

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

Filing Date: **1999-07-27**
SEC Accession No. **0000820027-99-000550**

(HTML Version on secdatabase.com)

FILER

IDS MONEY MARKET SERIES INC

CIK: **49698** | IRS No.: **411254759** | State of Incorp.: **MN** | Fiscal Year End: **0731**
Type: **485APOS** | Act: **33** | File No.: **002-54516** | Film No.: **99670644**

Mailing Address
*80 SOUTH 8TH STREET
T33/52
MINNEAPOLIS MN 55440*

Business Address
*80 SOUTH 8TH STREET
T33/52
MINNEAPLOS MN 55440
6123722772*

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. _____

Post-Effective Amendment No. 49 (File No. 2-54516) [X]

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 40 (File No. 811-2591) [X]

AXP MONEY MARKET SERIES, INC.
IDS Tower 10
Minneapolis, Minnesota 55440-0010

Leslie L. Ogg - 901 S. Marquette Avenue, Suite 2810,
Minneapolis, MN 55402-3268
(612) 330-9283

Approximate Date of Proposed Public Offering:

It is proposed that this filing will become effective (check appropriate box)

- immediately upon filing pursuant to paragraph (b)
- on (date) pursuant to paragraph (b)
- 60 days after filing pursuant to paragraph (a)(1)
- on September 29, 1999 pursuant to paragraph (a)(1)
- 75 days after filing pursuant to paragraph (a)(2)
- on (date) pursuant to paragraph (a)(2) of Rule 485

If appropriate, check the following box:

- this post-effective amendment designates a new effective date for a previously filed post-effective amendment.

AXPSM Cash Management Fund

Prospectus
September 29, 1999

AXP Cash Management Fund seeks to provide shareholders with maximum current income consistent with liquidity and stability of principal.

Please note that this Fund:

- is not a bank deposit
- is not federally insured
- is not endorsed by any bank or government agency
- is not guaranteed to achieve its goal

Like all mutual funds, the Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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Financial Highlights

FUND INFORMATION KEY

icon of magnifying glass	Goal and Investment Strategy The Fund's particular investment goal and the strategies it intends to use in pursuing its goal.
icon of die	Risks The major risk factors associated with the Fund.
icon of checkbook	Fees and Expenses The overall costs incurred by an investor in the Fund, including sales charges and annual expenses.
icon of folder	Management The individual or group designated by the investment manager to handle the Fund's day-to-day management.
icon of stack of dollar bills	Financial Highlights Tables showing the Fund's financial performance.

The Fund

GOAL
AXP Cash Management Fund (the Fund) seeks to provide shareholders with maximum current income consistent with liquidity and stability of principal. Because any investment involves risk, the Fund cannot guarantee this goal.

INVESTMENT STRATEGY
The Fund's assets primarily are invested in money market instruments, such as marketable debt obligations issued by the U.S. government or its agencies, bank certificates of deposit, bankers' acceptances, letters of credit, and commercial paper. The Fund may invest more than 25% of its total assets in U.S. banks, U.S. branches of foreign banks and U.S. government securities. Additionally, the Fund may invest up to 35% of its total assets in foreign investments.

Because the Fund seeks to maintain a constant net asset value of \$1.00 per

share, capital appreciation is not expected to play a role in the Fund's return. The Fund's yield will vary from day-to-day.

The selection of short-term debt obligations is the primary decision in building the investment portfolio. The Fund restricts its investments to instruments that meet certain maturity and quality standards required by the SEC for money market funds. For example, the Fund:

- o limits its average portfolio maturity to ninety days or less;
- o buys obligations with remaining maturities of 397 days or less; and
- o buys only obligations that are denominated in U.S. dollars and present minimal credit risk.

In pursuit of the Fund's goal, American Express Financial Corporation (AEFC), the Fund's investment manager, chooses investments by:

- o Considering opportunities and risks given current interest rates and anticipated interest rates.
- o Purchasing securities based on the timing of cash flows in and out of the Fund.

In evaluating whether to sell a security, AEFC considers, among other factors, whether:

- the issuer's credit rating declines or AEFC expects a decline (the Fund, in certain cases, may continue to own securities that are down-graded until AEFC believes it is advantageous to sell),
- political, economic, or other events could affect the issuer's performance,
- AEFC identifies a more attractive opportunity, and
- the issuer or the security continues to meet the other standards described above.

For more information on strategies and holdings, see the Fund's Statement of Additional Information (SAI) and the annual/semiannual reports.

RISKS

Please remember that with any mutual fund investment you may lose money. Although the Fund's share price has remained constant in the past, THE FUND CANNOT GUARANTEE THAT IT WILL ALWAYS BE ABLE TO MAINTAIN A STABLE NET ASSET VALUE. An investment in the Fund is not insured or guaranteed by the U.S. government.

Principal risks associated with an investment in the Fund include:

- Credit Risk
- Foreign/Emerging Markets Risk
- Interest Rate Risk
- Market Risk
- Sector/Concentration Risk

Credit Risk

The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation (such as payments due on a bond or a note). The price of junk bonds may react more to the ability of the issuing company to pay interest and principal when due than to changes in interest rates. They have greater price fluctuations and are more likely to experience a default.

Foreign/Emerging Markets Risk

The following are all components of foreign/emerging markets risk:

Country risk includes the political, economic, and other conditions of a country. These conditions include lack of publicly available information, less government oversight (including lack of accounting, auditing, and financial reporting standards), the possibility of government-imposed restrictions, and even the nationalization of assets.

Currency risk results from the constantly changing exchange rate between local currency and the U.S. dollar. Whenever the Fund holds securities valued in a foreign currency or holds the currency, changes in the exchange rate

add or subtract from the value of the investment.

Custody risk refers to the process of clearing and settling trades. It also covers holding securities with local agents and depositories. Low trading volumes and volatile prices in less developed markets make trades harder to complete and settle. Local agents are held only to the standard of care of the local market. Governments or trade groups may compel local agents to hold securities in designated depositories that are not subject to independent evaluation. The less developed a country's securities market is, the greater the likelihood of problems occurring.

Emerging markets risk includes the dramatic pace of change (economic, social, and political) in emerging market countries as well as the other considerations listed above. These markets are in early stages of development and are extremely volatile. They can be marked by extreme inflation, devaluation of currencies, dependence on trade partners, and hostile relations with neighboring countries.

Interest Rate Risk

The risk of losses attributable to changes in interest rates. This term is generally associated with bond prices (when interest rates rise, bond prices fall). In general, the longer the maturity of a debt obligation, the higher its yield and the greater the sensitivity to changes in interest rates.

Market Risk

The market may drop and you may lose money. Market risk may affect a single issuer, sector of the economy, industry, or the market as a whole. The market value of all securities may move up and down, sometimes rapidly and unpredictably.

Sector/Concentration Risk

Investments that are concentrated in a particular issuer, geographic region, or industry will be more susceptible to changes in price (the more you diversify, the more you spread risk).

PAST PERFORMANCE

The following bar chart and table indicate the risks and variability of investing in the Fund by showing :

- o how the Fund's performance has varied for each full calendar year shown on the chart below, and
- o how the Fund's average annual total returns compare to other recognized indexes below.

How the Fund has performed in the past does not indicate how the Fund will perform in the future.

Class A Performance (based on calendar years)

1989	1990	1991	1992	1993	1994	1995	1996	1997	1998

During the period shown in the bar chart, the highest return for a calendar quarter was ___% (quarter ending __ 19__) and the lowest return for a calendar quarter was ___% (quarter ending __ 19__).

The Fund's year to date return as of June 30, 1998 was ____%.

Average Annual Total Returns (for the calendar year periods ending Dec. 31, 1998)

<S>	<C>	<C>	<C>	<C>
	1 year	5 years	10 years	Since inception

Cash Management:

Class A				-
Class B		-	-	a
Class Y		-	-	a

a Inception date was March 20, 1995.

</TABLE>

This table shows total returns from hypothetical investments in shares of the Fund.

For purposes of this calculation we assumed:

- o sales at the end of the period and deduction of the applicable contingent deferred sales charge (CDSC) for Class B shares,
- o no sales charge for Class Y shares, and
- o no adjustments for taxes paid by an investor on the reinvested income and capital gains.

FEES AND EXPENSES

Fund investors pay various expenses. The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

<S>	<C>	<C>	<C>
	Class A	Class B	Class Y
Maximum sales charge (load) imposed on purchases ^a (as a percentage of offering price)	none	none	none
Maximum deferred sales charge (load) imposed on sales (as a percentage of offering price at time of purchase)	none	5%	none

Annual Fund operating expenses^b (expenses that are deducted from Fund assets)

As a percentage of average daily net assets:	Class A	Class B	Class Y
Management fees	%	%	%
Distribution (12b-1) fees	%	%	%
Other expenses ^c	%	%	%
Total	%	%	%

a This charge may be reduced depending on your total investments in American Express funds. See "Sales Charges."

b Expenses for Class A, Class B and Class Y are based on actual expenses for the last fiscal year, restated to reflect current fees.

c Other expenses include an administrative services fee, a transfer agency fee and other nonadvisory expenses.

</TABLE>

Example

This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

Assume you invest \$10,000 and the Fund earns a 5% annual return. The operating expenses remain the same each year. If you hold your shares until the end of the years shown, your costs would be:

	1 year	3 years	5 years	10 years
Class A	\$	\$	\$	\$
Class Ba	\$	\$	\$	\$ c
Class Bb	\$	\$	\$	\$ c
Class Y	\$	\$	\$	\$

- a Assumes you sold your Class B shares at the end of the period and incurred the applicable CDSC.
- b Assumes you did not sell your Class B shares at the end of the period.
- c Based on conversion of Class B shares to Class A shares in the ninth year of ownership.

This example does not represent actual expenses, past or future. Actual expenses may be higher or lower than those shown.

MANAGEMENT

Terry Fetting, senior portfolio manager, joined AEFC in 1986. He has managed this Fund since April 1993. He also serves as portfolio manager of AXP Intermediate Tax-Exempt Fund, AXP Tax-Free Money Fund, AXP Variable Portfolio - Cash Management Fund and IDS Life Series Fund, Money Market Portfolio.

Buying and Selling Shares

VALUING FUND SHARES

The NAV is the value of a single Fund share. The NAV usually changes daily, and is calculated at the close of business of the New York Stock Exchange, normally 3 p.m. Central Standard Time (CST), each business day (any day the New York Stock Exchange is open).

The Fund's investments are valued at amortized cost, which approximates market value, as explained in the SAI. Although the Fund cannot guarantee it will always be able to maintain a constant net asset value of \$1 per share, it will use its best efforts to do so.

INVESTMENT OPTIONS

New investments must be made in Class A shares of the Fund. The Fund offers Class B and Class Y shares only to facilitate exchanges between classes of these shares in other IDS funds. The primary differences among the classes are in the sales charge structures and in their ongoing expenses. These differences are summarized in the table below.

Investment options summary:

Class A

No initial sales charge

No annual distribution fee

Class B

No initial sales charge

CDSC on shares sold in the first six years (maximum of 5% in first year, reduced to 0% after year six)

CDSC waived in certain circumstances

Shares convert to Class A in ninth year of ownership

Annual distribution fee of 0.75% of average daily net assets*

Higher annual expenses than Class A shares

Class Y

No initial sales charge

No annual distribution fee

Available only to certain qualifying institutional investors

* The Fund has adopted a plan under Rule 12b-1 of the Investment Company Act of 1940 that allows it to pay distribution fees for the sale of Class B shares. Because these fees are paid out of the Fund's assets on an on-going basis, the fees may cost long-term shareholders more than paying other types of sales charges imposed by some mutual funds.

PURCHASING SHARES

If you do not have a mutual fund account, you need to establish one. Your financial advisor will help you fill out and submit an application. Your application will be accepted only when federal funds (funds of the Federal Reserve System) are available to the Fund, normally within three days of receipt of your application. Once your account is set up, you can choose among several convenient ways to invest.

When you purchase shares for a new or existing account, your order will be priced at the next NAV calculated after your order is accepted by the Fund. If your application does not specify which class of shares you are purchasing, we will assume you are investing in Class A shares.

Important: When you open an account, you must provide your correct Taxpayer Identification Number (TIN), which is either your Social Security or Employer Identification number.

If you do not provide the correct TIN, you could be subject to backup withholding of 31% of taxable distributions and proceeds from certain sales and exchanges. You also could be subject to further penalties, such as:

- o a \$50 penalty for each failure to supply your correct TIN,
- o a civil penalty of \$500 if you make a false statement that results in no backup withholding, and
- o criminal penalties for falsifying information.

You also could be subject to backup withholding if the IRS requires us to do so because you failed to report required interest or dividends on your tax return.

How to determine the correct TIN

<TABLE>

<CAPTION>

<S> <C>

For this type of account:	Use the Social Security or Employer Identification number of:
-----	-----
-----	-----

Individual or joint account	The individual or one of the individuals listed on the joint account
-----	-----
-----	-----

Custodian account of a minor (Uniform Gifts/Transfers to Minors Act)	The minor
-----	-----
-----	-----

A revocable living trust	The grantor-trustee (the person who puts the money into the trust)
-----	-----
-----	-----

An irrevocable trust, pension trust or estate	The legal entity (not the personal representative or trustee, unless
--	---

no legal entity is designated in the account title)

Sole proprietorship

The owner

Partnership

The partnership

Corporate

The corporation

Association, club or
tax-exempt organization

The organization

</TABLE>

For details on TIN requirements, ask your financial advisor or contact your local American Express Financial Advisors office to obtain a copy of federal Form W-9, "Request for Taxpayer Identification Number and Certification."

Three ways to invest

(1) By mail:

Once your account has been established, send your check with the account number on it to:

American Express Financial Advisors Inc.
P.O. Box 74
Minneapolis, MN 55440-0074

Minimum amounts

Initial investment:	\$2,000
Additional investments:	\$100
Account balances:	\$1,000

If your account balance falls below \$1,000, you will be asked to increase it to \$1,000 or establish a scheduled investment plan. If you do not do so within 30 days, your shares can be sold and the proceeds mailed to you.

(2) By scheduled investment plan:

Contact your financial advisor for assistance in setting up one of the following scheduled plans:

- o automatic payroll deduction,
- o bank authorization,
- o direct deposit of Social Security check, or
- o other plan approved by the Fund.

Minimum amounts

Initial investment:	\$100
Additional investments:	\$100/mo.
Account balances:	none (on active plans with monthly payments)

If your account balance is below \$2,000, you must make payments at least monthly.

(3) By wire or electronic funds transfer:

If you have an established account, you may wire money to:

Give these instructions:

Credit American Express Financial Advisors Account #0000030015 for personal account # (your account number) for (your name). Please remember that you need to provide all 10 digits.

If this information is not included, the order may be rejected, and all money received by the Fund, less any costs the Fund or American Express Client Service Corporation (AECSC) incurs, will be returned promptly.

Minimum amounts

Each wire investment: \$1,000

If you are in a wrap fee program sponsored by AEFA and your balance falls below the required program minimum or your program is terminated, your shares will be sold and the proceeds will be mailed to you.

Class B -- contingent deferred sales charge (CDSC) alternative

A CDSC is based on the sale amount and the number of calendar years -- including the year of purchase -- between purchase and sale. The following table shows how CDSC percentages on sales decline after a purchase:

If the sale is made during the:	The CDSC percentage rate is:
First year	5%
Second year	4%
Third year	4%
Fourth year	3%
Fifth year	2%
Sixth year	1%
Seventh year	0%

If the amount you are selling causes the value of your investment in Class B shares to fall below the cost of the shares you have purchased during the last six years including the current year, the CDSC is based on the lower of the cost of those shares purchased or market value.

Example:

Assume you had invested \$10,000 in Class B shares and that your investment had appreciated in value to \$12,000 after 15 months, including reinvested dividends and capital gain distributions. You could sell up to \$2,000 worth of shares without paying a CDSC (\$12,000 current value less \$10,000 purchase amount). If you sold \$2,500 worth of shares, the CDSC would apply to the \$500 representing part of your original purchase price. The CDSC rate would be 4% because the sale was made during the second year after the purchase.

Because the CDSC is imposed only on sales that reduce your total purchase payments, you never have to pay a CDSC on any amount that represents appreciation in the value of your shares, income earned by your shares, or capital gains. In addition, the CDSC rate on your sale will be based on your oldest purchase payment. The CDSC on the next amount sold will be based on the next oldest purchase payment.

The CDSC on Class B shares will be waived on sales of shares:

- o in the event of the shareholder's death,
- o held in trust for an employee benefit plan, or

- o held in IRAs or certain qualified plans if American Express Trust Company is the custodian, such as Keogh plans, tax-sheltered custodial accounts or corporate pension plans, provided that the shareholder is:
 - at least 59 1/2 years old and
 - taking a retirement distribution (if the sale is part of a transfer to an IRA or qualified plan in a product distributed by AEFA, or a custodian-to-custodian transfer to a product not distributed by AEFA, the CDSC will not be waived) or

- selling under an approved substantially equal periodic payment arrangement.

EXCHANGING/SELLING SHARES

Exchanges

New investments of Class A shares may be exchanged for either Class A or Class B shares of any other publicly offered American Express fund, except that exchanges into AXP Tax-Free Money Fund must be made from Class A shares. If you exchange shares from this Fund to another American Express fund, any further exchanges must be between shares of the same class. For example, you may not exchange from Class B shares of another American Express fund into Class A shares of this Fund. Exchange rules are illustrated in the following tables:

Exchanges:

FROM	TO	

Cash Management	Other American Express funds*	
	Class A	Class B
Class A	Yes	Yes
Class B	No	Yes

Exchanges:

FROM	TO	

Other American Express funds*	Cash Management Fund	
	Class A	Class B
Class A	Yes	No
Class B	No	Yes

*Tax-Free Money Fund has only a single class. Therefore, exchanges into Tax-Free Money Fund must be made from Class A shares.

Note: Exchanges from Class A to Class B are not permitted within Cash Management Fund.

If your initial investment was in this Fund, and you exchange into a non-money market fund, you will pay an initial sales charge if you exchange into Class A and be subject to a CDSC if you exchange into Class B. If your initial investment was in Class A shares of a non-money market fund and you exchange shares into this Fund, you may exchange that amount, including dividends earned on that amount, without paying a sales charge. For complete information on the other funds, including fees and expenses, read that fund's prospectus carefully. Your exchange will be priced at the next NAV calculated after it is accepted by that fund.

You may make up to three exchanges within any 30-day period, with each limited to \$300,000. These limits do not apply to certain employee benefit plans or other arrangements through which one shareholder represents the interests of several. Exceptions may be allowed with pre-approval of the Fund.

Other exchange policies:

- o Except as otherwise noted, exchanges must be made into the same class of shares of the new fund.
- o If your exchange creates a new account, it must satisfy the minimum investment amount for new purchases.
- o Once we receive your exchange request, you cannot cancel it.
- o Shares of the new fund may not be used on the same day for another exchange.
- o If your shares are pledged as collateral, the exchange will be delayed until AECSC receives written approval from the secured party.

AECSC and the Fund reserve the right to reject any exchange, limit the amount,

or modify or discontinue the exchange privilege, to prevent abuse or adverse effects on the Fund and its shareholders. For example, if exchanges are too numerous or too large, they may disrupt the Fund's investment strategies or increase its costs.

Selling Shares

You can sell your shares at any time. AECSC will mail payment within seven days after accepting your request.

When you sell shares, the amount you receive may be more or less than the amount you invested. Your sale price will be the next NAV calculated after your request is accepted by the Fund, minus any applicable CDSC.

You can change your mind after requesting a sale of Class B shares and use all or part of the proceeds to purchase new shares in the same account from which you sold. If you reinvest in Class B, any CDSC you paid on the amount you are reinvesting also will be reinvested. To take advantage of this option, send a request within 30 days of the date your sale request was received and include your account number. This privilege may be limited or withdrawn at any time and may have tax consequences.

Requests to sell shares of the Fund are not allowed within 30 days of a telephoned-in address change.

The Fund reserves the right to redeem in kind.

Important: If you request a sale of shares you recently purchased by a check or money order that is not guaranteed, the Fund will wait for your check to clear. It may take up to 10 days from the date of purchase before payment is made. (Payment may be made earlier if your bank provides evidence satisfactory to the Fund and AECSC that your check has cleared.)

For more details and a description of other sales policies, please see the SAI.

Three ways to request an exchange or sale of shares

(1) By letter:

Include in your letter:

- o the name of the fund(s),
- o the class of shares to be exchanged or sold,
- o your mutual fund account number(s) (for exchanges, both funds must be registered in the same ownership),
- o your TIN,
- o the dollar amount or number of shares you want to exchange or sell,
- o signature(s) of all registered account owners,
- o for sales, indicate how you want your money delivered to you, and
- o any paper certificates of shares you hold.

Regular mail:

American Express Client Service Corporation
Attn: Transactions
P.O. Box 534
Minneapolis, MN 55440-0534

Express mail:

American Express Client Service Corporation
Attn: Transactions
733 Marquette Ave.
Minneapolis, MN 55402

(2) By telephone:

American Express Financial Advisors
Telephone Transaction Service
800-437-3133

- o The Fund and AECSC will use reasonable procedures to confirm authenticity of telephone exchange or sale requests.
- o Telephone exchange and sale privileges automatically apply to all accounts except custodial, corporate or qualified retirement accounts. You may request that these privileges NOT apply by writing AECSC. Each registered owner must sign the request.
- o Acting on your instructions, your financial advisor may conduct telephone

- transactions on your behalf.
- o Telephone privileges may be modified or discontinued at any time.

