given an opportunity to supply additional explanatory material. The Chief Compliance Officer shall maintain copies of the reports, confirmations and account statements as required by Rule 17j-1(d).
- (i) Confidentiality. All reports of Covered Securities transactions, duplicate confirmations, account statements and any other information filed with the Company pursuant to this Code shall be treated as confidential, but are subject to review as provided herein and by representatives of the SEC.

RESTRICTED LIST

Each employee is responsible for making the Chief Compliance Officer aware of information relevant to the placement of any company's stock (including the stock of the Company or a portfolio company) on the restricted list as soon as practicable. The Company or a portfolio company's stock shall be placed on the restricted list in situations, not limited to but including when:

- * the Company or the portfolio company is in registration;
- * the Company has learned that an affiliated portfolio company's stock has a "black-out" period; and
- * Access Persons have Material, Non-Public Information about the Company or a portfolio company.

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The foregoing events (or others) affecting a portfolio company shall result in the Company's stock being placed on the restricted list only if the event by itself or together with other non-public information is material to the Company.

Any amounts retained pursuant to the Directors Stock Purchase Plan 2001 (the "Plan") for purchasing the Company's stock shall be deposited in such Director's brokerage account (as stated in the Plan) as soon as practicable, however, the brokerage firm shall be directed not to purchase the Company's stock without first checking with the Chief Compliance Officer with regards to whether the Company's stock is on the restricted list. If such stock is on the restricted list, the Chief Compliance Officer shall inform the brokerage firm as soon as the Company's stock is taken off the restricted list and the shares shall be purchased as soon as practicable thereafter.

RECORDS

The Company shall maintain records with respect to this Code in the manner and to the extent set forth below, which records may be maintained on microfilm or in digital format under the conditions described in Rule 31a-2 under the 1940 Act and shall be available for examination by representatives of the SEC.

- (a) A copy of this Code and any other Code of Ethics of the Company that is, or at any time within the prior five years has been, in effect shall be preserved in an easily accessible place.
- (b) A record of any violation of the Code and of any action taken as a result of such violation shall be preserved in an easily accessible place for a period of not less than five years following the end of the fiscal year in which the violation occurs.
- (c) A copy of each report made or duplicate confirmation or account statement received pursuant to this Code shall be preserved for a period of not less than five years from the end of the fiscal year in which it is made, the first two years in an easily accessible

place.

- (d) A list of all persons who are, or within the past five years have been, required to submit duplicate confirmation or account statements or to make reports pursuant to this Code shall be maintained in an easily accessible place.

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SANCTIONS

Upon discovering a violation of this Code, the Chief Compliance Officer, shall make an initial determination of an appropriate sanction, which may include, among other things, forfeiture of any profits on a transaction, restriction of trading privileges, a letter of censure or suspension or termination of the employment of the violator. If the Chief Compliance Officer considers the violation to be serious, he or she shall consult with the Board of Directors prior to imposing a sanction. With regard to minor violations, the Chief Compliance Officer shall impose a sanction and report periodically to the Board of Directors.

BOARD REVIEW

Not less than annually the Board of Directors will review the operation and effectiveness of this Code of Ethics and make such modifications as it sees fit.

Adopted on April 26, 2000
Revised on September 29, 2004

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CODE OF CONDUCT
FOR
DIRECTORS AND EMPLOYEES
OF
HARRIS & HARRIS GROUP, INC.

Harris & Harris Group, Inc. (the "Company") is committed to conducting business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, and to full and accurate disclosure -- financial and otherwise -- in compliance with applicable law. This Code of Conduct, which is applicable to the Company's Chief Executive Officer, President, Chief Financial Officer and Treasurer (or persons performing similar functions) (together, "Senior Officers"), the Company's Board of Directors (the "Board") and all other employees (collectively, "Covered Persons"), sets forth policies to guide you in the performance of your duties.

As a Covered Person, you must comply with applicable law. You also have a responsibility to conduct yourself in an honest and ethical manner. The Senior Officers also have leadership responsibilities that include creating a culture of high ethical standards and a commitment to compliance, maintaining a work environment that encourages the internal reporting of compliance concerns and promptly addressing compliance concerns.

This Code of Conduct recognizes that certain laws and regulations applicable to, and certain policies and procedures adopted by, the Company govern your conduct in connection with many of the conflict of interest situations that may arise in connection with the operations of the Company, including:

- * the Investment Company Act of 1940, and the rules and regulations promulgated thereunder by the Securities and Exchange Commission (the "1940 Act"); and

- * the Code of Ethics for Security Trading & Policy Statement Regarding Corporate Information and Insider Trading adopted by the Company pursuant to Rule 17j-1 under the 1940 Act (collectively, the "Company's 1940 Act Code of Ethics"). The provisions of the 1940 Act and the 1940 Act Codes of Ethics are referred to herein collectively as the "Additional Conflict Rules".

This Code of Conduct is different from, and is intended to supplement, the Additional Conflict Rules. Accordingly, a violation of the Additional Conflict Rules by a Covered Person is hereby deemed not to be a violation of this Code of Conduct, unless and until the Board shall determine that any such violation of the Additional Conflict Rules is also a violation of this Code of Conduct.