Minimum sale amount: \$100

Maximum sale amount: \$50,000

(3) By draft:

For Class A only, free drafts are available and can be used just like a check to withdraw \$100 or more from your account. The shares in your account earn dividends until they are redeemed by the Fund to cover your drafts. Most accounts will automatically receive free drafts. However, to receive drafts on qualified or custodial business accounts, you must contact AECSC. A request form will be supplied and must be signed by each registered owner. Your draft writing privilege may be modified or discontinued at any time.

Minimum amount

Redemption: \$100

Three ways to receive payment when you sell shares

(1) By regular or express mail:

- o Mailed to the address on record.
- o Payable to names listed on the account.

NOTE: The express mail delivery charges you pay will vary depending on the courier you select.

(2) By wire or electronic funds transfer:

- o Minimum wire: \$1,000.
- o Request that money be wired to your bank.
- o Bank account must be in the same ownership as the American Express fund account.

NOTE: Pre-authorization required. For instructions, contact your financial advisor or AECSC.

(3) By scheduled payout plan:

- o Minimum payment: \$50.
- o Contact your financial advisor or AECSC to set up regular payments on a monthly, bimonthly, quarterly, semiannual or annual basis.
- o Purchasing new shares while under a payout plan may be disadvantageous because of the sales charges.

Distributions and Taxes

As a shareholder you are entitled to your share of the Fund's net income and net gains. The Fund distributes dividends and capital gains to qualify as a regulated investment company and to avoid paying corporate income and excise taxes.

DIVIDENDS AND CAPITAL GAIN DISTRIBUTIONS The Fund's net investment income is distributed to you as dividends. Capital gains are realized when a security is sold for a higher price than was paid for it. Each realized capital gain or loss is either short-term or long-term depending on whether the Fund held the security for one year or less, or more than one year. The Fund offsets any net realized capital gains by any available capital loss carryovers. Net short-term capital gains are included in net investment income. Net realized long-term capital gains, if any, are distributed by the end of the calendar year as capital gain distributions.

REINVESTMENTS

Dividends and capital gain distributions are automatically reinvested in additional shares in the same class of the Fund, unless:

- o you request distributions be paid monthly in cash, or
- o you direct the Fund to invest your distributions monthly in any publicly offered American Express fund for which you have previously opened an account. Your purchases may be subject to a sales charge.

We reinvest the distributions for you at the next calculated NAV after the

distribution is paid.

If you choose cash distributions, you will receive cash only for distributions declared after your request has been processed.

TAXES

Distributions are subject to federal income tax and may be subject to state and local taxes in the year they are declared. You must report distributions on your tax returns, even if they are reinvested in additional shares.

If you sell shares for more than their cost, the difference is a capital gain. Your gain may be short term (for shares held for one year or less) or long term (for shares held for more than one year).

Selling shares held in an IRA or qualified retirement account may subject you to federal taxes, penalties and reporting requirements. Please consult your tax advisor.

Important: This information is a brief and selective summary of some of the tax rules that apply to this Fund. Because tax matters are highly individual and complex, you should consult a qualified tax advisor.

Personalized Shareholder Information

To help you track and evaluate the performance of your investments, AECSC provides these individualized reports:

QUARTERLY STATEMENTS

List your holdings and transactions during the previous three months, as well as individualized return information.

YEARLY TAX STATEMENTS

Feature average-cost-basis reporting of capital gains or losses if you sell your shares, along with distribution information to simplify tax calculations.

PERSONALIZED MUTUAL FUND PROGRESS REPORTS

Detail returns on your initial investment and cash-flow activity in your account. This report calculates a total return reflecting your individual history in owning Fund shares and is available from your financial advisor.

About the Company

BUSINESS STRUCTURE

<TABLE>			
<CAPTION>			
<S>	<C>	<C>	<C>

Shareholders

Your American
Express financial
advisor and other
servicing agents

May receive a fee
for their sales
efforts and ongoing
service.

Transfer Agent:
American Express
Client Service
Corporation

Maintains shareholder
accounts and records
for the Fund;
receives a fee based

Administrative
Services Agent:
American Express
Financial
Corporation

Provides
administrative and
accounting services

Distributor:
American Express
Financial Advisors

Markets and
distributes shares;
receives a portion
of the CDSC and
distribution fee.

on the number of
accounts it services.

for the Fund;
receives a fee
based on average
daily net assets.

The Fund

Investment Manager:
American Express
Financial
Corporation

Manages the Fund's
investments and
receives a fee
based on average
daily net assets.*

Custodian:
American Express
Trust Company

Provides
safekeeping of
assets; receives a
fee that varies
based on the number
of securities held.

* The Fund pays AEFC a fee for managing its assets. Under the Investment Management Services Agreement, the fee for the most recent fiscal year was ___% of its average daily net assets. Under the Agreement, the Fund also pays taxes, brokerage commissions and nonadvisory expenses.

</TABLE>

AMERICAN EXPRESS FINANCIAL CORPORATION

AEFC has been a provider of financial services since 1894. Its family of companies offers not only mutual funds but also insurance, annuities, investment certificates and a broad range of financial management services.

In addition to managing assets of more than \$__ billion for all American Express funds, AEFC manages investments for itself and its subsidiaries, IDS Certificate Company and IDS Life Insurance Company. Total assets under management as of the end of the most recent fiscal year were more than \$__ billion.

AEFA serves individuals and businesses through its nationwide network of more than ___ offices and more than ___ advisors.

AEFC, located at IDS Tower 10, Minneapolis, MN 55440-0010, is a wholly-owned subsidiary of American Express Company, a financial services company with headquarters at American Express Tower, World Financial Center, New York, NY 10285.

YEAR 2000

The Fund could be adversely affected if the computer systems used by AEFC and the Fund's other service providers do not properly process and calculate date-related information from and after Jan. 1, 2000. While Year 2000-related computer problems could have a negative effect on the Fund, AEFC is working to avoid such problems and to obtain assurances from service providers that they are taking similar steps.

The companies, governments or international markets in which the Fund invests also may be adversely affected by Year 2000 issues. To the extent a portfolio holding is adversely affected by a Year 2000 processing issue, the Fund's return could be adversely affected.

Quick Telephone Reference

AMERICAN EXPRESS FINANCIAL ADVISORS TELEPHONE TRANSACTION SERVICE

Sales and exchanges, dividend payments or reinvestments and automatic payment arrangements: 800-437-3133

AMERICAN EXPRESS CLIENT SERVICE CORPORATION

Fund performance, fund prices, account values, recent account transactions and account inquiries: 800-862-7919

TTY SERVICE

For the hearing impaired: 800-846-4852

Financial Highlights

[insert financial highlights here from Accounting]

AMERICAN
EXPRESS
Financial
Advisors

This Fund, along with the other American Express funds, is distributed by American Express Financial Advisors Inc. and can be found under the "American Express" banner in most mutual fund quotations.

Additional information about the Fund and its investments is available in the Fund's Statement of Additional Information (SAI), annual and semiannual reports to shareholders. In the Fund's annual report, you will find a discussion of market conditions and investment strategies that significantly affected the Fund during its last fiscal year. The SAI is incorporated by reference in this prospectus. For a free copy of the SAI, the annual report or the semiannual report contact American Express Client Service Corporation.

American Express Client Service Corporation
P.O. Box 534, Minneapolis, MN 55440-0534
800-862-7919 TTY: 800-846-4852
Web site address:
<http://www.americanexpress.com/advisors>

You may review and copy information about the Fund, including the SAI, at the Securities and Exchange Commission's (Commission) Public Reference Room in Washington, D.C. (for information about the public reference room call 1-800-SEC-0330). Reports and other information about the Fund are available on the Commission's Internet site at <http://www.sec.gov>. Copies of this information may be obtained by writing and paying a duplicating fee to the Public Reference Section of the Commission, Washington, D.C. 20549-6009.

Investment Company Act File #811-2591

TICKER SYMBOL

Class A: IDSXX Class B: Class Y: IDYXX

AXPSM MONEY MARKET SERIES, INC.
STATEMENT OF ADDITIONAL INFORMATION
FOR
AXPSM CASH MANAGEMENT FUND (the Fund)

September 29, 1999

This Statement of Additional Information (SAI) is not a prospectus. It should be read together with the prospectus and the financial statements contained in the most recent Annual Report to shareholders (Annual Report) that may be obtained from your American Express financial advisor or by writing to American Express Shareholder Service, P.O. Box 534, Minneapolis, MN 55440-0534 or by calling 800-862-7919.

The Independent Auditors' Report and the Financial Statements, including Notes to the Financial Statements and the Schedule of Investments in Securities, contained in the Annual Report are incorporated in this SAI by reference. No other portion of the Annual Report, however, is incorporated by reference. The prospectus for the Fund, dated the same date as this SAI, also is incorporated in this SAI by reference.

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Mutual Fund Checklist

-
- |X| Mutual funds are NOT guaranteed or insured by any bank or government agency. You can lose money.
 - |X| Mutual funds ALWAYS carry investment risks. Some types carry more risk than others.
 - |X| A higher rate of return typically involves a higher risk of loss.
 - |X| Past performance is not a reliable indicator of future performance.
 - |X| ALL mutual funds have costs that lower investment return.
 - |X| You can buy some mutual funds by contacting them directly. Others, like this one, are sold mainly through brokers, banks, financial planners, or insurance agents. If you buy through these financial professionals, you generally will pay a sales charge.
 - |X| Shop around. Compare a mutual fund with others of the same type before you buy.

OTHER IDEAS FOR SUCCESSFUL MUTUAL FUND INVESTING:

Develop a Financial Plan

Have a plan - even a simple plan can help you take control of your financial future. Review your plan with your advisor at least once a year or more frequently if your circumstances change.

Dollar-Cost Averaging

An investment technique that works well for many investors is one that eliminates random buy and sell decisions. One such system is dollar-cost averaging. Dollar-cost averaging involves building a portfolio through the investment of fixed amounts of money on a regular basis regardless of the price or market condition. This may enable an investor to smooth out the effects of the volatility of the financial markets. By using this strategy, more shares will be purchased when the price is low and less when the price is high. As the accompanying chart illustrates, dollar-cost averaging tends to keep the average price paid for the shares lower than the average market price of shares purchased, although there is no guarantee.

While this does not ensure a profit and does not protect against a loss if the market declines, it is an effective way for many shareholders who can continue investing through changing market conditions to accumulate shares to meet long-term goals.

Dollar-cost averaging:

Regular Investment	Market Price of a Share	Shares Acquired
\$100	\$6.00	16.7
100	4.00	25.0
100	4.00	25.0
100	6.00	16.7
100	5.00	20.0
\$500	\$25.00	103.4

Average market price of a share over 5 periods: \$5.00 (\$25.00 divided by 5)
The average price you paid for each share: \$4.84 (\$500 divided by 103.4)

Diversify

Diversify your portfolio. By investing in different asset classes and different economic environments you help protect against poor performance in one type of investment while including investments most likely to help you achieve your important goals.

Understand Your Investment

Know what you are buying. Make sure you understand the potential risks, rewards, costs, and expenses associated with each of your investments.

Fundamental Investment Policies

Fundamental investment policies adopted by the Fund cannot be changed without the approval of a majority of the outstanding voting securities of the Fund as defined in the Investment Company Act of 1940, as amended (the 1940 Act).

Notwithstanding any of the Fund's other investment policies, the Fund may invest its assets in an open-end management investment company having substantially the same investment objectives, policies, and restrictions as the Fund for the purpose of having those assets managed as part of a combined pool.

The policies below are fundamental policies that apply to the Fund and may be changed only with shareholder approval. Unless holders of a majority of the outstanding voting securities agree to make the change, the Fund will not:

- o Act as an underwriter (sell securities for others). However, under the securities laws, the Fund may be deemed to be an underwriter when it purchases securities directly from the issuer and later resells them.
- o Borrow money or property, except as a temporary measure for extraordinary or emergency purposes, in an amount not exceeding one-third of the market

value of its total assets (including borrowings) less liabilities (other than borrowings) immediately after the borrowing.

- o Invest more than 5% of its total assets in securities of any one company, government, or political subdivision thereof, except the limitation will not apply to investments in securities issued by the U.S. government, its agencies, or instrumentalities.
- o Buy on margin, sell short or deal in options to buy or sell securities.
- o Buy or sell real estate, commodities or commodity contracts. For purposes of this policy, real estate includes real estate limited partnerships.
- o Lend Fund securities in excess of 30% of its net assets, at market value.
- o Purchase common stocks, preferred stocks, warrants, other equity securities, corporate bonds or debentures, state bonds, municipal bonds, or industrial revenue bonds.

Except for the fundamental investment policies listed above, the other investment policies described in the prospectus and in this SAI are not fundamental and may be changed by the board at any time.

Investment Strategies and Types of Investments

This table shows various investment strategies and investments that many funds are allowed to engage in and purchase. It also lists certain percentage guidelines that are generally followed by the Fund's investment manager. This table is intended to show the breadth of investments that the investment manager may make on behalf of the Fund. For a description of principal risks, please see the prospectus. Notwithstanding the Fund's ability to utilize these strategies and techniques, the investment manager is not obligated to use them at any particular time. For example, even though the investment manager is authorized to adopt temporary defensive positions and is authorized to attempt to hedge against certain types of risk, these practices are left to the investment manager's sole discretion.

Investment strategies & types of investments: AXP Cash Management Fund

	Allowable for the Fund?
Agency and Government Securities	yes
Borrowing	yes
Cash/Money Market Instruments	yes
Commercial Paper	yes
Debt Obligations	yes
Foreign Investments	yes
Illiquid and Restricted Securities	yes
Lending of Portfolio Securities	yes
Mortgage- and Asset-Backed Securities	yes
Repurchase Agreements	yes
Reverse Repurchase Agreements	yes
Sovereign Debt	yes
Variable- or Floating-Rate Securities	yes

The following are guidelines that may be changed by the board at any time:

- o The Fund will not invest more than 10% of its net assets in securities that are illiquid whether or not registration or the filing of a notification under the Securities Act of 1933 or the taking of similar action under other securities laws relating to the sale of securities is required. A risk of any such investment is that is might not be able to be easily liquidated. For the purpose of this policy, repurchase agreements with maturities greater than seven days and non-negotiable fixed time deposits will be treated as illiquid securities.
- o The Fund may invest in commercial paper rated in the highest rating category by at least two nationally recognized statistical rating organizations (or by one, if only one rating is assigned) and in unrated

paper determined by the board to be of comparable quality. The Fund also may invest up to 5% of its total assets in commercial paper receiving the second highest rating or in unrated paper determined to be of comparable quality.

- o Notwithstanding any of the Fund's other investment policies, the Fund may invest its assets in an open-end management investment company having substantially the same investment objectives, policies and restrictions as the Fund for the purpose of having those assets managed as part of a combined pool.
- o Depending on market conditions and the availability of other securities, the Fund may invest more than 25% of its total assets in U.S. Banks, U.S. branches of foreign banks and U.S. government securities.
- o The Fund may invest up to 35% of its total assets in foreign investments.
- o No more than 10% of the Fund's net assets will be held in illiquid securities.

Information Regarding Risks and Investment Strategies

RISKS

The following is a summary of common risk characteristics. Following this summary is a description of certain investments and investment strategies and the risks most commonly associated with them (including certain risks not described below and, in some cases, a more comprehensive discussion of how the risks apply to a particular investment or investment strategy). Please remember that a mutual fund's risk profile is largely defined by the fund's primary securities and investment strategies. However, most mutual funds are allowed to use certain other strategies and investments that may have different risk characteristics. Accordingly, one or more of the following types of risk will be associated with the Fund at any time (for a description of principal risks, please see the prospectus):

Call/Prepayment Risk

The risk that a bond or other security might be called (or otherwise converted, prepaid, or redeemed) before maturity.

Correlation Risk

The risk that a given transaction may fail to achieve its objectives due to an imperfect relationship between markets. Certain investments may react more negatively than others in response to changing market conditions.

Credit Risk

The risk that the issuer of a security, or the counterparty to a contract, will default or otherwise become unable to honor a financial obligation (such as payments due on a bond or a note). The price of junk bonds may react more to the ability of the issuing company to pay interest and principal when due than to changes in interest rates. They have greater price fluctuations and are more likely to experience a default.

Event Risk

Occasionally, the value of a security may be seriously and unexpectedly changed by a natural or industrial accident or occurrence.

Foreign/Emerging Markets Risk

The following are all components of foreign/emerging markets risk:

Country risk includes the political, economic, and other conditions of a country. These conditions include lack of publicly available information, less government oversight (including lack of accounting, auditing, and financial reporting standards), the possibility of government-imposed restrictions, and even the nationalization of assets.

Currency risk results from the constantly changing exchange rate

between local currency and the U.S. dollar. Whenever the Fund holds securities valued in a foreign currency or holds the currency, changes in the exchange rate add or subtract from the value of the investment.

Custody risk refers to the process of clearing and settling trades. It also covers holding securities with local agents and depositories. Low trading volumes and volatile prices in less developed markets make trades harder to complete and settle. Local agents are held only to the standard of care of the local market. Governments or trade groups may compel local agents to hold securities in designated depositories that are not subject to independent evaluation. The less developed a country's securities market is, the greater the likelihood of problems occurring.

Emerging markets risk includes the dramatic pace of change (economic, social, and political) in emerging market countries as well as the other considerations listed above. These markets are in early stages of development and are extremely volatile. They can be marked by extreme inflation, devaluation of currencies, dependence on trade partners, and hostile relations with neighboring countries.

Inflation Risk

Also known as purchasing power risk, inflation risk measures the effects of continually rising prices on investments. If an investment's yield is lower than the rate of inflation, your money will have less purchasing power as time goes on.

Interest Rate Risk

The risk of losses attributable to changes in interest rates. This term is generally associated with bond prices (when interest rates rise, bond prices fall). In general, the longer the maturity of a debt obligation, the higher its yield and the greater the sensitivity to changes in interest rates.

Issuer Risk

The risk that an issuer, or the value of its stocks or bonds, will perform poorly. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors.

Legal/Legislative Risk

Congress and other governmental units have the power to change existing laws affecting securities. A change in law might affect an investment adversely.

Leverage Risk

Some derivative investments (such as options, futures, or options on futures) require little or no initial payment and base their price on a security, a currency, or an index. A small change in the value of the underlying security, currency, or index may cause a sizable gain or loss in the price of the instrument.

Liquidity Risk

Securities may be difficult or impossible to sell at the time that the Fund would like. The Fund may have to lower the selling price, sell other investments, or forego an investment opportunity.

Management Risk

The risk that a strategy or selection method utilized by the investment manager may fail to produce the intended result. When all other factors have been accounted for and the investment manager chooses an investment, there is always the possibility that the choice will be a poor one.

Market Risk

The market may drop and you may lose money. Market risk may affect a single issuer, sector of the economy, industry, or the market as a whole. The market value of all securities may move up and down, sometimes rapidly and unpredictably.

Reinvestment Risk

The risk that an investor will not be able to reinvest their income or principal at the same rate as it currently is earning.

Sector/Concentration Risk

Investments that are concentrated in a particular issuer, geographic region, or industry will be more susceptible to changes in price (the more you diversify, the more you spread risk).

Small Company Risk

Investments in small and medium companies often involve greater risks than investments in larger, more established companies because small and medium companies may lack the management experience, financial resources, product diversification, and competitive strengths of larger companies. In addition, in many instances the securities of small and medium companies are traded only over-the-counter or on regional securities exchanges and the frequency and volume of their trading is substantially less than is typical of larger companies.

INVESTMENT STRATEGIES

The following information supplements the discussion of the Fund's investment objectives, policies, and strategies that are described in the prospectus and in this SAI. The following describes many strategies that many mutual funds use and types of securities that they purchase. Please refer to the section entitled Investment Strategies and Types of Investments to see which are applicable to the Fund.

Agency and Government Securities

The U.S. government and its agencies issue many different types of securities. U.S. Treasury bonds, notes, and bills and securities including mortgage pass through certificates of the Government National Mortgage Association (GNMA) are guaranteed by the U.S. government. Other U.S. government securities are issued or guaranteed by federal agencies or government-sponsored enterprises but are not guaranteed by the U.S. government. This may increase the credit risk associated with these investments.

Government-sponsored entities issuing securities include privately owned, publicly chartered entities created to reduce borrowing costs for certain sectors of the economy, such as farmers, homeowners, and students. They include the Federal Farm Credit Bank System, Farm Credit Financial Assistance Corporation, Federal Home Loan Bank, FHLMC, FNMA, Student Loan Marketing Association (SLMA), and Resolution Trust Corporation (RTC). Government-sponsored entities may issue discount notes (with maturities ranging from overnight to 360 days) and bonds. Agency and government securities are subject to the same concerns as other debt obligations. (See also Debt Obligations and Mortgage- and Asset-Backed Securities.)

Although one or more of the other risks described in this SAI may apply, the largest risks associated with agency and government securities include: Call/Prepayment Risk, Inflation Risk, Interest Rate Risk, Management Risk, and Reinvestment Risk.

Borrowing

The Fund may borrow money from banks for temporary or emergency purposes and make other investments or engage in other transactions permissible under the 1940 Act that may be considered a borrowing (such as derivative instruments). Borrowings are subject to costs (in addition to any interest that may be paid) and typically reduce the Fund's total return. Except as qualified above, however, the Fund will not buy securities on margin.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with borrowing include: Inflation Risk and Management Risk.

Cash/Money Market Instruments

The Fund may maintain a portion of its assets in cash and cash-equivalent

investments. Cash-equivalent investments include short-term U.S. and Canadian government securities and negotiable certificates of deposit, non-negotiable fixed-time deposits, bankers' acceptances, and letters of credit of banks or savings and loan associations having capital, surplus, and undivided profits (as of the date of its most recently published annual financial statements) in excess of \$100 million (or the equivalent in the instance of a foreign branch of a U.S. bank) at the date of investment. The Fund also may purchase short-term notes and obligations of U.S. and foreign banks and corporations and may use repurchase agreements with broker-dealers registered under the Securities Exchange Act of 1934 and with commercial banks. (See also Commercial Paper, Debt Obligations, Repurchase Agreements, and Variable- or Floating-Rate Securities.) These types of instruments generally offer low rates of return and subject the Fund to certain costs and expenses.

See the appendix for a discussion of money market securities.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with cash/money market instruments include: Credit Risk, Inflation Risk, and Management Risk.

Commercial Paper

Commercial paper is a short-term debt obligation with a maturity ranging from 2 to 270 days issued by banks, corporations, and other borrowers. It is sold to investors with temporary idle cash as a way to increase returns on a short-term basis. These instruments are generally unsecured, which increases the credit risk associated with this type of investment. (See also Debt Obligations and Illiquid and Restricted Securities.)

Although one or more of the other risks described in this SAI may apply, the largest risks associated with commercial paper include: Credit Risk, Liquidity Risk, and Management Risk.

Debt Obligations

Many different types of debt obligations exist (for example, bills, bonds, or notes). Issuers of debt obligations have a contractual obligation to pay interest at a specified rate on specified dates and to repay principal on a specified maturity date. Certain debt obligations (usually intermediate- and long-term bonds) have provisions that allow the issuer to redeem or "call" a bond before its maturity. Issuers are most likely to call these securities during periods of falling interest rates. When this happens, an investor may have to replace these securities with lower yielding securities, which could result in a lower return.

The market value of debt obligations is affected primarily by changes in prevailing interest rates and the issuers perceived ability to repay the debt. The market value of a debt obligation generally reacts inversely to interest rate changes. When prevailing interest rates decline, the price usually rises, and when prevailing interest rates rise, the price usually declines.

In general, the longer the maturity of a debt obligation, the higher its yield and the greater the sensitivity to changes in interest rates. Conversely, the shorter the maturity, the lower the yield but the greater the price stability.

As noted, the values of debt obligations also may be affected by changes in the credit rating or financial condition of their issuers. Generally, the lower the quality rating of a security, the higher the degree of risk as to the payment of interest and return of principal. To compensate investors for taking on such increased risk, those issuers deemed to be less creditworthy generally must offer their investors higher interest rates than do issuers with better credit ratings. (See also Agency and Government Securities, Corporate Bonds, and High-Yield (High-Risk) Securities.)

All ratings limitations are applied at the time of purchase. Subsequent to purchase, a debt security may cease to be rated or its rating may be reduced below the minimum required for purchase by the Fund. Neither event will require the sale of such a security, but it will be a factor in considering whether to continue to hold the security. To the extent that ratings change as a result of changes in a rating organization or their rating systems, the Fund will attempt to use comparable rating as standards for selecting investments.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with debt obligations include: Call/Prepayment Risk,

Credit Risk, Interest Rate Risk, Issuer Risk, Management Risk, and Reinvestment Risk.

Foreign Investments

Investments in foreign banks and branches of domestic banks outside the United States involve certain risks. Domestic banks are required to maintain specified levels of reserves, are limited in the amounts they can loan to a single borrower and are subject to other regulations designed to promote financial soundness. Not all of these laws and regulations apply to the foreign branches of domestic banks. Domestic bank regulations do not apply to foreign banks. Eurodollar CDs and non-U.S. fixed-time deposits may be subject to political and economic risks of the countries in which the investments are made, including the possibility of seizure or nationalization of foreign deposits, penalties for early withdrawal of time deposits, imposition of withholding taxes on income, establishment of exchange controls or adoption of other restrictions that might affect an investment adversely.

The introduction of a single currency, the euro, on January 1, 1999 for participating European nations in the Economic and Monetary Union ("EU") presents unique uncertainties, including whether the payment and operational systems of banks and other financial institutions will be ready by the scheduled launch date; the creation of suitable clearing and settlement payment systems for the new currency; the legal treatment of certain outstanding financial contracts after January 1, 1999 that refer to existing currencies rather than the euro; the establishment and maintenance of exchange rates; the fluctuation of the euro relative to non-euro currencies during the transition period from January 1, 1999 to December 31, 2000 and beyond; whether the interest rate, tax or labor regimes of European countries participating in the euro will converge over time; and whether the conversion of the currencies of other EU countries such as the United Kingdom, Denmark, and Greece into the euro and the admission of other non-EU countries such as Poland, Latvia, and Lithuania as members of the EU may have an impact on the euro.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with foreign securities include: Foreign/Emerging Markets Risk, Issuer Risk, and Management Risk.

Illiquid and Restricted Securities

The Fund may invest in illiquid securities (i.e., securities that are not readily marketable). These securities may include, but are not limited to, certain securities that are subject to legal or contractual restrictions on resale, certain repurchase agreements, and derivative instruments.

To the extent the Fund invests in illiquid or restricted securities, it may encounter difficulty in determining a market value for such securities. Disposing of illiquid or restricted securities may involve time-consuming negotiations and legal expense, and it may be difficult or impossible for the Fund to sell such an investment promptly and at an acceptable price.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with illiquid and restricted securities include: Liquidity Risk and Management Risk.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with inverse floaters include: Interest Rate Risk and Management Risk.

Lending of Portfolio Securities

The Fund may lend certain of its portfolio securities to broker-dealers. The current policy of the Fund's board is to make these loans, either long- or short-term, to broker-dealers. In making loans, the Fund receives the market price in cash, U.S. government securities, letters of credit, or such other collateral as may be permitted by regulatory agencies and approved by the board. If the market price of the loaned securities goes up, the Fund will get additional collateral on a daily basis. The risks are that the borrower may not provide additional collateral when required or return the securities when due. During the existence of the loan, the Fund receives cash payments equivalent to all interest or other distributions paid on the loaned securities. The Fund may pay reasonable administrative and custodial fees in connection with a loan and may pay a negotiated portion of the interest earned on the cash or money market instruments held as collateral to the borrower or placing broker. The Fund

will receive reasonable interest on the loan or a flat fee from the borrower and amounts equivalent to any dividends, interest, or other distributions on the securities loaned.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with the lending of portfolio securities include: Credit Risk and Management Risk.

Mortgage- and Asset-Backed Securities

Mortgage-backed securities represent direct or indirect participations in, or are secured by and payable from, mortgage loans secured by real property, and include single- and multi-class pass-through securities and Collateralized Mortgage Obligations (CMOs). These securities may be issued or guaranteed by U.S. government agencies or instrumentalities (see also Agency and Government Securities), or by private issuers, generally originators and investors in mortgage loans, including savings associations, mortgage bankers, commercial banks, investment bankers, and special purpose entities. Mortgage-backed securities issued by private lenders may be supported by pools of mortgage loans or other mortgage-backed securities that are guaranteed, directly or indirectly, by the U.S. government or one of its agencies or instrumentalities, or they may be issued without any governmental guarantee of the underlying mortgage assets but with some form of non-governmental credit enhancement.

Stripped mortgage-backed securities are a type of mortgage-backed security that receive differing proportions of the interest and principal payments from the underlying assets. Generally, there are two classes of stripped mortgage-backed securities: Interest Only (IO) and Principal Only (PO). IOs entitle the holder to receive distributions consisting of all or a portion of the interest on the underlying pool of mortgage loans or mortgage-backed securities. POs entitle the holder to receive distributions consisting of all or a portion of the principal of the underlying pool of mortgage loans or mortgage-backed securities. The cash flows and yields on IOs and POs are extremely sensitive to the rate of principal payments (including prepayments) on the underlying mortgage loans or mortgage-backed securities. A rapid rate of principal payments may adversely affect the yield to maturity of IOs. A slow rate of principal payments may adversely affect the yield to maturity of POs. If prepayments of principal are greater than anticipated, an investor in IOs may incur substantial losses. If prepayments of principal are slower than anticipated, the yield on a PO will be affected more severely than would be the case with a traditional mortgage-backed security.

CMOs are hybrid mortgage-related instruments secured by pools of mortgage loans or other mortgage-related securities, such as mortgage pass through securities or stripped mortgage-backed securities. CMOs may be structured into multiple classes, often referred to as "tranches," with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including prepayments. Principal prepayments on collateral underlying a CMO may cause it to be retired substantially earlier than its stated maturity.

The yield characteristics of mortgage-backed securities differ from those of other debt securities. Among the differences are that interest and principal payments are made more frequently on mortgage-backed securities, usually monthly, and principal may be repaid at any time. These factors may reduce the expected yield.

Asset-backed securities have structural characteristics similar to mortgage-backed securities. Asset-backed debt obligations represent direct or indirect participation in, or secured by and payable from, assets such as motor vehicle installment sales contracts, other installment loan contracts, home equity loans, leases of various types of property, and receivables from credit card or other revolving credit arrangements. The credit quality of most asset-backed securities depends primarily on the credit quality of the assets underlying such securities, how well the entity issuing the security is insulated from the credit risk of the originator or any other affiliated entities, and the amount and quality of any credit enhancement of the securities. Payments or distributions of principal and interest on asset-backed debt obligations may be supported by non-governmental credit enhancements including letters of credit, reserve funds, overcollateralization, and guarantees by third parties. The market for privately issued asset-backed debt obligations is smaller and less liquid than the market for government sponsored mortgage-backed securities. (See also Derivative Instruments.)

Although one or more of the other risks described in this SAI may apply, the

largest risks associated with mortgage- and asset-backed securities include: Call/Prepayment Risk, Credit Risk, Interest Rate Risk, Liquidity Risk, and Management Risk.

Repurchase Agreements

The Fund may enter into repurchase agreements with certain banks or non-bank dealers. In a repurchase agreement, the Fund buys a security at one price, and at the time of sale, the seller agrees to repurchase the obligation at a mutually agreed upon time and price (usually within seven days). The repurchase agreement thereby determines the yield during the purchaser's holding period, while the seller's obligation to repurchase is secured by the value of the underlying security. Repurchase agreements could involve certain risks in the event of a default or insolvency of the other party to the agreement, including possible delays or restrictions upon the Fund's ability to dispose of the underlying securities.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with repurchase agreements include: Credit Risk and Management Risk.

Reverse Repurchase Agreements

In a reverse repurchase agreement, the investor would sell a security and enter into an agreement to repurchase the security at a specified future date and price. The investor generally retains the right to interest and principal payments on the security. Since the investor receives cash upon entering into a reverse repurchase agreement, it may be considered a borrowing.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with reverse repurchase agreements include: Credit Risk, Interest Rate Risk, and Management Risk.

Sovereign Debt

A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by a variety of factors, including its cash flow situation, the extent of its reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders, and the political constraints to which a sovereign debtor may be subject. (See also Foreign Securities.)

With respect to sovereign debt of emerging market issuers, investors should be aware that certain emerging market countries are among the largest debtors to commercial banks and foreign governments. At times, certain emerging market countries have declared moratoria on the payment of principal and interest on external debt.

Certain emerging market countries have experienced difficulty in servicing their sovereign debt on a timely basis that led to defaults and the restructuring of certain indebtedness.

Sovereign debt includes Brady Bonds, which are securities issued under the framework of the Brady Plan, an initiative announced by former U.S. Treasury Secretary Nicholas F. Brady in 1989 as a mechanism for debtor nations to restructure their outstanding external commercial bank indebtedness.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with sovereign debt include: Credit Risk, Foreign/Emerging Markets Risk, and Management Risk.

Variable- or Floating-Rate Securities

The Fund may invest in securities that offer a variable- or floating-rate of interest. Variable-rate securities provide for automatic establishment of a new interest rate at fixed intervals (e.g., daily, monthly, semi-annually, etc.). Floating-rate securities generally provide for automatic adjustment of the interest rate whenever some specified interest rate index changes.

Variable- or floating-rate securities frequently include a demand feature enabling the holder to sell the securities to the issuer at par. In many cases, the demand feature can be exercised at any time. Some securities that do not have variable or floating interest rates may be accompanied by puts producing

similar results and price characteristics.

Variable-rate demand notes include master demand notes that are obligations that permit the Fund to invest fluctuating amounts, which may change daily without penalty, pursuant to direct arrangements between the Fund as lender, and the borrower. The interest rates on these notes fluctuate from time to time. The issuer of such obligations normally has a corresponding right, after a given period, to prepay in its discretion the outstanding principal amount of the obligations plus accrued interest upon a specified number of days' notice to the holders of such obligations. Because these obligations are direct lending arrangements between the lender and borrower, it is not contemplated that such instruments generally will be traded. There generally is not an established secondary market for these obligations. Accordingly, where these obligations are not secured by letters of credit or other credit support arrangements, the Fund's right to redeem is dependent on the ability of the borrower to pay principal and interest on demand. Such obligations frequently are not rated by credit rating agencies and may involve heightened risk of default by the issuer.

Although one or more of the other risks described in this SAI may apply, the largest risks associated with variable- or floating-rate securities include: Credit Risk and Management Risk.

Security Transactions

Subject to policies set by the board, AEFC is authorized to determine, consistent with the Fund's investment goal and policies, which securities will be purchased, held, or sold. In determining where the buy and sell orders are to be placed, AEFC has been directed to use its best efforts to obtain the best available price and the most favorable execution except where otherwise authorized by the board. In selecting broker-dealers to execute transactions, AEFC may consider the price of the security, including commission or mark-up, the size and difficulty of the order, the reliability, integrity, financial soundness, and general operation and execution capabilities of the broker, the broker's expertise in particular markets, and research services provided by the broker.

AEFC has a strict Code of Ethics that prohibits its affiliated personnel from engaging in personal investment activities that compete with or attempt to take advantage of planned portfolio transactions for any fund or trust for which it acts as investment manager.

The Fund's securities may be traded on a principal rather than an agency basis. In other words, AEFC will trade directly with the issuer or with a dealer who buys or sells for its own account, rather than acting on behalf of another client. AEFC does not pay the dealer commissions. Instead, the dealer's profit, if any, is the difference, or spread, between the dealer's purchase and sale price for the security.

On occasion, it may be desirable to compensate a broker for research services or for brokerage services by paying a commission that might not otherwise be charged or a commission in excess of the amount another broker might charge. The board has adopted a policy authorizing AEFC to do so to the extent authorized by law, if AEFC determines, in good faith, that such commission is reasonable in relation to the value of the brokerage or research services provided by a broker or dealer, viewed either in the light of that transaction or AEFC's overall responsibilities with respect to the Fund and the other American Express funds for which it acts as investment manager.

Research provided by brokers supplements AEFC's own research activities. Such services include economic data on, and analysis of, U.S. and foreign economies; information on specific industries; information about specific companies, including earnings estimates; purchase recommendations for stocks and bonds; portfolio strategy services; political, economic, business, and industry trend assessments; historical statistical information; market data services providing information on specific issues and prices; and technical analysis of various aspects of the securities markets, including technical charts. Research services may take the form of written reports, computer software, or personal contact by telephone or at seminars or other meetings. AEFC has obtained, and in the future may obtain, computer hardware from brokers, including but not limited to personal computers that will be used exclusively for investment decision-making purposes, which include the research, portfolio management, and trading functions and other services to the extent permitted under an interpretation by

the SEC.

When paying a commission that might not otherwise be charged or a commission in excess of the amount another broker might charge, AEFC must follow procedures authorized by the board. To date, three procedures have been authorized. One procedure permits AEFC to direct an order to buy or sell a security traded on a national securities exchange to a specific broker for research services it has provided. The second procedure permits AEFC, in order to obtain research, to direct an order on an agency basis to buy or sell a security traded in the over-the-counter market to a firm that does not make a market in that security. The commission paid generally includes compensation for research services. The third procedure permits AEFC, in order to obtain research and brokerage services, to cause the Fund to pay a commission in excess of the amount another broker might have charged. AEFC has advised the Fund that it is necessary to do business with a number of brokerage firms on a continuing basis to obtain such services as the handling of large orders, the willingness of a broker to risk its own money by taking a position in a security, and the specialized handling of a particular group of securities that only certain brokers may be able to offer. As a result of this arrangement, some portfolio transactions may not be effected at the lowest commission, but AEFC believes it may obtain better overall execution. AEFC has represented that under all three procedures the amount of commission paid will be reasonable and competitive in relation to the value of the brokerage services performed or research provided.

All other transactions will be placed on the basis of obtaining the best available price and the most favorable execution. In so doing, if in the professional opinion of the person responsible for selecting the broker or dealer, several firms can execute the transaction on the same basis, consideration will be given by such person to those firms offering research services. Such services may be used by AEFC in providing advice to all American Express funds even though it is not possible to relate the benefits to any particular fund.

Each investment decision made for the Fund is made independently from any decision made for another portfolio, fund, or other account advised by AEFC or any of its subsidiaries. When the Fund buys or sells the same security as another portfolio, fund, or account, AEFC carries out the purchase or sale in a way the Fund agrees in advance is fair. Although sharing in large transactions may adversely affect the price or volume purchased or sold by the Fund, the Fund hopes to gain an overall advantage in execution.

On a periodic basis, AEFC makes a comprehensive review of the broker-dealers and the overall reasonableness of their commissions. The review evaluates execution, operational efficiency, and research services.

[The Fund paid total brokerage commissions of \$_____ for fiscal year ended _____, 199_, \$_____ for fiscal year 19__, and \$_____ for fiscal year 19__. Substantially all firms through whom transactions were executed provide research services.]

[In fiscal year 199_, transactions amounting to \$_____, on which \$_____ in commissions were imputed or paid, were specifically directed to firms in exchange for research services.]

[No transactions were directed to brokers because of research services they provided to the Fund [except for the affiliates as noted below.**].]

** If accounting determines that no brokerage commissions were paid to brokers affiliated with AEFC for the three most recent fiscal years, please delete the second bracketed portion of the statement above.

[As of the end of the most recent fiscal year, the Fund held no securities of its regular brokers or dealers or of the parent of those brokers or dealers that derived more than 15% of gross revenue from securities-related activities.]

[As of the end of the most recent fiscal year, the Fund held securities of its regular brokers or dealers of the parent of those brokers or dealers that derived more than 15% of gross revenue from securities-related activities as presented below:

Value of Securities
Name of Issuer owned at End of Fiscal Year

Brokerage Commissions Paid to brokers Affiliated with American Express Financial Corporation

Affiliates of American Express Company (of which AEFC is a wholly-owned subsidiary) may engage in brokerage and other securities transactions on behalf of the Fund according to procedures adopted by the board and to the extent consistent with applicable provisions of the federal securities laws. AEFC will use an American Express affiliate only if (i) AEFC determines that the Fund will receive prices and executions at least as favorable as those offered by qualified independent brokers performing similar brokerage and other services for the Fund and (ii) the affiliate charges the Fund commission rates consistent with those the affiliate charges comparable unaffiliated customers in similar transactions and if such use is consistent with terms of the Investment Management Services Agreement.

[No brokerage commissions were paid to brokers affiliated with AEFC for the three most recent fiscal years.]

[Information about brokerage commissions paid by the Fund for the last three fiscal years to brokers affiliated with AEFC is contained in the following table:

<TABLE>
<CAPTION>

As of the end of Fiscal Year,							
		1999			1998		1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
Broker	Nature of Affiliation	Aggregate Dollar amount of Commissions Paid to Broker	Percent of Aggregate Brokerage Commissions	Percent of Aggregate Dollar Amount of Transactions Involving Payment of Commissions	Aggregate Dollar Amount of Commissions Paid to Broker	Aggregate Dollar Amount of Commissions Paid to Broker	
	Wholly-owned subsidiary of AEFC	\$	%	%	\$	\$	

Performance Information

The Fund may quote various performance figures to illustrate past performance. Average annual total return and current yield quotations, if applicable, used by the Fund are based on standardized methods of computing performance as required by the SEC. An explanation of the methods used by the Fund to compute performance follows below.

AVERAGE ANNUAL TOTAL RETURN

The Fund may calculate average annual total return for a class for certain periods by finding the average annual compounded rates of return over the period that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P(1+T)^n = ERV$$

where: P = a hypothetical initial payment of \$1,000
T = average annual total return
n = number of years
ERV = ending redeemable value of a hypothetical \$1,000 payment,
made at the beginning of a period, at the end of the period
(or fractional portion thereof)

AGGREGATE TOTAL RETURN

The Fund may calculate aggregate total return for a class for certain periods representing the cumulative change in the value of an investment in the Fund over a specified period of time according to the following formula:

$$\frac{ERV - P}{P}$$

where: P = a hypothetical initial payment of \$1,000
ERV = ending redeemable value of a hypothetical \$1,000 payment,
made at the beginning of a period, at the end of the period
(or fractional portion thereof)

Annualized yield

The Fund calculates annualized simple and compound yields for a class based on a seven-day period.

The simple yield is calculated by determining the net change in the value of a hypothetical account having a balance of one share at the beginning of the seven-day period, dividing the net change in account value by the value of the account at the beginning of the period to obtain the return for the period, and multiplying that return by 365/7 to obtain an annualized figure. The value of the hypothetical account includes the amount of any declared dividends, the value of any shares purchased with any dividend paid during the period and any dividends declared for such shares. The Fund's yield does not include any realized or unrealized gains or losses.

The Fund calculates its compound yield according to the following formula:

$$\text{Compound Yield} = (\text{return for seven-day period} + 1) \times (365/7) - 1$$

The Fund's simple annualized yield was ___% for Class A, ___% for Class B and ___% for Class Y and its compound yield was ___% for Class A, ___% for Class B and ___ for Class Y on _____, 19__, the last day of the Fund's fiscal year.