Covered Persons Should Act Honestly and Candidly

Each Covered Person has a responsibility to the Company to act with integrity. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

Each Covered Person must:

- * act with integrity, including being honest and candid while still maintaining the confidentiality of information where required by law or the Additional Conflict Rules;

* comply with the laws, rules and regulations that govern the conduct of the Company's operations and report any suspected violations thereof in accordance with the section below entitled "Compliance With Code Of Conduct"; and

* adhere to a high standard of business ethics.

Conflicts Of Interest

A conflict of interest for the purpose of this Code of Conduct occurs when your private interests interfere in any way, or even appear to interfere, with the interests of the Company.

Covered Persons are expected to use objective and unbiased standards when making decisions that affect the Company. You are required to conduct the business of the Company in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and business relationships. When making any investment, accepting any position or benefits, participating in any transaction or business arrangement or otherwise acting in a manner that creates or appears to create a conflict of interest with respect to the Company where you are receiving a personal benefit, you should act in accordance with the letter and spirit of this Code of Conduct.

If you are in doubt as to the application or interpretation of this Code of Conduct to you as a Covered Person of the Company, you should make full disclosure of all relevant facts and circumstances to the Chief Compliance Officer and obtain his or her approval prior to taking action. In material situations, the Chief Compliance Officer should consult with the Chair of the Audit Committee if practicable prior to making a determination.

Some conflict of interest situations that should always be approved include the following:

* the receipt of any entertainment or non-nominal gift by the Covered Person, or a member of his or her immediate family, from any company with which the Company has current or prospective business

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dealings, unless such entertainment or gift is business related, reasonable in cost, appropriate as to time and place, and not so frequent as to raise any question of impropriety;

* any ownership interest in, or any consulting or employment relationship with, any of the Company's service providers; or

* a direct or indirect financial interest based upon or varying with the level of commissions, transaction charges or spreads paid by the Company for effecting portfolio transactions or for selling or repurchasing shares.

Disclosures

It is the policy of the Company to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Company files with, or

submits to, the Securities and Exchange Commission or a national securities exchange and in all other public communications made by the Company. As a Covered Person, you are required to promote compliance with this policy and to abide by the Company's standards, policies and procedures designed to promote compliance with this policy.

Each Covered Person must not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, including to the Board members, the Company's independent auditors, the Company's counsel, governmental regulators or self-regulatory organizations.

Each Senior Officer must familiarize himself or herself with the disclosure requirements applicable to the Company and its policies in that regard as well as the business and financial operations of the Company.

Compliance With Code Of Conduct

If you know of or suspect a violation of this Code of Conduct or other laws, regulations, policies or procedures applicable to the Company, you must report that information on a timely basis to the Chief Compliance Officer or the Chair of the Audit Committee or report it anonymously by following the "whistle blower" policies adopted by the Company from time to time. No one will be subject to retaliation because of a good faith report of a suspected violation.

The Company will follow these procedures in investigating and enforcing this Code of Conduct, and in reporting on this Code of Conduct:

- * the Chief Compliance Officer or the Chair of the Audit Committee will take all appropriate action to investigate any actual or potential violations reported to him or her;

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- * violations and potential violations by a Senior Officer and material violations by other Covered Persons will be reported to the Board after such investigation;

- * if the Chief Compliance Officer or Chair of the Audit Committee determines that a violation has occurred, he or she will take all appropriate disciplinary or preventive action, which shall follow review by the Board in situations that are material; and

- * appropriate disciplinary or preventive action may include a letter of censure, reduction in compensation, damages, suspension, dismissal or, in the event of criminal or other serious violations of law, notification of the Securities and Exchange Commission or other appropriate law enforcement authorities.

Waivers Of Code Of Conduct

Except as otherwise provided in this Code of Conduct, the Chief Compliance Officer is responsible for applying this Code of Conduct to specific situations in which questions are presented and has the authority to interpret this Code of Conduct in any particular situation. Such responsibility is shared with the Chair of the Audit Committee. One or both such persons shall take all action he or she considers appropriate to investigate any actual or potential violations reported under this Code of

Conduct.

The Chief Compliance Officer and the Chair of the Audit Committee are authorized to consult, as appropriate, with the Independent Directors, other members of management and with counsel.

The Board is responsible for granting waivers of this Code of Conduct with respect to Senior Officers. Any changes to or waivers for Senior Officers of this Code of Conduct will, to the extent required, be disclosed on Form 10-K, or otherwise, as provided by Securities and Exchange Commission rules.

Recordkeeping

The Company will maintain and preserve for a period of not less than six (6) years from the date an action is taken, the first two (2) years in an easily accessible place, a copy of the information or materials supplied to the Board:

- * that provided the basis for any amendment to or waiver for a Senior Officer of this Code of Conduct; and

- * relating to any violation of this Code of Conduct and sanctions imposed for such violation, together with a written record of the approval or action taken by the Chair of the Audit Committee or the Board.

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Confidentiality

All reports and records prepared or maintained pursuant to this Code of Conduct shall be considered confidential and shall be maintained and protected accordingly. Except as otherwise required by law or this Code of Conduct, such matters shall not be disclosed to anyone other than the Company and its counsel and any other advisors, consultants or counsel retained by the Board or any committee of the Board.

Amendments

This Code of Conduct may not be amended except in written form, which is specifically approved by a majority vote of the Board including a majority of the Independent Directors.

No Rights Created

This Code of Conduct is a statement of certain fundamental principles, policies and procedures that govern each of the Covered Persons in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, investor, supplier, competitor, shareholder or any other person or entity.

Adopted May 2004

Revised September 2004