Yield, or rate of return, on Fund shares may fluctuate daily and does not provide a basis for determining future yields. However, it may be used as one element in assessing how the Fund is meeting its goal. When comparing an investment in the Fund with savings accounts and similar investment alternatives, you must consider that such alternatives often provide an agreed to or guaranteed fixed yield for a stated period of time, whereas the Fund's yield fluctuates. In comparing the yield of one money market fund to another, you should consider the Fund's investment policies, including the types of investments permitted.

In its sales material and other communications, the Fund may quote, compare or refer to rankings, yields, or returns as published by independent statistical services or publishers and publications such as The Bank Rate Monitor National Index, Barron's, Business Week, CDA Technologies, Donoghue's Money Market Fund Report, Financial Services Week, Financial Times, Financial World, Forbes, Fortune, Global Investor, Institutional Investor, Investor's Business Daily, Kiplinger's Personal Finance, Lipper Analytical Services, Money, Morningstar, Mutual Fund Forecaster, Newsweek, The New York Times, Personal Investor, Shearson Lehman Aggregate Bond Index, Stanger Report, Sylvia Porter's Personal Finance, USA Today, U.S. News and World Report, The Wall Street Journal, and Wiesenberger Investment Companies Service. The Fund also may compare its performance to a wide variety of indexes or averages. There are similarities and differences between the investments that the Fund may purchase and the investments measured by the indexes or averages and the composition of the indexes or averages will differ from that of the Fund.

Valuing Fund Shares

All of the securities in the Fund's portfolio are valued at amortized cost. The amortized cost method of valuation is an approximation of market value determined by systematically increasing the carrying value of a security if acquired at a discount, or reducing the carrying value if acquired at a premium, so that the carrying value is equal to maturity value on the maturity date. It does not take into consideration unrealized capital gains or losses.

The board has established procedures designed to stabilize the fund's price per share for purposes of sales and redemptions at \$1, to the extent that it is reasonably possible to do so. These procedures include review of the Fund's securities by the board, at intervals deemed appropriate by it, to determine whether the Fund's net asset value per share computed by using available market quotations deviates from a share value of \$1 as computed using the amortized cost method. The board must consider any deviation that appears and if it exceeds 0.5% it must determine what action, if any, needs to be taken. If the board determines a deviation exists that may result in a material dilution of the holdings of current shareholders or investors, or in other unfair consequences for such persons, it must undertake remedial action that it deems necessary and appropriate. Such action may include withholding dividends, calculating net asset value per share for purposes of sales and redemptions using available market quotations, making redemptions in kind, and selling securities before maturity in order to realize capital gains or losses or to shorten average portfolio maturity.

While the amortized cost method provides certainty and consistency in portfolio valuation, it may result in valuations of securities that are either somewhat higher or lower than the prices at which the securities could be sold. This means that during times of declining interest rates the yield on the Fund's shares may be higher than if valuations of securities were made based on actual market prices and estimates of market prices. Accordingly, if using the amortized cost method were to result in a lower portfolio value, a prospective investor in the Fund would be able to obtain a somewhat higher yield than he would get if portfolio valuation were based on actual market values. Existing shareholders, on the other hand, would receive a somewhat lower yield than they would otherwise receive. The opposite would happen during a period of rising interest rates.

Investing in the Fund

The minimum purchase for directors, officers and employees of the Fund or AEFC and AEFC financial advisors is \$1,000 for the Fund (except payroll deduction plans), with a minimum additional purchase of \$25.

SYSTEMATIC INVESTMENT PROGRAMS

After you make your initial investment of \$100 or more, you must make additional payments of \$100 or more on at least a monthly basis until your balance reaches \$2,000. These minimums do not apply to all systematic investment programs. You decide how often to make payments - monthly, quarterly, or semiannually. You are not obligated to make any payments. You can omit payments or discontinue the investment program altogether. The Fund also can change the program or end it at any time.

AUTOMATIC DIRECTED DIVIDENDS

Dividends, including capital gain distributions, paid by another American Express fund, may be used to automatically purchase shares in the same class of the Fund. Dividends may be directed to existing accounts only. Dividends declared by a fund are exchanged to this Fund the following day. Dividends can be exchanged into the same class of another American Express fund but cannot be split to make purchases in two or more funds. Automatic directed dividends are available between accounts of any ownership except:

- o Between a non-custodial account and an IRA, or 401(k) plan account or other qualified retirement account of which American Express Trust Company acts as custodian;
- o Between two American Express Trust Company custodial accounts with different owners (for example, you may not exchange dividends from your IRA to the IRA of your spouse); and
- o Between different kinds of custodial accounts with the same ownership (for example, you may not exchange dividends from your IRA to your 401(k) plan account, although you may exchange dividends from one IRA to another IRA).

Dividends may be directed from accounts established under the Uniform Gifts to Minors Act (UGMA) or Uniform Transfers to Minors Act (UTMA) only into other UGMA or UTMA accounts with identical ownership.

The Fund's investment goal is described in its prospectus along with other information, including fees and expense ratios. Before exchanging dividends into another fund, you should read that fund's prospectus. You will receive a confirmation that the automatic directed dividend service has been set up for your account.

REJECTION OF BUSINESS

The Fund reserves the right to reject any business, in its sole discretion.

Selling Shares

You have a right to sell your shares at any time. For an explanation of sales procedures, please see the prospectus.

During an emergency, the board can suspend the computation of NAV, stop accepting payments for purchase of shares, or suspend the duty of the Fund to redeem shares for more than seven days. Such emergency situations would occur if:

- o The Exchange closes for reasons other than the usual weekend and holiday closings or trading on the Exchange is restricted, or
- o Disposal of the Fund's securities is not reasonably practicable or it is not reasonably practicable for the Fund to determine the fair value of its net assets, or
- o The SEC, under the provisions of the 1940 Act, declares a period of emergency to exist.

Should the Fund stop selling shares, the board may make a deduction from the value of the assets held by the Fund to cover the cost of future liquidations of the assets so as to distribute fairly these costs among all shareholders.

The Fund has elected to be governed by Rule 18f-1 under the 1940 Act, which obligates the Fund to redeem shares in cash, with respect to any one shareholder during any 90-day period, up to the lesser of \$250,000 or 1% of the net assets of the Fund at the beginning of the period. Although redemptions in excess of this limitation would normally be paid in cash, the Fund reserves the right to make these payments in whole or in part in securities or other assets in case of an emergency, or if the payment of a redemption in cash would be detrimental to the existing shareholders of the Fund as determined by the board. In these circumstances, the securities distributed would be valued as set forth in this SAI. Should the Fund distribute securities, a shareholder may incur brokerage fees or other transaction costs in converting the securities to cash.

Pay-out Plans

You can use any of several pay-out plans to redeem your investment in regular installments. If you redeem Class B shares you may be subject to a contingent deferred sales charge as discussed in the prospectus. While the plans differ on how the pay-out is figured, they all are based on the redemption of your investment. Net investment income dividends and any capital gain distributions will automatically be reinvested, unless you elect to receive them in cash. If you are redeeming a tax-qualified plan account for which American Express Trust Company acts as custodian, you can elect to receive your dividends and other distributions in cash when permitted by law. If you redeem an IRA or a qualified retirement account, certain restrictions, federal tax penalties, and special federal income tax reporting requirements may apply. You should consult your tax advisor about this complex area of the tax law.

Applications for a systematic investment in a class of the Fund subject to a sales charge normally will not be accepted while a pay-out plan for any of those funds is in effect. Occasional investments, however, may be accepted.

To start any of these plans, please write American Express Shareholder Service, P.O. Box 534, Minneapolis, MN 55440-0534, or call American Express Financial Advisors Telephone Transaction Service at 800-437-3133. Your authorization must

be received in the Minneapolis headquarters at least five days before the date you want your payments to begin. The initial payment must be at least \$50. Payments will be made on a monthly, bimonthly, quarterly, semiannual, or annual basis. Your choice is effective until you change or cancel it.

The following pay-out plans are designed to take care of the needs of most shareholders in a way AEFC can handle efficiently and at a reasonable cost. If you need a more irregular schedule of payments, it may be necessary for you to make a series of individual redemptions, in which case you will have to send in a separate redemption request for each pay-out. The Fund reserves the right to change or stop any pay-out plan and to stop making such plans available.

Plan #1: Pay-out for a fixed period of time

If you choose this plan, a varying number of shares will be redeemed at regular intervals during the time period you choose. This plan is designed to end in complete redemption of all shares in your account by the end of the fixed period.

Plan #2: Redemption of a fixed number of shares

If you choose this plan, a fixed number of shares will be redeemed for each payment and that amount will be sent to you. The length of time these payments continue is based on the number of shares in your account.

Plan #3: Redemption of a fixed dollar amount

If you decide on a fixed dollar amount, whatever number of shares is necessary to make the payment will be redeemed in regular installments until the account is closed.

Plan #4: Redemption of a percentage of net asset value

Payments are made based on a fixed percentage of the net asset value of the shares in the account computed on the day of each payment. Percentages range from 0.25% to 0.75%. For example, if you are on this plan and arrange to take 0.5% each month, you will get \$50 if the value of your account is \$10,000 on the payment date.

[Capital Loss Carryover

For federal income tax purposes, the Fund had total capital loss carryovers of \$_____ at the end of the most recent fiscal year, that if not offset by subsequent capital gains will expire as follows:

199	2000	2001	2002
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It is unlikely that the board will authorize a distribution of any net realized capital gains until the available capital loss carryover has been offset or has expired except as required by Internal Revenue Service rules.]

Taxes

If you buy shares in the Fund and then exchange into another fund, it is considered a redemption and subsequent purchase of shares. Under the tax laws, if this exchange is done within 91 days, any sales charge waived on Class A shares on a subsequent purchase of shares applies to the new shares acquired in the exchange. Therefore, you cannot create a tax loss or reduce a tax gain attributable to the sales charge when exchanging shares within 91 days.

If you have a nonqualified investment in the Fund and you wish to move part or all of those shares to an IRA or qualified retirement account in the Fund, you can do so without paying a sales charge. However, this type of exchange is considered a redemption of shares and may result in a gain or loss for tax purposes. In addition, this type of exchange may result in an excess contribution under IRA or qualified plan regulations if the amount exchanged plus the amount of the initial sales charge applied to the amount exchanged exceeds annual contribution limitations. For example: If you were to exchange \$2,000 in Class A shares from a nonqualified account to an IRA without

considering the 5% (\$100) initial sales charge applicable to that \$2,000, you may be deemed to have exceeded current IRA annual contribution limitations. You should consult your tax advisor for further details about this complex subject.

Net investment income dividends received should be treated as dividend income for federal income tax purposes. Corporate shareholders are generally entitled to a deduction equal to 70% of that portion of the Fund's dividend that is attributable to dividends the Fund received from domestic (U.S.) securities. For the most recent fiscal year, ____% of the Fund's net investment income dividends qualified for the corporate deduction.

The Fund may be subject to U.S. taxes resulting from holdings in a passive foreign investment company (PFIC). A foreign corporation is a PFIC when 75% or more of its gross income for the taxable year is passive income or 50% or more of the average value of its assets consists of assets that produce or could produce passive income.

Income earned by the Fund may have had foreign taxes imposed and withheld on it in foreign countries. Tax conventions between certain countries and the U.S. may reduce or eliminate such taxes. If more than 50% of the Fund's total assets at the close of its fiscal year consists of securities of foreign corporations, the Fund will be eligible to file an election with the Internal Revenue Service under which shareholders of the Fund would be required to include their pro rata portions of foreign taxes withheld by foreign countries as gross income in their federal income tax returns. These pro rata portions of foreign taxes withheld may be taken as a credit or deduction in computing federal income taxes. If the election is filed, the Fund will report to its shareholders the per share amount of such foreign taxes withheld and the amount of foreign tax credit or deduction available for federal income tax purposes.

Capital gain distributions, if any, received by corporate shareholders should be treated as long-term capital gains regardless of how long they owned their shares. Capital gain distributions, if any, received by individuals should be treated as long-term if held for more than one year. Short-term capital gains earned by the Fund are paid to shareholders as part of their ordinary income dividend and are taxable. A special 28% rate on capital gains applies to sales of precious metals owned directly by the Fund. A special 25% rate on capital gains may apply to investments in REITs.

Under the Internal Revenue Code of 1986 (the Code), gains or losses attributable to fluctuations in exchange rates that occur between the time the Fund accrues interest or other receivables, or accrues expenses or other liabilities denominated in a foreign currency and the time the Fund actually collects such receivables or pays such liabilities generally are treated as ordinary income or ordinary loss. Similarly, gains or losses on disposition of debt securities denominated in a foreign currency attributable to fluctuations in the value of the foreign currency between the date of acquisition of the security and the date of disposition also are treated as ordinary gains or losses. These gains or losses, referred to under the Code as "section 988" gains or losses, may increase or decrease the amount of the Fund's investment company taxable income to be distributed to its shareholders as ordinary income. If the Fund incurs a loss, a portion of the dividends distributed to shareholders may be considered a return of capital.

Under federal tax law, by the end of a calendar year the Fund must declare and pay dividends representing 98% of ordinary income for that calendar year and 98% of net capital gains (both long-term and short-term) for the 12-month period ending Oct. 31 of that calendar year. The Fund is subject to an excise tax equal to 4% of the excess, if any, of the amount required to be distributed over the amount actually distributed. The Fund intends to comply with federal tax law and avoid any excise tax.

For purposes of the excise tax distributions, "section 988" ordinary gains and losses are distributable based on an Oct. 31 year end. This is an exception to the general rule that ordinary income is paid based on a calendar year end.

If a mutual fund is the holder of record of any share of stock on the record date for any dividend payable with respect to such stock, such dividend shall be included in gross income by the Fund as of the later of (1) the date such share became ex-dividend or (2) the date the Fund acquired such share. Because the dividends on some foreign equity investments may be received some time after the stock goes ex-dividend, and in certain rare cases may never be received by the Fund, this rule may cause the Fund to take into income dividend income that it has not received and pay such income to its shareholders. To the extent that the

dividend is never received, the Fund will take a loss at the time that a determination is made that the dividend will not be received.

This is a brief summary that relates to federal income taxation only. Shareholders should consult their tax advisor as to the application of federal, state, and local income tax laws to Fund distributions.

Agreements

INVESTMENT MANAGEMENT SERVICES AGREEMENT

AEFC, a wholly-owned subsidiary of American Express Company, is the investment manager for the Fund. Under the Investment Management Services Agreement, AEFC, subject to the policies set by the board, provides investment management services.

For its services, AEFC is paid a fee based on the following schedule. Each class of the Fund pays its proportionate share of the fee.

Assets (billions)		Annual rate at each asset level
First	\$1.00	0.360%
Next	0.50	0.343
Next	0.50	0.325
Next	0.50	0.308
Next	1.00	0.290
Next	3.00	0.270
Over	6.50	0.250

On the last day of the most recent fiscal year, the daily rate applied to the Fund's net assets was equal to 0.____% on an annual basis. The fee is calculated for each calendar day on the basis of net assets as of the close of business two business days prior to the day for which the calculation is made.

The management fee is paid monthly. Under the agreement, the total amount paid was \$_____ for fiscal year 1999, \$9,928,579 for fiscal year 1998, and \$8,354,016 for fiscal year 1997.

Under the agreement, the Fund also pays taxes, brokerage commissions and nonadvisory expenses, which include custodian fees; audit and certain legal fees; fidelity bond premiums; registration fees for shares; office expenses; postage of confirmations except purchase confirmations; consultants' fees; compensation of board members, officers and employees; corporate filing fees; organizational expenses; expenses incurred in connection with lending securities; and expenses properly payable by the Fund, approved by the board. Under the agreement, nonadvisory expenses, net of earnings credits, paid by the Fund were \$_____ for fiscal year 1999, \$(367,393) for fiscal year 1998, and \$1,045,237 for fiscal year 1997.

Administrative Services Agreement

The Fund has an Administrative Services Agreement with AEFC. Under this agreement, the Fund pays AEFC for providing administration and accounting services. The fee is calculated as follows:

Assets (billions)		Annual rate each asset level
First	\$1.0	0.030%
Next	0.5	0.027
Next	0.5	0.025
Next	0.5	0.022
Over	2.5	0.020

On the last day of the most recent fiscal year, the daily rate applied to the Fund's net assets was equal to 0.____% on an annual basis. The fee is calculated for each calendar day on the basis of net assets as of the close of business two business days prior to the day for which the calculation is made. Under the agreement, the Fund paid fees of \$_____ for fiscal year 1999, \$942,396 for fiscal year 1998, and \$_____ for fiscal year 199_.

Transfer Agency Agreement

The Fund has a Transfer Agency Agreement with American Express Client Service Corporation (AECSC). This agreement governs AECSC's responsibility for administering and/or performing transfer agent functions, for acting as service agent in connection with dividend and distribution functions and for performing shareholder account administration agent functions in connection with the issuance, exchange and redemption or repurchase of the Fund's shares. Under the agreement, AECSC will earn a fee from the Fund determined by multiplying the number of shareholder accounts at the end of the day by a rate determined for each class and dividing by the number of days in the year. The rate for Class A is \$24.00 per year, for Class B is \$25.00 per year and for Class Y is \$22.00 per year. The fees paid to AECSC may be changed by the board without shareholder approval.

DISTRIBUTION AGREEMENT

AEFA is the Fund's principal underwriter (distributor). The Fund's shares are offered on a continuous basis.

SHAREHOLDER SERVICE AGREEMENT

With respect to Class Y Shares, the Fund pays a fee for service provided to shareholders by financial advisors and other servicing agents. The fee is calculated at a rate of 0.10% of average daily net assets.

PLAN AND AGREEMENT OF DISTRIBUTION

For Class B shares, to help AEFA defray the cost of distribution and servicing, not covered by the sales charges received under the Distribution Agreement, the Fund and AEFA entered into a Plan and Agreement of Distribution (Plan) pursuant to Rule 12b-1 under the 1940 Act. These costs cover almost all aspects of distributing the Fund's shares (such as advertising).

These costs do not include compensation to the sales force. A substantial portion of the costs are not specifically identified to any one of the American Express funds. Under the Plan, AEFA is paid a fee up to actual expenses incurred at an annual rate of up to 0.75% of the Fund's average daily net assets attributable to Class B shares.

The Plan must be approved annually by the board, including a majority of the disinterested board members, if it is to continue for more than a year. At least quarterly, the board must review written reports concerning the amounts expended under the Plan and the purposes for which such expenditures were made. The Plan and any agreement related to it may be terminated at any time by vote of a majority of board members who are not interested persons of the Fund and have no direct or indirect financial interest in the operation of the Plan or in any agreement related to the Plan, or by vote of a majority of the outstanding voting securities of the Fund's Class B shares or by AEFA. The Plan (or any agreement related to it) will terminate in the event of its assignment, as that term is defined in the 1940 Act. The Plan may not be amended to increase the amount to be spent for distribution without shareholder approval, and all material amendments to the Plan must be approved by a majority of the board members, including a majority of the board members who are not interested persons of the Fund and who do not have a financial interest in the operation of the Plan or any agreement related to it. The selection and nomination of disinterested board members is the responsibility of the other disinterested board members. No board member who is not an interested person, has any direct or indirect financial interest in the operation of the Plan or any related agreement. For the most recent fiscal year, under the agreement, the Fund paid fees of \$_____. The fee is not allocated to any one service (such as advertising, payments to underwriters, or other uses). However, a significant portion of the fee is generally used for sales and promotional expenses.

Custodian Agreement

The Fund's securities and cash are held by American Express Trust Company, 1200 Northstar Center West, 625 Marquette Ave., Minneapolis, MN 55402-2307, through a custodian agreement. The custodian is permitted to deposit some or all of its securities in central depository systems as allowed by federal law. For its services, the Fund pays the custodian a maintenance charge and a charge per transaction in addition to reimbursing the custodian's out-of-pocket expenses.

Organizational Information

The Fund is an open-end management investment company. The Fund headquarters are at 901 S. Marquette Ave., Suite 2810, Minneapolis, MN 55402-3268.

SHARES

The shares of the Fund represent an interest in that fund's assets only (and profits or losses), and, in the event of liquidation, each share of the Fund would have the same rights to dividends and assets as every other share of that Fund.

VOTING RIGHTS

As a shareholder in the Fund, you have voting rights over the Fund's management and fundamental policies. You are entitled to one vote for each share you own. Each class, if applicable, has exclusive voting rights with respect to matters for which separate class voting is appropriate under applicable law. All shares have cumulative voting rights with respect to the election of board members. This means that you have as many votes as the number of shares you own, including fractional shares, multiplied by the number of members to be elected.

Dividend Rights

Dividends paid by the Fund, if any, with respect to each class of shares, if applicable, will be calculated in the same manner, at the same time, on the same day, and will be in the same amount, except for differences resulting from differences in fee structures.

FUND HISTORY TABLE FOR ALL PUBLICLY OFFERED AMERICAN EXPRESS FUNDS

<TABLE>
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Fund	Date of Organization	Form of Organization	State of Organization	Fiscal Year End	Diversified
AXP Bond Fund, Inc.	6/27/74, 6/31/86***	Corporation	NV/MN	8/31	Yes
AXP Discovery Fund, Inc.	4/29/81, 6/13/86***	Corporation	NV/MN	7/31	Yes
AXP Equity Select Fund, Inc.**	3/18/57, 6/13/86***	Corporation	NV/MN	11/30	Yes
AXP Extra Income Fund, Inc.	8/17/83	Corporation	MN	5/31	Yes
AXP Federal Income Fund, Inc.	3/12/85	Corporation	MN	5/31	Yes
AXP Global Series, Inc.	10/28/88	Corporation	MN	10/31	
AXP Emerging Markets Fund					Yes
AXP Global Balanced Fund					Yes
AXP Global Bond Fund					No
AXP Global Growth Fund					Yes
AXP Innovations Fund					Yes
AXP Growth Series, Inc.	5/21/70, 6/13/86***	Corporation	NV/MN	7/31	
AXP Growth Fund					Yes

AXP Research Opportunities Fund					Yes
AXP High Yield Tax-Exempt Fund, Inc.	12/21/78, 6/13/86***	Corporation	NV/MN	11/30	Yes
AXP International Fund, Inc.	7/18/84	Corporation	MN	10/31	Yes
AXP Investment Series, Inc.	1/18/40, 6/13/86***	Corporation	NV/MN	9/30	
AXP Diversified Equity Income Fund					Yes
AXP Mutual					Yes
AXP Managed Series, Inc.	10/9/84	Corporation	MN	9/30	
AXP Managed Allocation Fund					Yes
AXP Market Advantage Series, Inc.	8/25/89	Corporation	MN	1/31	
AXP Blue Chip Advantage Fund					Yes
AXP Small Company Index Fund					Yes
AXP Money Market Series, Inc.	8/22/75, 6/13/86***	Corporation	NV/MN	7/31	
AXP Cash Management Fund					Yes
AXP New Dimensions Fund, Inc.	2/20/68, 6/13/86***	Corporation	NV/MN	7/31	Yes
AXP Precious Metals Fund, Inc.	10/5/84	Corporation	MN	3/31	No
AXP Progressive Fund, Inc.	4/23/68, 6/13/86***	Corporation	NV/MN	9/30	Yes
AXP Selective Fund, Inc.	2/10/45, 6/13/86***	Corporation	NV/MN	5/31	Yes
AXP Stock Fund, Inc.	2/10/45, 6/13/86***	Corporation	NV/MN	9/30	Yes
AXP Strategy Series, Inc.	1/24/84	Corporation	MN	3/31	
AXP Equity Value Fund**					Yes
AXP Small Cap Advantage Fund					Yes
AXP Strategy Aggressive Fund**					Yes
AXP Tax-Exempt Series, Inc.	9/30/76, 6/13/86***	Corporation	NV/MN	11/31	
AXP Intermediate Tax-Exempt Fund					Yes
AXP Tax-Exempt Bond Fund					Yes

AXP Tax-Free Money Fund, Inc.	2/29/80, 6/13/86***	Corporation	NV/MN	12/31	Yes
AXP Utilities Income Fund, Inc.	3/25/88	Corporation	MN	6/30	Yes
AXP California Tax-Exempt Trust	4/7/86	Business Trust****	MA	6/30	
AXP California Tax-Exempt Fund					No
AXP Special Tax-Exempt Series Trust	4/7/86	Business Trust****	MA	6/30	
AXP Insured Tax-Exempt Fund					Yes
AXP Massachusetts Tax-Exempt Fund					No
AXP Michigan Tax-Exempt Fund					No
AXP Minnesota Tax-Exempt Fund					No
AXP New York Tax-Exempt Fund					No
AXP Ohio Tax-Exempt Fund					No

* At the shareholders meeting held on June 16, 1999, shareholders of the funds listed in the table (except for AXP Small Cap Advantage Fund) approved the name change from IDS to AXP. In addition to substituting AXP for IDS, the following series changed their names: IDS Growth Fund, Inc. to AXP Growth Series, Inc., IDS Managed Retirement Fund, Inc. to AXP Managed Series, Inc., IDS Strategy Fund, Inc. to AXP Strategy Series, Inc., and IDS Tax-Exempt Bond Fund, Inc. to AXP Tax-Exempt Series, Inc.

** At the shareholders meeting held on Nov. 9, 1994, IDS Equity Plus Fund, Inc. changed its name to IDS Equity Select Fund, Inc. At that same time IDS Strategy Aggressive Equity Fund changed its name to IDS Strategy Aggressive Fund, and IDS Strategy Equity Fund changed its name to IDS Equity Value Fund.

** Date merged into a Minnesota corporation incorporated on 4/7/86.

**** Under Massachusetts law, shareholders of a business trust may, under certain circumstances, be held personally liable as partners for its obligations. However, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the trust itself is unable to meet its obligations.

</TABLE>

Board Members and Officers

Shareholders elect a board that oversees the Fund's operations. The board appoints officers who are responsible for day-to-day business decisions based on policies set by the board.

The following is a list of the Fund's board members. They serve 15 Master Trust portfolios and 53 American Express funds.

H. Brewster Atwater, Jr.
 Born in 1931
 4900 IDS Tower
 Minneapolis, MN

Retired chairman and chief executive officer, General Mills, Inc. Director, Merck & Co., Inc. and Darden Restaurants, Inc.

Arne H. Carlson+
 Born in 1934
 901 S. Marquette Ave.
 Minneapolis, MN

Chairman and chief executive officer of the Fund. Chairman, Board Services Corporation (provides administrative services to boards). Former Governor of Minnesota.

Lynne V. Cheney
Born in 1941
American Enterprise Institute
for Public Policy Research (AEI)
1150 17th St., N.W.
Washington, D.C.

Distinguished Fellow AEI. Former Chair of National Endowment of the Humanities. Director, The Reader's Digest Association Inc., Lockheed-Martin, and Union Pacific Resources.

William H. Dudley***
Born in 1932
2900 IDS Tower
Minneapolis, MN

Senior adviser to the chief executive officer of AEFC.

David R. Hubers**
Born in 1943
2900 IDS Tower
Minneapolis, MN

President, chief executive officer and director of AEFC.

Heinz F. Hutter+'
Born in 1929
P.O. Box 2187
Minneapolis, MN

Retired president and chief operating officer, Cargill, Incorporated (commodity merchants and processors).

Anne P. Jones+
Born in 1935
5716 Bent Branch Rd.
Bethesda, MD

Attorney and telecommunications consultant. Former partner, law firm of Sutherland, Asbill & Brennan. Director, Motorola, Inc. (electronics), C-Cor Electronics, Inc., and Amnex, Inc. (communications).

William R. Pearce'
Born in 1927
2050 One Financial Plaza
Minneapolis, MN

RII Weyerhaeuser World Timberfund, L.P. (develops timber resources) - management committee. Retired vice chairman of the board, Cargill, Incorporated (commodity merchants and processors). Former chairman, Board Services Corporation.

Alan K. Simpson+
Born in 1931
1201 Sunshine Ave.
Cody, WY

Director of The Institute of Politics, Harvard University. Former three-term United States Senator for Wyoming. Former Assistant Republican Leader, U.S. Senate. Director, PacifiCorp (electric power) and Biogen (bio-pharmaceuticals).

John R. Thomas+***
Born in 1937
2900 IDS Tower
Minneapolis, MN

Senior vice president of AEFC.

C. Angus Wurtele+'

Born in 1934
Valspar Corporation
Suite 1700
Foshay Tower
Minneapolis, MN

Retired chairman of the board and chief executive officer, The Valspar Corporation (paints). Director, Valspar, Bemis Corporation (packaging) and General Mills, Inc. (consumer foods).

- + Member of executive committee.
- ' Member of investment review committee.

Interested person by reason of being an officer and employee of the Fund.
* Interested person by reason of being an officer and employee of the Fund.
**Interested person by reason of being an officer, board member, employee and/or shareholder of AEFC or American Express.

The board has appointed officers who are responsible for day-to-day business decisions based on policies it has established. In addition to Mr. Carlson, who is chairman of the board, and Mr. Thomas, who is president, the Fund's other officers are:

Leslie L. Ogg
Born in 1938
901 S. Marquette Ave.
Minneapolis, MN

President of Board Services Corporation. Vice president, general counsel and secretary for the Fund.

Officers who also are officers and employees of AEFC:

Peter J. Anderson
Born in 1942
IDS Tower 10
Minneapolis, MN

Director and senior vice president-investments of AEFC. Vice president-investments for the Fund.

Frederick C. Quirsfeld
Born in 1947
IDS Tower 10
Minneapolis, MN

Vice president - taxable mutual fund investments of AEFC. Vice president - fixed income investments for the Fund.

John M. Knight
Born in 1952
IDS Tower 10
Minneapolis, MN

Vice President - investment accounting of AEFC. Treasurer for the Fund.

Compensation for Board Members

During the most recent fiscal year, the independent members of the Fund board, for attending up to __ meetings, received the following compensation:

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Compensation Table

	-----	-----
	Aggregate	Total cash compensation from
Board member	compensation from the Fund	American Express Funds and Preferred Master Trust Group
H. Brewster Atwater, Jr.		
Lynne V. Cheney		

Heinz F. Hutter
Anne P. Jones
William R. Pearce
Alan K. Simpson
C. Angus Wurtele

</TABLE>

As of 30 days prior to the date of this SAI, the Fund's board members and officers as a group owned less than 1% of the outstanding shares of any class.

[Principal Holders of Securities

As of 30 days prior to the date of this SAI, _____ held ____ % of Fund shares.]

Note: If the above section does not apply, please delete this section AND the reference to it in the table of contents.

If the above section does apply, you will have received a group identification number from accounting indicating more than 5% ownership in the Fund. Please call Jill Goodermont (x-1-3896) to determine if the identification number belongs to a person(s) that will be indicated in the SAI and if so Jill will notify the person(s).

Independent Auditors

The financial statements contained in the Annual Report were audited by independent auditors, KPMG LLP, 4200 Norwest Center, 90 S. Seventh St., Minneapolis, MN 55402-3900. The independent auditors also provide other accounting and tax-related services as requested by the Fund.

APPENDIX A

DESCRIPTION OF MONEY MARKET SECURITIES

The types of instruments that form the major part of the Fund's investments are described below.

Certificates of Deposit -- A certificate of deposit is a negotiable receipt issued by a bank or savings and loan association in exchange for the deposit of funds. The issuer agrees to pay the amount deposited, plus interest, on the date specified on the certificate.

Time Deposit -- A time deposit is a non-negotiable deposit in a bank for a fixed period of time.

Bankers' Acceptances -- A bankers' acceptance arises from a short-term credit arrangement designed to enable businesses to obtain funds to finance commercial transactions. It is a time draft drawn on a bank by an exporter or an importer to obtain a stated amount of funds to pay for specific merchandise. The draft is then "accepted" by a bank that, in effect, unconditionally guarantees to pay the face value of the instrument on its maturity date.

Commercial Paper -- Commercial paper is generally defined as unsecured short-term notes issued in bearer form by large well-known corporations and finance companies. Maturities on commercial paper range from one day to nine months.

Commercial paper rated A by Standard & Poor's Corporation has the following characteristics: Liquidity ratios are better than the industry average. Long-term senior debt rating is "A" or better. The issuer has access to at least two additional channels of borrowing. Basic earnings and cash flow have an upward trend with allowances made for unusual circumstances. Typically, the issuer's industry is well established, the issuer has a strong position within its industry and the reliability and quality of management is unquestioned. Issuers rated A are further rated by use of numbers 1, 2 and 3 to denote relative strength within this highest classification.

A Prime rating is the highest commercial paper rating assigned by Moody's Investors Services Inc. Issuers rated Prime are further rated by use of numbers 1, 2 and 3 to denote relative strength within this highest classification. Among the factors considered by Moody's in assigning ratings for an issuer are the following: (1) management; (2) economic evaluation of the industry and an appraisal of speculative type risks which may be inherent in certain areas; (3) competition and customer acceptance of products; (4) liquidity; (5) amount and quality of long-term debt; (6) ten year earnings trends; (7) financial strength of a parent company and the relationships which exist with the issuer; and (8) recognition by management of obligations which may be present or may arise as a result of public interest questions and preparations to meet such obligations.

Letters of Credit -- A letter of credit is a short-term note issued in bearer form with a bank letter of credit which provides that the bank pay to the bearer the amount of the note upon presentation.

U.S. Treasury Bills -- Treasury bills are issued with maturities of any period up to one year. Three-month and six-month bills are currently offered by the Treasury on 13-week and 26-week cycles respectively and are auctioned each week by the Treasury. Treasury bills are issued in book entry form and are sold only on a discount basis, i.e., the difference between the purchase price and the maturity value constitutes interest income for the investor. If they are sold before maturity, a portion of the income received may be a short-term capital gain.

U.S. Government Agency Securities -- Federal agency securities are debt obligations which principally result from lending programs of the U.S. government. Housing and agriculture have traditionally been the principal beneficiaries of Federal credit programs, and agencies involved in providing credit to agriculture and housing account for the bulk of the outstanding agency securities.

Repurchase Agreements -- A repurchase agreement involves the acquisition of securities by the Fund, with the concurrent agreement by a bank (or securities dealer if permitted by law or regulation), to reacquire the securities at the Fund's cost, plus interest, within a specified time. The Fund thereby receives a fixed rate of return on this investment, one that is insulated from market and rate fluctuations during the holding period. In these transactions, the securities acquired by the Fund have a total value equal to or in excess of the value of the repurchase agreement and are held by the Fund's custodian until required.

Floating rate instruments -- These instruments pay interest at a rate tied to an external interest rate. The rate changes whenever there is a change in the external interest rate.

If AEFC becomes aware that a security owned by the Fund is downgraded below the second highest rating, AEFC will either sell the security or recommend to the Fund's board why it should not be sold.

PART C. OTHER INFORMATION

Item 23. Exhibits

- (a) Articles of Incorporation, as amended Nov. 14, 1991, filed as Exhibit No. 1 to Registrant's Post-Effective Amendment No. 34 to Registration Statement No. 2-54516, are incorporated by reference.
- (b) By-laws, as amended January 12, 1989, filed as Exhibit No. 2 to Registrant's Post-Effective Amendment No. 24 to Registration Statement No. 2-54516, are incorporated by reference.
- (c) Stock certificate, filed as Exhibit 4 to Registrant's Amendment No. 12 to Registration Statement No. 2-54516 dated September 18, 1982, is incorporated by reference.
- (d) Investment Management Services Agreement dated July 1, 1999 between Registrant and American Express Financial Corporation is filed electronically herewith.
- (e) Distribution Agreement between Registrant and American Express Financial Advisors, Inc. dated March 20, 1995, filed electronically as

Exhibit 6 to Registrant's Amendment No. 47 to Registration Statement No. 2-54516 is incorporated by reference.

- (f) All employees are eligible to participate in a profit sharing plan. Entry into the plan is Jan. 1 or July 1. The Registrant contributes each year an amount up to 15 percent of their annual salaries, the maximum deductible amount permitted under Section 404(a) of the Internal Revenue Code.
- (g) (1) Custodian Agreement between Registrant and American Express Trust Company, dated March 20, 1995, filed electronically as Exhibit 8(a) to Registrant's Amendment No. 47 to Registration Statement No. 2-54516 is incorporated by reference.
- (g) (2) Custodian Agreement Amendment between Registrant and American Express Trust Company, dated Oct. 9, 1997 is incorporated by reference to Exhibit 8(c) to Registrant's Post-Effective Amendment No. 48 filed on or about Sept. 30, 1998.
- (h) (1) Administrative Services Agreement between Registrant and American Express Financial Corporation, dated March 20, 1995, filed electronically as Exhibit 9(e) to Registrant's Amendment No. 47 to Registration Statement No. 2-54516 is incorporated by reference.
- (h) (2) License Agreement between the Registrant and IDS Financial Corporation dated Jan. 25, 1988, filed electronically as Exhibit 9(c) to Registrant's Post-Effective Amendment No. 26 to Registration Statement No. 2-54516, is incorporated by reference.
- (h) (3) Plan and Agreement of Merger dated April 10, 1986, filed as Exhibit 9 to Registrant's Post-Effective Amendment No. 19 to Registration Statement No. 2-54516, is incorporated by reference.
- (h) (4) Agreement and Plan of Reorganization, dated Sept. 8, 1994, between IDS Cash Management Fund, a series of IDS Money Market Series, Inc. and IDS Planned Investment Account, also a series of IDS Money Market Series, Inc., filed electronically as Exhibit 4 to Registrant's Pre-Effective Amendment No. 1 on Form N-14, is incorporated by reference.
- (h) (5) Transfer Agency Agreement dated Feb. 1, 1999 between Registrant and American Express Client Service Corporation, is filed electronically herewith.
- (i) Opinion and consent of counsel as to the legality of the securities being registered is incorporated by reference to Exhibit 10 to Registrant's Post-Effective Amendment No. 48 filed on or about Sept. 30, 1998.
- (j) Independent Auditors' Consent to be filed by amendment.
- (k) Omitted Financial Statements: Not Applicable.
- (l) Initial Capital Agreements: Not Applicable.
- (m) Plan and Agreement of Distribution between Registrant and American Express Financial Advisors Inc., dated March 20, 1995, filed electronically as Exhibit 15 to Registrant's Amendment No. 47 to Registration Statement No. 2-54516 is incorporated by reference.
- (n) Financial Data Schedule: Not Applicable.
- (o) Plan under Section 18f-3 dated April, 1999 is filed electronically herewith.
- (p) (1) Directors' Power of Attorney to sign Amendment to this Registration Statement dated January 14, 1999, is filed electronically herewith.
- (p) (2) Officers' Power of Attorney to sign Amendments to this Registration Statement dated March 1, 1999 is filed electronically herewith.

Item 24. Persons Controlled by or Under Common Control with Registrant.

Item 25. Indemnification

The Articles of Incorporation of the registrant provide that the Fund shall indemnify any person who was or is a party or is threatened to be made a party, by reason of the fact that she or he is or was a director, officer, employee or agent of the Fund, or is or was serving at the request of the Fund as a director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, to any threatened, pending or completed action, suit or proceeding, wherever brought, and the Fund may purchase liability insurance and advance legal expenses, all to the fullest extent permitted by the laws of the State of Minnesota, as now existing or hereafter amended. The By-laws of the registrant provide that present or former directors or officers of the Fund made or threatened to be made a party to or involved (including as a witness) in an actual or threatened action, suit or proceeding shall be indemnified by the Fund to the full extent authorized by the Minnesota Business Corporation Act, all as more fully set forth in the By-laws filed as an exhibit to this registration statement.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Any indemnification hereunder shall not be exclusive of any other rights of indemnification to which the directors, officers, employees or agents might otherwise be entitled. No indemnification shall be made in violation of the Investment Company Act of 1940.

<TABLE>
<CAPTION>

Item 26. Business and Other Connections of Investment Adviser (American Express Financial Corporation)

Directors and officers of American Express Financial Corporation who are directors and/or officers of one or more other companies:

<S> Name and Title	<C> Other company(s)	<C> Address	<C> Title within other company(s)
Ronald G. Abrahamson, Vice President	American Express Client Service Corporation	IDS Tower 10 Minneapolis, MN 55440	Director and Vice President
	American Express Financial Advisors Inc.		Vice President
	Public Employee Payment Company		Director and Vice President
Douglas A. Alger, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President

Peter J. Anderson, Director and Senior Vice President	Advisory Capital Strategies Group Inc.	IDS Tower 10 Minneapolis, MN 55440	Director
	American Express Asset Management Group Inc.		Director and Chairman of the Board
	American Express Asset Management International, Inc.		Director, Chairman of the Board and Executive Vice President
	American Express Financial Advisors Inc.		Senior Vice President
	IDS Capital Holdings Inc.		Director and President
	IDS Futures Corporation		Director
	NCM Capital Management Group, Inc.	2 Mutual Plaza 501 Willard Street Durham, NC 27701	Director

Ward D. Armstrong, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Express Service Corporation		Vice President
	American Express Trust Company		Director and Chairman of the Board

John M. Baker, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Express Trust Company		Senior Vice President

Joseph M. Barsky III, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Timothy V. Bechtold, Vice President	American Centurion Life Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Director and President
	American Express Financial Advisors Inc.		Vice President
	IDS Life Insurance Company		Executive Vice President
	IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205	Director and President

John C. Boeder, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205	Director

Douglas W. Brewers, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Karl J. Breyer, Director, Corporate Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
	American Express Financial Advisors Japan Inc.		Director
	American Express Minnesota Foundation		Director

Cynthia M. Carlson, Vice President	American Enterprise Investment Services Inc.	IDS Tower 10 Minneapolis, MN 55440	Director, President and Chief Executive Officer
	American Express Financial Advisors Inc.		Vice President
	American Express Service Corporation		Vice President
Mark W. Carter, Director, Senior Vice President and Chief Marketing Officer	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President and Chief Marketing Officer
	IDS Life Insurance Company		Executive Vice President
James E. Choat, Director and Senior Vice President	American Centurion Life Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Executive Vice President
	American Enterprise Life Insurance Company		Director, President and Chief Executive Officer
	American Express Financial Advisors Inc.		Senior Vice President
	American Express Insurance Agency of Idaho Inc.		Vice President
	American Express Insurance Agency of Nevada Inc.		Vice President
	American Express Insurance Agency of Oregon Inc.		Vice President
	American Express Property Casualty Insurance Agency of Kentucky Inc.		Vice President
	American Express Property Casualty Insurance Agency of Maryland Inc.		Vice President
	American Express Property Casualty Insurance Agency of Pennsylvania Inc.		Vice President
	IDS Insurance Agency of Alabama Inc.		Vice President
	IDS Insurance Agency of Arkansas Inc.		Vice President
	IDS Insurance Agency of Massachusetts Inc.		Vice President
	IDS Insurance Agency of New Mexico Inc.		Vice President
	IDS Insurance Agency of North Carolina Inc.		Vice President
	IDS Insurance Agency of Ohio Inc.		Vice President
	IDS Insurance Agency of Wyoming Inc.		Vice President
IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205		Executive Vice President

Kenneth J. Ciak, Vice President and General Manager	AMEX Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Director and President
	American Express Financial Advisors Inc.		Vice President and General Manager
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Director and President

Paul A. Connolly, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
Colleen Curran, Vice President and Assistant General Counsel	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel
	American Express Service Corporation		Vice President and Chief Legal Counsel

Luz Maria Davis Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Douglas K. Dunning, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Gordon L. Eid, Director, Senior Vice President, General Counsel and Chief Compliance Officer	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President, General Counsel and Chief Compliance Officer
	American Express Financial Advisors Japan Inc.		Vice President and Chief Compliance Officer
	American Express Insurance Agency of Arizona Inc.		Director and Vice President
	American Express Insurance Agency of Idaho Inc.		Director and Vice President
	American Express Insurance Agency of Nevada Inc.		Director and Vice President
	American Express Insurance Agency of Oregon Inc.		Director and Vice President
	American Express Property Casualty Insurance Agency of Kentucky Inc.		Director and Vice President
	American Express Property Casualty Insurance Agency of Maryland Inc.		Director and Vice President
	American Express Property Casualty Insurance Agency of Pennsylvania Inc.		Director and Vice President
	IDS Insurance Agency of Alabama Inc.		Director and Vice President
	IDS Insurance Agency of Arkansas Inc.		Director and Vice President
	IDS Insurance Agency of Massachusetts Inc.		Director and Vice President
	IDS Insurance Agency of New Mexico Inc.		Director and Vice President
	IDS Insurance Agency of North Carolina Inc.		Director and Vice President

	IDS Insurance Agency of Ohio Inc.		Director and Vice President
	IDS Insurance Agency of Wyoming Inc.		Director and Vice President
	IDS Real Estate Services, Inc.		Vice President
	Investors Syndicate Development Corp.		Director

Robert M. Elconin, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	IDS Life Insurance Company		Vice President

Gordon M. Fines, Vice President	American Express Asset Management Group Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President and Chief Investment Officer
	American Express Financial Advisors Inc.		Vice President

Douglas L. Forsberg, Vice President	American Centurion Life Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Director
	American Express Financial Advisors Inc.		Vice President
	American Express Financial Advisors Japan Inc.		Director, President and Chief Executive Officer

Jeffrey P. Fox, Vice President and Corporate Controller	American Enterprise Life Insurance Company	IDS Tower 10 Minneapolis, MN 55440	Vice President and Controller
	American Express Financial Advisors Inc.		Vice President and Corporate Controller

Harvey Golub, Director	American Express Company	American Express Tower World Financial Center New York, NY 10285	Chairman and Chief Executive Officer
	American Express Travel Related Services Company, Inc.		Chairman and Chief Executive Officer

David A. Hammer, Vice President and Marketing Controller	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Marketing Controller
	IDS Plan Services of California, Inc.		Director and Vice President

Lorraine R. Hart, Vice President	AMEX Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Centurion Life Assurance Company		Vice President
	American Enterprise Life Insurance Company		Vice President
	American Express Financial Advisors Inc.		Vice President
	American Partners Life Insurance Company		Director and Vice President

	IDS Certificate Company		Vice President
	IDS Life Insurance Company		Vice President
	IDS Life Series Fund, Inc.		Vice President
	IDS Life Variable Annuity Funds A and B		Vice President
	Investors Syndicate Development Corp.		Director and Vice President
	IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205	Vice President
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Vice President

Scott A. Hawkinson, Vice President and Controller	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Controller

Janis K. Heaney, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Darryl G. Horsman, Vice President	American Express Trust Company	IDS Tower 10 Minneapolis, MN 55440	Director and President

Jeffrey S. Horton, Vice President and Corporate Treasurer	AMEX Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Vice President, Treasurer and Assistant Secretary
	American Centurion Life Assurance Company		Vice President and Treasurer
	American Enterprise Investment Services Inc.		Vice President and Treasurer
	American Enterprise Life Insurance Company		Vice President and Treasurer
	American Express Asset Management Group Inc.		Vice President and Treasurer
	American Express Asset Management International Inc.		Vice President and Treasurer
	American Express Client Service Corporation		Vice President and Treasurer
	American Express Corporation		Vice President and Treasurer
	American Express Financial Advisors Inc.		Vice President and Treasurer
	American Express Financial Advisors Japan Inc.		Vice President and Treasurer
	American Express Insurance Agency of Arizona Inc.		Vice President and Treasurer
	American Express Insurance Agency of Idaho Inc.		Vice President and Treasurer
	American Express Insurance Agency of Nevada Inc.		Vice President and Treasurer
	American Express Insurance Agency of Oregon Inc.		Vice President and Treasurer

American Express Minnesota Foundation		Vice President and Treasurer
American Express Property Casualty Insurance Agency of Kentucky Inc.		Vice President and Treasurer
American Express Property Casualty Insurance Agency of Maryland Inc.		Vice President and Treasurer
American Express Property Casualty Insurance Agency of Pennsylvania Inc.		Vice President and Treasurer
American Partners Life Insurance Company		Vice President and Treasurer
IDS Cable Corporation		Director, Vice President and Treasurer
IDS Cable II Corporation		Director, Vice President and Treasurer
IDS Capital Holdings Inc.		Vice President, Treasurer and Assistant Secretary
IDS Certificate Company		Vice President and Treasurer
IDS Insurance Agency of Alabama Inc.		Vice President and Treasurer
IDS Insurance Agency of Arkansas Inc.		Vice President and Treasurer
IDS Insurance Agency of Massachusetts Inc.		Vice President and Treasurer
IDS Insurance Agency of New Mexico Inc.		Vice President and Treasurer
IDS Insurance Agency of North Carolina Inc.		Vice President and Treasurer
IDS Insurance Agency of Ohio Inc.		Vice President and Treasurer
IDS Insurance Agency of Wyoming Inc.		Vice President and Treasurer
IDS Life Insurance Company		Vice President, Treasurer and Assistant Secretary
IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205	Vice President and Treasurer
IDS Life Series Fund Inc.		Vice President and Treasurer
IDS Life Variable Annuity Funds A & B		Vice President and Treasurer
IDS Management Corporation		Director, Vice President and Treasurer
IDS Partnership Services Corporation		Vice President and Treasurer
IDS Plan Services of California, Inc.		Vice President and Treasurer
IDS Real Estate Services, Inc.		Vice President and Treasurer

	IDS Realty Corporation		Vice President and Treasurer
	IDS Sales Support Inc.		Vice President and Treasurer
	Investors Syndicate Development Corp.		Vice President and Treasurer
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Vice President, Treasurer and Assistant Secretary
	Public Employee Payment Company		Vice President and Treasurer

David R. Hubers, Director, President and Chief Executive Officer	AMEX Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Director
	American Express Financial Advisors Inc.		Chairman, President and Chief Executive Officer
	American Express Service Corporation		Director and President
	IDS Certificate Company		Director
	IDS Life Insurance Company		Director
	IDS Plan Services of California, Inc.		Director and President
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Director

Martin G. Hurwitz, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Debra A. Hutchinson Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

James M. Jensen, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	IDS Life Insurance Company		Vice President
	IDS Life Series Fund, Inc.		Director

Marietta L. Johns, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President

Nancy E. Jones, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Express Service Corporation		Vice President

Ora J. Kaine, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Linda B. Keene, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

G. Michael Kennedy, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Susan D. Kinder, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
Richard W. Kling, Director and Senior Vice President	AMEX Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Director
	American Centurion Life Assurance Company		Director and Chairman of the Board
	American Enterprise Life Insurance Company		Director and Chairman of the Board
	American Express Corporation		Director and President
	American Express Financial Advisors Inc.		Senior Vice President
	American Express Insurance Agency of Arizona Inc.		Director and President
	American Express Insurance Agency of Idaho Inc.		Director and President
	American Express Insurance Agency of Nevada Inc.		Director and President
	American Express Insurance Agency of Oregon Inc.		Director and President
	American Express Property Casualty Insurance Agency of Kentucky Inc.		Director and President
	American Express Property Casualty Insurance Agency of Maryland Inc.		Director and President
	American Express Property Casualty Insurance Agency of Pennsylvania Inc.		Director and President
	American Express Service Corporation		Vice President
	American Partners Life Insurance Company		Director and Chairman of the Board
	IDS Certificate Company		Director and Chairman of the Board
	IDS Insurance Agency of Alabama Inc.		Director and President
	IDS Insurance Agency of Arkansas Inc.		Director and President
	IDS Insurance Agency of Massachusetts Inc.		Director and President
	IDS Insurance Agency of New Mexico Inc.		Director and President
	IDS Insurance Agency of North Carolina Inc.		Director and President
	IDS Insurance Agency of Ohio Inc.		Director and President
	IDS Insurance Agency of Wyoming Inc.		Director and President

	IDS Life Insurance Company		Director and President
	IDS Life Series Fund, Inc.		Director and President
	IDS Life Variable Annuity Funds A and B		Manager, Chairman of the Board and President
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Director
	IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205	Director and Chairman of the Board
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John M. Knight	American Express Financial Advisors	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Paul F. Kolkman, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	IDS Life Insurance Company		Director and Executive Vice President
	IDS Life Series Fund, Inc.		Vice President and Chief Actuary
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Director
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Claire Kolmodin, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Steve C. Kumagai, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Director and Senior Vice President
	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Lori J. Larson, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Daniel E. Laufenberg, Vice President and Chief U.S. Economist	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Chief U.S. Economist
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Peter A. Lefferts, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
	American Express Trust Company		Director
	IDS Plan Services of California, Inc.		Director
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Douglas A. Lennick, Director and Executive Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Director and Executive Vice President
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Mary J. Malevich, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Fred A. Mandell, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Timothy J. Masek Vice President and Director of Global Research	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Director of Global Research
Sarah A. Mealey, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
Paula R. Meyer, Vice President	American Enterprise Life Insurance Company	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Express Corporation		Director
	American Express Financial Advisors Inc.		Vice President
	American Partners Life Insurance Company		Director and President
	IDS Certificate Company		Director and President
	IDS Life Insurance Company		Director and Executive Vice President
	Investors Syndicate Development Corporation		Director, Chairman of the Board and President
William P. Miller, Vice President and Senior Portfolio Manager	Advisory Capital Strategies Group Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Express Asset Management Group Inc.		Senior Vice President and Chief Investment Officer
	American Express Financial Advisors Inc.		Vice President and Senior Portfolio Manager
Shashank B. Modak Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
Pamela J. Moret, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Express Trust Company		Vice President
	IDS Life Insurance Company		Executive Vice President
Barry J. Murphy, Director and Senior Vice President	American Express Client Service Corporation	IDS Tower 10 Minneapolis, MN 55440	Director and President
	American Express Financial Advisors Inc.		Senior Vice President
	IDS Life Insurance Company		Director and Executive Vice President
Mary Owens Neal, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
Michael J. O'Keefe, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
James R. Palmer, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

	IDS Life Insurance Company		Vice President
Carla P. Pavone, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	Public Employee Payment Company		Director and President
Thomas P. Perrine, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
Susan B. Plimpton, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
Ronald W. Powell, Vice President and Assistant General Counsel	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel
	IDS Cable Corporation		Vice President and Assistant Secretary
	IDS Cable II Corporation		Vice President and Assistant Secretary
	IDS Management Corporation		Vice President and Assistant Secretary
	IDS Partnership Services Corporation		Vice President and Assistant Secretary
	IDS Plan Services of California, Inc.		Vice President and Assistant Secretary
	IDS Realty Corporation		Vice President and Assistant Secretary
James M. Punch, Vice President and Project Manager	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Project Manager
Frederick C. Quirsfeld, Director and Senior Vice President	American Express Asset Management Group Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President and Senior Portfolio Manager
	American Express Financial Advisors Inc.		Senior Vice President
Rollyn C. Renstrom, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
ReBecca K. Roloff, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
Stephen W. Roszell, Director and Senior Vice President	Advisory Capital Strategies Group Inc.	IDS Tower 10 Minneapolis, MN 55440	Director
	American Express Asset Management Group Inc.		Director, President and Chief Executive Officer
	American Express Asset Management International, Inc.		Director
	American Express Asset		Director

Management Ltd.

American Express Financial
Advisors Inc.

Senior Vice President

American Express Trust
Company

Director

Erven A. Samsel,
Director and Senior Vice
President

American Express Financial
Advisors Inc.

IDS Tower 10
Minneapolis, MN 55440

Senior Vice President

American Express Insurance
Agency of Idaho Inc.

Vice President

American Express Insurance
Agency of Nevada Inc.

Vice President

American Express Insurance
Agency of Oregon Inc.

Vice President

American Express Property
Casualty Insurance Agency
of Kentucky Inc.

Vice President

American Express Property
Casualty Insurance Agency
of Maryland Inc.

Vice President

American Express Property
Casualty Insurance Agency
of Pennsylvania Inc.

Vice President

IDS Insurance Agency of
Alabama Inc.

Vice President

IDS Insurance Agency of
Arkansas Inc.

Vice President

IDS Insurance Agency of
Massachusetts Inc.

Vice President

IDS Insurance Agency of
New Mexico Inc.

Vice President

IDS Insurance Agency of
North Carolina Inc.

Vice President

IDS Insurance Agency of
Ohio Inc.

Vice President

IDS Insurance Agency of
Wyoming Inc.

Vice President

Theresa M. Sapp
Vice President

American Express Financial
Advisors Inc.

IDS Tower 10
Minneapolis, MN 55440

Vice President

Stuart A. Sedlacek,
Director, Senior Vice
President and Chief Financial
Officer

AMEX Assurance Company

IDS Tower 10
Minneapolis, MN 55440

Director

American Enterprise Life
Insurance Company

Executive Vice President

American Express Financial
Advisors Inc.

Senior Vice President and
Chief Financial Officer

American Express Trust
Company

Director

American Partners Life

Director and Vice President

	Insurance Agency		
	IDS Certificate Company		Director and President
	IDS Life Insurance Company		Executive Vice President and Controller
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Director

Donald K. Shanks, Vice President	AMEX Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
	American Express Financial Advisors Inc.		Vice President
	IDS Property Casualty Insurance Company	1 WEG Blvd. DePere, WI 54115	Senior Vice President

F. Dale Simmons, Vice President	AMEX Assurance Company	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Centurion Life Assurance Company		Vice President
	American Enterprise Life Insurance		Vice President
	American Express Financial Advisors Inc.		Vice President
	American Partners Life Insurance Company		Vice President
	IDS Certificate Company		Vice President
	IDS Life Insurance Company		Vice President
	IDS Partnership Services Corporation		Director and Vice President
	IDS Real Estate Services Inc.		Chairman of the Board and President
	IDS Realty Corporation		Director and Vice President
	IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205	Vice President

Judy P. Skoglund, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

Bridget Sperl, Vice President	American Express Client Service Corporation	IDS Tower 10 Minneapolis, MN 55440	Vice President
	American Express Financial Advisors Inc.		Vice President
	Public Employee Payment Company		Director and President

Lisa A. Steffes, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President

William A. Stoltzmann, Vice President and Assistant General Counsel	American Enterprise Life Insurance Company	IDS Tower 10 Minneapolis, MN 55440	Director, Vice President, General Counsel and Secretary
	American Express		Director, Vice President

	Corporation		and Secretary
	American Express Financial Advisors Inc.		Vice President and Assistant General Counsel
	American Partners Life Insurance Company		Director, Vice President, General Counsel and Secretary
	IDS Life Insurance Company		Vice President, General Counsel and Secretary
	IDS Life Series Fund Inc.		General Counsel and Assistant Secretary
	IDS Life Variable Annuity Funds A & B		General Counsel and Assistant Secretary
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James J. Strauss, Vice President and General Auditor	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Jeffrey J. Stremcha, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
Barbara Stroup Stewart, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Keith N. Tufte Vice President and Director of Equity Research	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Director of Equity Research
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Norman Weaver Jr., Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
	American Express Insurance Agency of Arizona Inc.		Vice President
	American Express Insurance Agency of Idaho Inc.		Vice President
	American Express Insurance Agency of Nevada Inc.		Vice President
	American Express Insurance Agency of Oregon Inc.		Vice President
	American Express Property Casualty Insurance Agency of Kentucky Inc.		Vice President
	American Express Property Casualty Insurance Agency of Maryland Inc.		Vice President
	American Express Property Casualty Insurance Agency of Pennsylvania Inc.		Vice President
	IDS Insurance Agency of Alabama Inc.		Vice President
	IDS Insurance Agency of Arkansas Inc.		Vice President
	IDS Insurance Agency of Massachusetts Inc.		Vice President
	IDS Insurance Agency of New Mexico Inc.		Vice President

	IDS Insurance Agency of North Carolina Inc.		Vice President
	IDS Insurance Agency of Ohio Inc.		Vice President
	IDS Insurance Agency of Wyoming Inc.		Vice President
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Michael L. Weiner, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
	IDS Capital Holdings Inc.		Vice President
	IDS Futures Brokerage Group		Vice President
	IDS Futures Corporation		Vice President, Treasurer and Secretary
	IDS Sales Support Inc.		Director, Vice President and Assistant Treasurer
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Lawrence J. Welte, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Jeffrey F. Welter, Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President
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Edwin M. Wistrand, Vice President and Assistant General Counsel	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel
	American Express Financial Advisors Japan Inc.		Vice President and Chief Legal Officer
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Michael D. Wolf, Vice President	American Express Asset Management Group Inc.	IDS Tower 10 Minneapolis, MN 55440	Executive Vice President and Senior Portfolio Manager
	American Express Financial Advisors Inc.		Vice President
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Michael R. Woodward, Director and Senior Vice President	American Express Financial Advisors Inc.	IDS Tower 10 Minneapolis, MN 55440	Senior Vice President
	American Express Insurance Agency of Idaho Inc.		Vice President
	American Express Insurance Agency of Nevada Inc.		Vice President
	American Express Insurance Agency of Oregon Inc.		Vice President
	American Express Property Casualty Insurance Agency of Kentucky Inc.		Vice President
	American Express Property Casualty Insurance Agency of Maryland Inc.		Vice President
	American Express Property Casualty Insurance Agency of Pennsylvania Inc.		Vice President
	IDS Insurance Agency of Alabama Inc.		Vice President

IDS Insurance Agency of Arkansas Inc.		Vice President
IDS Insurance Agency of Massachusetts Inc.		Vice President
IDS Insurance Agency of New Mexico Inc.		Vice President
IDS Insurance Agency of North Carolina Inc.		Vice President
IDS Insurance Agency of Ohio Inc.		Vice President
IDS Insurance Agency of Wyoming Inc.		Vice President
IDS Life Insurance Company of New York	P.O. Box 5144 Albany, NY 12205	Director

</TABLE>

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<CAPTION>

Item 27. Principal Underwriters.

(a) American Express Financial Advisors acts as principal underwriter for the following investment companies:

AXP Bond Fund, Inc.; AXP California Tax-Exempt Trust; AXP Discovery Fund, Inc.; AXP Equity Select Fund, Inc.; AXP Extra Income Fund, Inc.; AXP Federal Income Fund, Inc.; AXP Global Series, Inc.; AXP Growth Fund, Inc.; AXP High Yield Tax-Exempt Fund, Inc.; AXP International Fund, Inc.; AXP Investment Series, Inc.; AXP Managed Retirement Fund, Inc.; AXP Market Advantage Series, Inc.; AXP Money Market Series, Inc.; AXP New Dimensions Fund, Inc.; AXP Precious Metals Fund, Inc.; AXP Progressive Fund, Inc.; AXP Selective Fund, Inc.; AXP Special Tax-Exempt Series Trust; AXP Stock Fund, Inc.; AXP Strategy Fund, Inc.; AXP Tax-Exempt Bond Fund, Inc.; AXP Tax-Free Money Fund, Inc.; AXP Utilities Income Fund, Inc., Growth Trust; Growth and Income Trust; Income Trust, Tax-Free Income Trust, World Trust and IDS Certificate Company.

(b) As to each director, officer or partner of the principal underwriter:

Name and Principal Business Address	Position and Offices with Underwriter	Offices with Registrant
<S>	<C>	<C>
Ronald G. Abrahamson IDS Tower 10 Minneapolis, MN 55440	Vice President-Service Quality and Reengineering	None
Douglas A. Alger IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Human Resources	None
Peter J. Anderson IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Investment Operations	Vice President-Investments
Ward D. Armstrong IDS Tower 10 Minneapolis, MN 55440	Vice President-American Express Retirement Services	None
John M. Baker IDS Tower 10 Minneapolis, MN 55440	Vice President-Plan Sponsor Services	None
Joseph M. Barsky III IDS Tower 10 Minneapolis, MN 55440	Vice President - Mutual Fund Equities	None
Timothy V. Bechtold IDS Tower 10	Vice President-Risk Management Products	None

Minneapolis, MN 55440		
John D. Begley Suite 100 7760 Olentangy River Rd. Columbus, OH 43235	Group Vice President-Ohio/Indiana	None
Brent L. Bisson Suite 900, E. Westside Twr 11835 West Olympic Blvd. Los Angeles, CA 90064	Group Vice President-Los Angeles Metro	None
John C. Boeder IDS Tower 10 Minneapolis, MN 55440	Vice President-Nonproprietary Products	None
Walter K. Booker Suite 200, 3500 Market Street Camp Hill, NJ 17011	Group Vice President-New Jersey	None
Bruce J. Bordelon 1333 N. California Blvd., Suite 200 Walnut Creek, CA 94596	Group Vice President - San Francisco Area	None
Charles R. Branch Suite 200 West 111 North River Dr. Spokane, WA 99201	Group Vice President-Northwest	None
Douglas W. Brewers IDS Tower 10 Minneapolis, MN 55440	Vice President-Sales Support	None
Karl J. Breyer IDS Tower 10 Minneapolis, MN 55440	Corporate Senior Vice President	None
Cynthia M. Carlson IDS Tower 10 Minneapolis, MN 55440	Vice President-American Express Securities Services	None
Mark W. Carter IDS Tower 10 Minneapolis, MN 55440	Senior Vice President and Chief Marketing Officer	None
James E. Choat IDS Tower 10 Minneapolis, MN 55440	Senior Vice President - Third Party Distribution	None
Kenneth J. Ciak IDS Property Casualty 1400 Lombardi Avenue Green Bay, WI 54304	Vice President and General Manager-IDS Property Casualty	None
Paul A. Connolly IDS Tower 10 Minneapolis, MN 55440	Vice President-Advisor Staffing, Training and Support	None
Henry J. Cormier Commerce Center One 333 East River Drive East Hartford, CT 06108	Group Vice President-Connecticut	None
John M. Crawford Suite 200 10800 Financial Ctr Pkwy Little Rock, AR 72211	Group Vice President-Arkansas/ Springfield/Memphis	None
Kevin F. Crowe Suite 312 7300 Carmel Executive Pk Charlotte, NC 28226	Group Vice President-Carolinas/Eastern Georgia	None
Colleen Curran IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None

Luz Maria Davis IDS Tower 10 Minneapolis, MN 55440	Vice President-Communications	None
Arthur E. Delorenzo 4 Atrium Drive, #100 Albany, NY 12205	Group Vice President - Upstate New York	None
Scott M. DiGiammarino Suite 500, 8045 Leesburg Pike Vienna, VA 22182	Group Vice President-Washington/Baltimore	None
Bradford L. Drew Two Datran Center Penthouse One B 9130 S. Dadeland Blvd. Miami, FL 33156	Group Vice President-Eastern Florida	None
Douglas K. Dunning IDS Tower 10 Minneapolis, MN 55440	Vice President-Assured Assets Product Development and Management	None
James P. Egge 4305 South Louise, Suite 202 Sioux Falls, SD 57103	Group Vice President-Western Iowa, Nebraska, Dakotas	None
Gordon L. Eid IDS Tower 10 Minneapolis, MN 55440	Senior Vice President, General Counsel and Chief Compliance Officer	None
Robert M. Elconin IDS Tower 10 Minneapolis, MN 55440	Vice President-Government Relations	None
Phillip W. Evans Suite 600 6985 Union Park Center Midvale, UT 84047-4177	Group Vice President-Rocky Mountain	None
Gordon M. Fines IDS Tower 10 Minneapolis, MN 55440	Vice President-Mutual Fund Equity Investments	None
Douglas L. Forsberg IDS Tower 10 Minneapolis, MN 55440	Vice President - International	None
Jeffrey P. Fox IDS Tower 10 Minneapolis, MN 55440	Vice President and Corporate Controller	None
William P. Fritz Suite 160 12855 Flushing Meadows Dr St. Louis, MO 63131	Group Vice President-Gateway	None
Carl W. Gans 8500 Tower Suite 1770 8500 Normandale Lake Blvd. Bloomington, MN 55437	Group Vice President-Twin City Metro	None
David A. Hammer IDS Tower 10 Minneapolis, MN 55440	Vice President and Marketing Controller	None
Teresa A. Hanratty Suites 6&7 169 South River Road Bedford, NH 03110	Group Vice President-Northern New England	None
Robert L. Harden Two Constitution Plaza Boston, MA 02129	Group Vice President-Boston Metro	None
Lorraine R. Hart	Vice President-Insurance	None

IDS Tower 10 Minneapolis, MN 55440	Investments	
Scott A. Hawkinson IDS Tower 10 Minneapolis, MN 55440	Vice President and Controller-Private Client Group	None
Brian M. Heath Suite 150 801 E. Campbell Road Richardson, TX 75081	Group Vice President-North Texas	None
Janis K. Heaney IDS Tower 10 Minneapolis, MN 55440	Vice President-Incentive Management	None
Jon E. Hjelm 319 Southbridge Street Auburn, MA 01501	Group Vice President-Rhode Island/Central-Western Massachusetts	None
David J. Hockenberry 30 Burton Hills Blvd. Suite 175 Nashville, TN 37215	Group Vice President-Tennessee Valley	None
Jeffrey S. Horton IDS Tower 10 Minneapolis, MN 55440	Vice President and Treasurer	None
David R. Hubers IDS Tower 10 Minneapolis, MN 55440	Chairman, President and Chief Executive Officer	Board member
Martin G. Hurwitz IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager	None
Debra A. Hutchinson IDS Tower 10 Minneapolis, MN 55440	Vice President - Relationship Leader	None
James M. Jensen IDS Tower 10 Minneapolis, MN 55440	Vice President-Insurance Product Development and Management	None
Marietta L. Johns IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Field Management	None
Nancy E. Jones IDS Tower 10 Minneapolis, MN 55440	Vice President-Business Development	None
Ora J. Kaine IDS Tower 10 Minneapolis, MN 55440	Vice President-Financial Advisory Services	None
Linda B. Keene IDS Tower 10 Minneapolis, MN 55440	Vice President-Market Development	None
G. Michael Kennedy IDS Tower 10 Minneapolis, MN 55440	Vice President - Senior Portfolio Manager	None
Susan D. Kinder IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Distribution Services	None
Richard W. Kling IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Products	None
John M. Knight IDS Tower 10 Minneapolis, MN 55440	Vice President-Investment Accounting	Treasurer

Paul F. Kolkman IDS Tower 10 Minneapolis, MN 55440	Vice President-Actuarial Finance	None
Claire Kolmodin IDS Tower 10 Minneapolis, MN 55440	Vice President-Service Quality	None
David S. Kreager Suite 108 Trestle Bridge V 5136 Lovers Lane Kalamazoo, MI 49002	Group Vice President-Greater Michigan	None
Steven C. Kumagai IDS Tower 10 Minneapolis, MN 55440	Director and Senior Vice President-Field Management and Business Systems	None
Mitre Kutanovski Suite 680 8585 Broadway Merrillville, IN 48410	Group Vice President-Chicago Metro	None
Kurt A. Larson IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager	None
Lori J. Larson IDS Tower 10 Minneapolis, MN 55440	Vice President-Brokerage and Direct Services	None
Daniel E. Laufenberg IDS Tower 10 Minneapolis, MN 55440	Vice President and Chief U.S. Economist	None
Peter A. Lefferts IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Corporate Strategy and Development	None
Douglas A. Lennick IDS Tower 10 Minneapolis, MN 55440	Director and Executive Vice President-Private Client Group	None
Mary J. Malevich IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager	None
Fred A. Mandell IDS Tower 10 Minneapolis, MN 55440	Vice President-Field Marketing Readiness	None
Daniel E. Martin Suite 650 5700 Corporate Drive Pittsburgh, PA 15237	Group Vice President-Pittsburgh Metro	None
Timothy J. Masek IDS Tower 10 Minnapolis, MN 55440	Vice President and Director of Global Research	None
Sarah A. Mealey IDS Tower 10 Minneapolis, MN 55440	Vice President-Mutual Funds	None
Paula R. Meyer IDS Tower 10 Minneapolis, MN 55440	Vice President-Assured Assets	None
William P. Miller IDS Tower 10 Minneapolis, MN 55440	Vice President and Senior Portfolio Manager	None
Shashank B. Modak IDS Tower 10 Minneapolis, MN 55440	Vice President - Technology Leader	None

Pamela J. Moret IDS Tower 10 Minneapolis, MN 55440	Vice President-Variable Assets	None
Alan D. Morgenstern Suite 200 3500 Market Street Camp Hill, NJ 17011	Group Vice President-Central California/Western Nevada	None
Barry J. Murphy IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Client Service	None
Mary Owens Neal IDS Tower 10 Minneapolis, MN 55440	Vice President-Mature Market Segment	None
Thomas V. Nicolosi Suite 220 500 Mamaroneck Avenue Harrison, NY 10528	Group Vice President-New York Metro Area	None
Michael J. O'Keefe IDS Tower 10 Minneapolis, MN 55440	Vice President-Advisory Business Systems	None
James R. Palmer IDS Tower 10 Minneapolis, MN 55440	Vice President-Taxes	None
Marc A. Parker 10200 SW Greenburg Road Suite 110 Portland, OR 97223	Group Vice President-Portland/Eugene	None
Carla P. Pavone IDS Tower 10 Minneapolis, MN 55440	Vice President-Compensation and Field Administration	None
Thomas P. Perrine IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Group Relationship Leader/American Express Technologies Financial Services	None
Susan B. Plimpton IDS Tower 10 Minneapolis, MN 55440	Vice President-Marketing Services	None
Larry M. Post One Tower Bridge 100 Front Street 8th Fl West Conshohocken, PA 19428	Group Vice President-Philadelphia Metro	None
Ronald W. Powell IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None
Diana R. Prost 3030 N.W. Expressway Suite 900 Oklahoma City, OK 73112	Group Vice President-Kansas/Oklahoma	None
James M. Punch IDS Tower 10 Minneapolis, MN 55440	Vice President and Project Manager-Platform I Value Enhanced	None
Frederick C. Quirsfeld IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Fixed Income	Vice President - Fixed Income Investments
Rollyn C. Renstrom IDS Tower 10 Minneapolis, MN 55440	Vice President-Corporate Planning and Analysis	None
R. Daniel Richardson III	Group Vice President-Southern	None

Suite 800 Arboretum Plaza One 9442 Capital of Texas Hwy N. Austin, TX 78759	Texas	
ReBecca K. Roloff IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Field Management and Financial Advisory Service	None
Stephen W. Roszell IDS Tower 10 Minneapolis, MN 55440	Senior Vice President-Institutional	None
Max G. Roth Suite 201 S IDS Ctr 1400 Lombardi Avenue Green Bay, WI 54304	Group Vice President-Wisconsin/Upper Michigan	None
Erven A. Samsel 45 Braintree Hill Park Suite 402 Braintree, MA 02184	Senior Vice President-Field Management	None
Theresa M. Sapp IDS Tower 10 Minneapolis, MN 55440	Vice President - Relationship Leader	None
Russell L. Scalfano Suite 201 101 Plaza East Blvd. Evansville, IN 47715	Group Vice President-Illinois/Indiana/Kentucky	None
William G. Scholz Suite 205 7333 E Doubletree Ranch Rd Scottsdale, AZ 85258	Group Vice President-Arizona/Las Vegas	None
Stuart A. Sedlacek IDS Tower 10 Minneapolis, MN 55440	Senior Vice President and Chief Financial Officer	None
Donald K. Shanks IDS Tower 10 Minneapolis, MN 55440	Vice President-Property Casualty	None
F. Dale Simmons IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager, Insurance Investments	None
Judy P. Skoglund IDS Tower 10 Minneapolis, MN 55440	Vice President-Quality and Service Support	None
James B. Solberg 466 Westdale Mall Cedar Rapids, IA 52404	Group Vice President-Eastern Iowa Area	None
Bridget Sperl IDS Tower 10 Minneapolis, MN 55440	Vice President-Geographic Service Teams	None
Paul J. Stanislaw Suite 1100 Two Park Plaza Irvine, CA 92714	Group Vice President-Southern California	None
Lisa A. Steffes IDS Tower 10 Minneapolis, MN 55440	Vice President - Marketing Offer Development	None
Lois A. Stilwell Suite 433 9900 East Bren Road Minnetonka, MN 55343	Group Vice President-Outstate Minnesota Area/ North Dakota/Western Wisconsin	None
William A. Stoltzmann	Vice President and Assistant	None

IDS Tower 10 Minneapolis, MN 55440	General Counsel	
James J. Strauss IDS Tower 10 Minneapolis, MN 55440	Vice President and General Auditor	None
Jeffrey J. Stremcha IDS Tower 10 Minneapolis, MN 55440	Vice President-Information Resource Management/ISD	None
Barbara Stroup Stewart IDS Tower 10 Minneapolis, MN 55440	Vice President-Channel Development	None
Craig P. Taucher Suite 150 4190 Belfort Road Jacksonville, FL 32216	Group Vice President-Orlando/Jacksonville	None
Neil G. Taylor Suite 425 101 Elliott Avenue West Seattle, WA 98119	Group Vice President-Seattle/Tacoma/Hawaii	None
John R. Thomas IDS Tower 10 Minneapolis, MN 55440	Senior Vice President	Board Member
Keith N. Tufte IDS Tower 10 Minneapolis, MN 55440	Vice President and Director of Equity Research	None
Peter S. Velardi Suite 180 1200 Ashwood Parkway Atlanta, GA 30338	Group Vice President-Atlanta/Birmingham	None
Charles F. Wachendorfer 8115 East Jefferson Avenue Detroit, MI 48214	Group Vice President-Detroit Metro	None
Donald F. Weaver 3500 Market Street, Suite 200 Camp Hill, PA 17011	Group Vice President-Greater Pennsylvania	None
Norman Weaver Jr. 1010 Main St. Suite 2B Huntington Beach, CA 92648	Senior Vice President - Alliance Group	None
Michael L. Weiner IDS Tower 10 Minneapolis, MN 55440	Vice President-Tax Research and Audit	None
Lawrence J. Welte IDS Tower 10 Minneapolis, MN 55440	Vice President-Investment Administration	None
Jeffry M. Welter IDS Tower 10 Minneapolis, MN 55440	Vice President-Equity and Fixed Income Trading	None
Thomas L. White Suite 200 28601 Chagrin Blvd. Woodmere, OH 44122	Group Vice President-Cleveland Metro	None
Eric S. Williams Suite 250 3951 Westerre Parkway Richmond, VA 23233	Group Vice President-Virginia	None
William J. Williams Two North Tamiami Trail Suite 702 Sarasota, FL 34236	Group Vice President-Western Florida	None

Edwin M. Wistrand IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None
Michael D. Wolf IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager	None
Michael R. Woodward 32 Ellicott St Suite 100 Batavia, NY 14020	Senior Vice President-Field Management	None

</TABLE>

Item 27(c). Not applicable.

Item 28. Location of Accounts and Records
American Express Financial Corporation
IDS Tower 10
Minneapolis, MN 55440

Item 29. Management Services
Not Applicable.

Item 30. Undertakings
Not Applicable.

SIGNATURES

Pursuant to the requirements of the Securities Act and the Investment Company Act, the Registrant, AXP Money Market Series, Inc., has duly caused this Amendment to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis and State of Minnesota on the 26th day of July, 1999.

AXP MONEY MARKET SERIES, INC.

By /s/ Arne H. Carlson**
Arne H. Carlson, Chief Executive Officer

By /s/ /s/John Knight
John Knight, Treasurer

Pursuant to the requirements of the Securities Act, this Amendment to its Registration Statement has been signed below by the following persons in the capacities indicated on the 26th day of July, 1999.

Signature	Capacity
/s/ H. Brewster Atwater, Jr.* H. Brewster Atwater, Jr.	Director
/s/ Arne H. Carlson* Arne H. Carlson	Chairman of the Board
/s/ Lynne V. Cheney* Lynne V. Cheney	Director
/s/ William H. Dudley* William H. Dudley	Director

/s/ David R. Hubers*	Director
David R. Hubers	
Signature	Capacity
/s/ Heinz F. Hutter*	Director
Heinz F. Hutter	
/s/ Anne P. Jones*	Director
Anne P. Jones	
/s/ William R. Pearce*	Director
William R. Pearce	
/s/ Alan K. Simpson*	Director
Alan K. Simpson	
/s/ John R. Thomas*	Director
John R. Thomas	
/s/ C. Angus Wurtele*	Director
C. Angus Wurtele	

*Signed pursuant to Directors' Power of Attorney, dated January 14, 1999, filed electronically herewith, as Exhibit (p) (1), by:

/s/ Leslie L. Ogg
Leslie L. Ogg

**Signed pursuant to Officers' Power of Attorney, dated March 1, 1999, filed electronically herewith, as Exhibit (p) (2), by:

/s/ Leslie L. Ogg
Leslie L. Ogg

CONTENTS OF THIS
POST-EFFECTIVE AMENDMENT NO. 49
TO REGISTRATION STATEMENT NO. 2-54516

This Post-Effective Amendment contains the following papers and documents:

The facing sheet.

Part A.

AXP Cash Management Fund prospectus.

Part B.

Statement of Additional Information for AXP Money Market Series, Inc.,
AXP Cash Management Fund.

Part C.

Other information.

Exhibits.

The signatures.

AXP Cash Management Fund, Inc.
File No. 2-54516/811-2591

EXHIBIT INDEX

- Exhibit (d): Investment Mangement Services Agreement dated July 1, 1999
- Exhibit (h) (5): Transfer Agency Agreement dated February 1, 1999
- Exhibit (o): Plan under Section 18f-3 dated April, 1999
- Exhibit (p) (1): Directors Power of Attorney to Registration Statement
dated January 14, 1999
- Exhibit (p) (2): Officers Power of Attorney to Registration Statement
dated March 1, 1999

INVESTMENT MANAGEMENT SERVICES AGREEMENT

AGREEMENT made the 1st day of July, 1999, by and between AXP Money Market Series, Inc. (the "Corporation"), a Minnesota corporation, on behalf of its underlying series fund AXP Cash Management Fund (the "Fund"), and American Express Financial Corporation, a Delaware corporation.

Part One: INVESTMENT MANAGEMENT AND OTHER SERVICES

(1) The Fund hereby retains American Express Financial Corporation, and American Express Financial Corporation hereby agrees, for the period of this Agreement and under the terms and conditions hereinafter set forth, to furnish the Fund continuously with suggested investment planning; to determine, consistent with the Fund's investment objectives and policies, which securities in American Express Financial Corporation's discretion shall be purchased, held or sold and to execute or cause the execution of purchase or sell orders; to prepare and make available to the Fund all necessary research and statistical data in connection therewith; to furnish services of whatever nature required in connection with the management of the Fund as provided under this Agreement; and to pay such expenses as may be provided for in Part Three; subject always to the direction and control of the Board of Directors (the "Board"), the Executive Committee and the authorized officers of the Fund. American Express Financial Corporation agrees to maintain an adequate organization of competent persons to provide the services and to perform the functions herein mentioned. American Express Financial Corporation agrees to meet with any persons at such times as the Board deems appropriate for the purpose of reviewing American Express Financial Corporation's performance under this Agreement.

(2) American Express Financial Corporation agrees that the investment planning and investment decisions will be in accordance with general investment policies of the Fund as disclosed to American Express Financial Corporation from time to time by the Fund and as set forth in its prospectuses and registration statements filed with the United States Securities and Exchange Commission (the "SEC").

(3) American Express Financial Corporation agrees that it will maintain all required records, memoranda, instructions or authorizations relating to the acquisition or disposition of securities for the Fund.

(4) The Fund agrees that it will furnish to American Express Financial Corporation any information that the latter may reasonably request with respect to the services performed or to be performed by American Express Financial Corporation under this Agreement.

(5) American Express Financial Corporation is authorized to select the brokers or dealers that will execute the purchases and sales of portfolio securities for

the Fund and is directed to use its best efforts to obtain the best available price and most favorable execution, except as prescribed herein. Subject to prior authorization by the Fund's Board of appropriate policies and procedures, and subject to termination at any time by the Board, American Express Financial Corporation may also be authorized to effect individual securities transactions at commission rates in excess of the minimum commission rates available, to the extent authorized by law, if American Express Financial Corporation determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or American Express Financial Corporation's overall responsibilities with respect to the Fund and other funds for which it acts as investment adviser.

(6) It is understood and agreed that in furnishing the Fund with the services as herein provided, neither American Express Financial Corporation, nor any officer, director or agent thereof shall be held liable to the Fund or its creditors or shareholders for errors of judgment or for anything except willful misfeasance, bad faith, or gross negligence in the performance of its duties, or reckless disregard of its obligations and duties under the terms of this Agreement. It is further understood and agreed that American Express Financial Corporation may rely upon information furnished to it reasonably believed to be accurate and reliable.

Part Two: COMPENSATION TO INVESTMENT MANAGER

(1) The Fund agrees to pay to American Express Financial Corporation, and American Express Financial Corporation covenants and agrees to accept from the Fund in full payment for the services furnished, a fee for each calendar day of each year equal to the total of 1/365th (1/366th in each leap year) of each of the respective percentages set forth below of the net assets of the Fund; to be computed for each day on the basis of net assets as of the close of business of the full business day two (2) business days prior to the day for which the computation is being made. In the case of the suspension of the computation of net asset value, the asset charge for each day during such suspension shall be computed as of the close of business on the last full business day on which the net assets were computed. Net assets as of the close of a full business day shall include all transactions in shares of the Fund recorded on the books of the Fund for that day.

	Assets (Billions)	Annual Rate at Each Asset Level
First	\$1.0	0.360%
Next	0.5	0.343
Next	0.5	0.325
Next	0.5	0.308
Next	1.0	0.290
Next	3.0	0.270
Over	6.5	0.250

(2) The fee shall be paid on a monthly basis and, in the event of the termination of this Agreement, the fee accrued shall be prorated on the basis of the number of days that this Agreement is in effect during the month with respect to which such payment is made.

(3) The fee provided for hereunder shall be paid in cash by the Fund to American Express Financial Corporation within five business days after the last day of each month.

Part Three: ALLOCATION OF EXPENSES

- (1) The Fund agrees to pay:
 - (a) Fees payable to American Express Financial Corporation for its services under the terms of this Agreement.
 - (b) Taxes.
 - (c) Brokerage commissions and charges in connection with the purchase and sale of assets.
 - (d) Custodian fees and charges.
 - (e) Fees and charges of its independent certified public accountants for services the Fund requests.
 - (f) Premium on the bond required by Rule 17g-1 under the Investment Company Act of 1940.
 - (g) Fees and expenses of attorneys (i) it employs in matters not involving the assertion of a claim by a third party against the Fund, its directors and officers, (ii) it employs in conjunction with a claim asserted by the Board against American Express Financial Corporation, except that American Express Financial Corporation shall reimburse the Fund for such fees and expenses if it is ultimately determined by a court of competent jurisdiction, or American Express Financial Corporation agrees, that it is liable in whole or in part to the Fund, and (iii) it employs to assert a claim against a third party.
 - (h) Fees paid for the qualification and registration for public sale of the securities of the Fund under the laws of the United States and of the several states in which such securities shall be offered for sale.
 - (i) Fees of consultants employed by the Fund.
 - (j) Directors, officers and employees expenses which

shall include fees, salaries, memberships, dues, travel, seminars, pension, profit sharing, and all other benefits paid to or provided for directors, officers and employees, directors and officers liability insurance, errors and omissions liability insurance, worker's compensation insurance and other expenses applicable to the directors, officers and employees, except the Fund will not pay any fees or expenses of any person who is an officer or employee of American Express Financial Corporation or its affiliates.

- (k) Filing fees and charges incurred by the Fund in connection with filing any amendment to its articles of incorporation, or incurred in filing any other document with the State of Minnesota or its political subdivisions.
- (l) Organizational expenses of the Fund.
- (m) Expenses incurred in connection with lending portfolio securities of the Fund.
- (n) Expenses properly payable by the Fund, approved by the Board.

(2) American Express Financial Corporation agrees to pay all expenses associated with the services it provides under the terms of this Agreement. Further, American Express Financial Corporation agrees that if, at the end of any month, the expenses of the Fund under this Agreement and any other agreement between the Fund and American Express Financial Corporation, but excluding those expenses set forth in (1)(b) and (1)(c) of this Part Three, exceed the most restrictive applicable state expenses limitation, the Fund shall not pay those expenses set forth in (1)(a) and (d) through (n) of this Part Three to the extent necessary to keep the Fund's expenses from exceeding the limitation, it being understood that American Express Financial Corporation will assume all unpaid expenses and bill the Fund for them in subsequent months but in no event can the accumulation of unpaid expenses or billing be carried past the end of the Fund's fiscal year.

Part Four: MISCELLANEOUS

(1) American Express Financial Corporation shall be deemed to be an independent contractor and, except as expressly provided or authorized in this Agreement, shall have no authority to act for or represent the Fund.

(2) A "full business day" shall be as defined in the By-laws.

(3) The Fund recognizes that American Express Financial Corporation now renders

and may continue to render investment advice and other services to other investment companies and persons which may or may not have investment policies and investments similar to those of the Fund and that American Express Financial Corporation manages its own investments and/or those of its subsidiaries. American Express Financial Corporation shall be free to render such investment advice and other services and the Fund hereby consents thereto.

(4) Neither this Agreement nor any transaction had pursuant hereto shall be invalidated or in any way affected by the fact that directors, officers, agents and/or shareholders of the Fund are or may be interested in American Express Financial Corporation or any successor or assignee thereof, as directors, officers, stockholders or otherwise; that directors, officers, stockholders or agents of American Express Financial Corporation are or may be interested in the Fund as directors, officers, shareholders, or otherwise; or that American Express Financial Corporation or any successor or assignee, is or may be interested in the Fund as shareholder or otherwise, provided, however, that neither American Express Financial Corporation, nor any officer, director or employee thereof or of the Fund, shall sell to or buy from the Fund any property or security other than shares issued by the Fund, except in accordance with applicable regulations or orders of the SEC.

(5) Any notice under this Agreement shall be given in writing, addressed, and delivered, or mailed postpaid, to the party to this Agreement entitled to receive such, at such party's principal place of business in Minneapolis, Minnesota, or to such other address as either party may designate in writing mailed to the other.

(6) American Express Financial Corporation agrees that no officer, director or employee of American Express Financial Corporation will deal for or on behalf of the Fund with himself as principal or agent, or with any corporation or partnership in which he may have a financial interest, except that this shall not prohibit:

- (a) Officers, directors or employees of American Express Financial Corporation from having a financial interest in the Fund or in American Express Financial Corporation.
- (b) The purchase of securities for the Fund, or the sale of securities owned by the Fund, through a security broker or dealer, one or more of whose partners, officers, directors or employees is an officer, director or employee of American Express Financial Corporation, provided such transactions are handled in the capacity of broker only and provided commissions charged do not exceed customary brokerage charges for such services.
- (c) Transactions with the Fund by a broker-dealer affiliate of American Express Financial Corporation as may be allowed by rule or order of the SEC, and if made pursuant to procedures adopted by the Fund's Board.

(7) American Express Financial Corporation agrees that, except as herein

otherwise expressly provided or as may be permitted consistent with the use of a broker-dealer affiliate of American Express Financial Corporation under applicable provisions of the federal securities laws, neither it nor any of its officers, directors or employees shall at any time during the period of this Agreement, make, accept or receive, directly or indirectly, any fees, profits or emoluments of any character in connection with the purchase or sale of securities (except shares issued by the Fund) or other assets by or for the Fund.

Part Five: RENEWAL AND TERMINATION

(1) This Agreement shall continue in effect until June 30, 2001, or until a new agreement is approved by a vote of the majority of the outstanding shares of the Fund and by vote of the Fund's Board, including the vote required by (b) of this paragraph, and if no new agreement is so approved, this Agreement shall continue from year to year thereafter unless and until terminated by either party as hereinafter provided, except that such continuance shall be specifically approved at least annually (a) by the Board of the Fund or by a vote of the majority of the outstanding shares of the Fund and (b) by the vote of a majority of the directors who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval. As used in this paragraph, the term "interested person" shall have the same meaning as set forth in the Investment Company Act of 1940, as amended (the "1940 Act").

(2) This Agreement may be terminated by either the Fund or American Express Financial Corporation at any time by giving the other party 60 days written notice of such intention to terminate, provided that any termination shall be made without the payment of any penalty, and provided further that termination may be effected either by the Board of the Fund or by a vote of the majority of the outstanding voting shares of the Fund. The vote of the majority of the outstanding voting shares of the Fund for the purpose of this Part Five shall be the vote at a shareholders' regular meeting, or a special meeting duly called for the purpose, of 67% or more of the Fund's shares present at such meeting if the holders of more than 50% of the outstanding voting shares are present or represented by proxy, or more than 50% of the outstanding voting shares of the Fund, whichever is less.

(3) This Agreement shall terminate in the event of its assignment, the term "assignment" for this purpose having the same meaning as set forth in the 1940 Act.

IN WITNESS THEREOF, the parties hereto have executed the foregoing Agreement as of the day and year first above written.

AXP MONEY MARKET SERIES, INC.
AXP Cash Management Fund

By _____

Leslie L. Ogg
Vice President

AMERICAN EXPRESS FINANCIAL CORPORATION

By _____
Pamela J. Moret
Vice President

TRANSFER AGENCY AGREEMENT

AGREEMENT dated as of February 1, 1999, between IDS Money Market Series, Inc. (the "Company"), a Minnesota corporation, on behalf of its underlying series fund (the "Fund"), and American Express Client Service Corporation (the "Transfer Agent"), a Minnesota corporation.

In consideration of the mutual promises set forth below, the Company and the Transfer Agent agree as follows:

1. Appointment of the Transfer Agent. The Company hereby appoints the Transfer Agent, as transfer agent for its shares and as shareholder servicing agent for the Company, and the Transfer Agent accepts such appointment and agrees to perform the duties set forth below.
2. Compensation. The Company will compensate the Transfer Agent for the performance of its obligations as set forth in Schedule A. Schedule A does not include out-of-pocket disbursements of the Transfer Agent for which the Transfer Agent shall be entitled to bill the Company separately.

The Transfer Agent will bill the Company monthly. The fee provided for hereunder shall be paid in cash by the Company to the Transfer Agent within five (5) business days after the last day of each month.

Out-of-pocket disbursements shall include, but shall not be limited to, the items specified in Schedule B. Reimbursement by the Company for expenses incurred by the Transfer Agent in any month shall be made as soon as practicable after the receipt of an itemized bill from the Transfer Agent.

Any compensation jointly agreed to hereunder may be adjusted from time to time by attaching to this Agreement a revised Schedule A, dated and signed by an officer of each party.

3. Documents. The Company will furnish from time to time such certificates, documents or opinions as the Transfer Agent deems to be appropriate or necessary for the proper performance of its duties.
4. Representations of the Company and the Transfer Agent.
 - (a) The Company represents to the Transfer Agent that all outstanding shares are validly issued, fully paid and non-assessable by the Company. When shares are hereafter issued in accordance with the terms of the Company's Articles of Incorporation and its By-laws, such shares shall be validly issued, fully paid and non-assessable by the Company.

(b) The Transfer Agent represents that it is registered under Section 17A(c) of the Securities Exchange Act of 1934. The Transfer Agent agrees to maintain the necessary facilities, equipment and personnel to perform its duties and obligations under this agreement and to comply with all applicable laws.

5. Duties of the Transfer Agent. The Transfer Agent shall be responsible, separately and through its subsidiaries or affiliates, for the following functions:

(a) Sale of Fund Shares.

(1) On receipt of an application and payment, wired instructions and payment, or payment identified as being for the account of a shareholder, the Transfer Agent will deposit the payment, prepare and present the necessary report to the Custodian and record the purchase of shares in a timely fashion in accordance with the terms of the Fund's prospectus. All shares shall be held in book entry form and no certificate shall be issued unless the Fund is permitted to do so by its prospectus and the purchaser so requests.

(2) On receipt of notice that payment was dishonored, the Transfer Agent shall stop redemptions of all shares owned by the purchaser related to that payment, place a stop payment on any checks that have been issued to redeem shares of the purchaser and take such other action as it deems appropriate.

(b) Redemption of Fund Shares. On receipt of instructions to redeem shares in accordance with the terms of the Fund's prospectus, the Transfer Agent will record the redemption of shares of the Fund, prepare and present the necessary report to the Custodian and pay the proceeds of the redemption to the shareholder, an authorized agent or legal representative upon the receipt of the monies from the Custodian.

(c) Transfer or Other Change Pertaining to Fund Shares. On receipt of instructions or forms acceptable to the Transfer Agent to transfer the shares to the name of a new owner, change the name or address of the present owner or take other legal action, the Transfer Agent will take such action as is requested.

- (d) Exchange of Fund Shares. On receipt of instructions to exchange the shares of the Fund for the shares of another fund in the IDS MUTUAL FUND GROUP or other American Express Financial Corporation product in accordance with the terms of the prospectus, the Transfer Agent will process the exchange in the same manner as a redemption and sale of shares.
- (e) Right to Seek Assurance. The Transfer Agent may refuse to transfer, exchange or redeem shares of the Fund or take any action requested by a shareholder until it is satisfied that the requested transaction or action is legally authorized or until it is satisfied there is no basis for any claims adverse to the transaction or action. It may rely on the provisions of the Uniform Act for the Simplification of Fiduciary Security Transfers or the Uniform Commercial Code. The Company shall indemnify the Transfer Agent for any act done or omitted to be done in reliance on such laws or for refusing to transfer, exchange or redeem shares or taking any requested action if it acts on a good faith belief that the transaction or action is illegal or unauthorized.
- (f) Shareholder Records, Reports and Services.
- (1) The Transfer Agent shall maintain all shareholder accounts, which shall contain all required tax, legally imposed and regulatory information; shall provide shareholders, and file with federal and state agencies, all required tax and other reports pertaining to shareholder accounts; shall prepare shareholder mailing lists; shall cause to be printed and mailed all required prospectuses, annual reports, semiannual reports, statements of additional information (upon request), proxies and other mailings to shareholders; and shall cause proxies to be tabulated.
 - (2) The Transfer Agent shall respond to all valid inquiries related to its duties under this Agreement.
 - (3) The Transfer Agent shall create and maintain all records in accordance with all applicable laws, rules and regulations, including, but not limited to, the records required by Section 31(a) of the Investment Company Act of 1940.

- (g) Dividends and Distributions. The Transfer Agent shall prepare and present the necessary report to the Custodian and shall cause to be prepared and transmitted the payment of income dividends and capital gains distributions or cause to be recorded the investment of such dividends and distributions in additional shares of the Fund or as directed by instructions or forms acceptable to the Transfer Agent.
- (h) Confirmations and Statements. The Transfer Agent shall confirm each transaction either at the time of the transaction or through periodic reports as may be legally permitted.
- (i) Lost or Stolen Checks. The Transfer Agent will replace lost or stolen checks issued to shareholders upon receipt of proper notification and will maintain any stop payment orders against the lost or stolen checks as it is economically desirable to do.
- (j) Reports to Company. The Transfer Agent will provide reports pertaining to the services provided under this Agreement as the Company may request to ascertain the quality and level of services being provided or as required by law.
- (k) Other Duties. The Transfer Agent may perform other duties for additional compensation if agreed to in writing by the parties to this Agreement.

6. Ownership and Confidentiality of Records. The Transfer Agent agrees that all records prepared or maintained by it relating to the services to be performed by it under the terms of this Agreement are the property of the Company and may be inspected by the Company or any person retained by the Company at reasonable times. The Company and Transfer Agent agree to protect the confidentiality of those records.

7. Action by Board and Opinion of Counsel. The Transfer Agent may rely on resolutions of the Board of Directors (the "Board") or the Executive Committee of the Board and on opinion of counsel for the Company.

8. Duty of Care. It is understood and agreed that, in furnishing the Company with the services as herein provided, neither the Transfer Agent, nor any officer, director or agent thereof shall be held liable for any loss arising out of or in connection with their actions under this Agreement so long as they act in good faith and with due diligence, and are not negligent or guilty of any willful misconduct. It is further understood and agreed that the Transfer Agent may rely upon information furnished to it reasonably believed to be accurate and reliable. In the event the Transfer

Agent is unable to perform its obligations under the terms of this Agreement because of an act of God, strike or equipment or transmission failure reasonably beyond its control, the Transfer Agent shall not be liable for any damages resulting from such failure.

9. Term and Termination. This Agreement shall become effective on the date first set forth above (the "Effective Date") and shall continue in effect from year to year thereafter as the parties may mutually agree; provided that either party may terminate this Agreement by giving the other party notice in writing specifying the date of such termination, which shall be not less than 60 days after the date of receipt of such notice. In the event such notice is given by the Company, it shall be accompanied by a vote of the Board, certified by the Secretary, electing to terminate this Agreement and designating a successor transfer agent or transfer agents. Upon such termination and at the expense of the Company, the Transfer Agent will deliver to such successor a certified list of shareholders of the Fund (with name, address and taxpayer identification or Social Security number), a historical record of the account of each shareholder and the status thereof, and all other relevant books, records, correspondence, and other data established or maintained by the Transfer Agent under this Agreement in the form reasonably acceptable to the Company, and will cooperate in the transfer of such duties and responsibilities, including provisions for assistance from the Transfer Agent's personnel in the establishment of books, records and other data by such successor or successors.
10. Amendment. This Agreement may not be amended or modified in any manner except by a written agreement executed by both parties.
11. Subcontracting. The Company agrees that the Transfer Agent may subcontract for certain of the services described under this Agreement with the understanding that there shall be no diminution in the quality or level of the services and that the Transfer Agent remains fully responsible for the services. Except for out-of-pocket expenses identified in Schedule B, the Transfer Agent shall bear the cost of subcontracting such services, unless otherwise agreed by the parties.
12. Miscellaneous.
 - (a) This Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns; provided, however, that this Agreement shall not be assignable without the written consent of the other party.
 - (b) This Agreement shall be governed by the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers as of the day and year written above.

IDS MONEY MARKET SERIES, INC.

By: _____
Leslie L. Ogg
Vice President

AMERICAN EXPRESS CLIENT SERVICE CORPORATION

By: _____
Barry J. Murphy
President

Schedule A

IDS MONEY MARKET SERIES, INC.

FEE

The annual per account fee for services under this agreement, accrued daily and payable monthly, is as follows:

	Class A	Class B	Class Y
IDS Cash Management Fund	\$24.00	\$25.00	\$22.00

Schedule B

OUT-OF-POCKET EXPENSES

The Company shall reimburse the Transfer Agent monthly for the following out-of-pocket expenses:

- o typesetting, printing, paper, envelopes, postage and return postage for proxy soliciting material, and proxy tabulation costs
- o printing, paper, envelopes and postage for dividend notices, dividend checks, records of account, purchase confirmations, exchange confirmations and exchange prospectuses, redemption confirmations, redemption checks, confirmations on changes of address and any other communication required to be sent to shareholders
- o typesetting, printing, paper, envelopes and postage for prospectuses, annual and semiannual reports, statements of additional information, supplements for prospectuses and statements of additional information and other required mailings to shareholders
- o stop orders
- o outgoing wire charges
- o other expenses incurred at the request or with the consent of the Company

Plan under Section 18f-3(d)
April 1999

Filed pursuant to Item 23(o) of Form N-1A

Separate Arrangements

Each class of shares will represent interests in the same portfolio of investments of the Fund and be identical except those differences that relate to (a) the impact of the disproportionate payments made under the Rule 12b-1 plan;; (b) the differences in class expenses including transfer agent fees and any other expense determined by the board to be a class expense; and (c) the difference in voting rights on the 12b-1 plan, exchange privileges and class designations. The current classes of shares are as follows:

Class A shares - no sales charge.

Class B shares - contingent deferred sales charge ranging from 5% down to 0% after six years.

Class Y shares - no sales charge.

Expense Allocation Procedures

American Express Financial Corporation, as the Fund's administrator, on a daily basis shall allocate the income, expenses, and realized and unrealized gains and losses of the Fund on the basis of the relative percentage of net assets of each class of shares, except class specific expenses for 12b-1 distribution fees and transfer agent fees which shall be paid directly by each class as follows:

12b-1 fee:

Class B: 75 basis points

Transfer agent fee:

Class A: an additional \$2 for each shareholder account

Class B: an additional \$3 for each shareholder account

Should at any time an expense of a class be waived or reimbursed, American Express Financial Corporation first shall determine that such waiver or reimbursement would not result in another class subsidizing the class, is fair and equitable to all classes and does not operate to the detriment of another class and then shall monitor the implementation and operation to assure the waiver or reimbursement operates consistent with the determination. The board shall monitor the actions of American Express Financial Corporation.

Exchange Privileges

Shares of a class may be exchanged for shares of the same class of another fund in the IDS MUTUAL FUND GROUP.

Conversion Privileges

Class B shares including a proportionate amount of shares acquired through reinvestment of distributions shall convert in the ninth year of ownership into Class A shares at relative net asset values without the imposition of any fee.

DIRECTORS/TRUSTEES POWER OF ATTORNEY

City of Minneapolis
State of Minnesota

Each of the undersigned, as directors and trustees of the below listed open-end, diversified investment companies that previously have filed registration statements and amendments thereto pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940 with the Securities and Exchange Commission:

	1933 Act Reg. Number	1940 Act Reg. Number
IDS Bond Fund, Inc.	2-51586	811-2503
IDS California Tax-Exempt Trust	33-5103	811-4646
IDS Discovery Fund, Inc.	2-72174	811-3178
IDS Equity Select Fund, Inc.	2-13188	811-772
IDS Extra Income Fund, Inc.	2-86637	811-3848
IDS Federal Income Fund, Inc.	2-96512	811-4260
IDS Global Series, Inc.	33-25824	811-5696
IDS Growth Fund, Inc.	2-38355	811-2111
IDS High Yield Tax-Exempt Fund, Inc.	2-63552	811-2901
IDS International Fund, Inc.	2-92309	811-4075
IDS Investment Series, Inc.	2-11328	811-54
IDS Managed Retirement Fund, Inc.	2-93801	811-4133
IDS Market Advantage Series, Inc.	33-30770	811-5897
IDS Money Market Series, Inc.	2-54516	811-2591
IDS New Dimensions Fund, Inc.	2-28529	811-1629
IDS Precious Metals Fund, Inc.	2-93745	811-4132
IDS Progressive Fund, Inc.	2-30059	811-1714
IDS Selective Fund, Inc.	2-10700	811-499
IDS Special Tax-Exempt Series Trust	33-5102	811-4647
IDS Stock Fund, Inc.	2-11358	811-498
IDS Strategy Fund, Inc.	2-89288	811-3956
IDS Tax-Exempt Bond Fund, Inc.	2-57328	811-2686
IDS Tax-Free Money Fund, Inc.	2-66868	811-3003
IDS Utilities Income Fund, Inc.	33-20872	811-5522

hereby constitutes and appoints William R. Pearce, Arne H. Carlson and Leslie L. Ogg or either one of them, as her or his attorney-in-fact and agent, to sign for her or him in her or his name, place and stead any and all further amendments to said registration statements filed pursuant to said Acts and any rules and regulations thereunder, and to file such amendments with all exhibits thereto and

other documents in connection with the Securities and Exchange Commission, granting to either of them the full power and authority to do and perform each and every act required and necessary to be done in connection therewith.

Dated the 14th day of January, 1999.

/s/ H. Brewster Atwater, Jr. H. Brewster Atwater, Jr.	/s/ William R. Pearce William R. Pearce
/s/ Arne H. Carlson Arne H. Carlson	/s/ Alan K. Simpson Alan K. Simpson
/s/ Lynne V. Cheney Lynne V. Cheney	/s/ Edson W. Spencer Edson W. Spencer
/s/ William H. Dudley William H. Dudley	/s/ John R. Thomas John R. Thomas
/s/ David R. Hubers David R. Hubers	/s/ Wheelock Whitney Wheelock Whitney
/s/ Heinz F. Hutter Heinz F. Hutter	/s/ C. Angus Wurtele C. Angus Wurtele
/s/ Anne P. Jones Anne P. Jones	

Officers' Power of Attorney

City of Minneapolis

State of Minnesota

Each of the undersigned, as officers of the below listed open-end, diversified investment companies that previously have filed registration statements and amendments thereto pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940 with the Securities and Exchange Commission:

	1933 Act Reg. Number	1940 Act Reg. Number
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IDS Federal Income Fund, Inc.	2-96512	811-4260
IDS Global Series, Inc.	33-25824	811-5696
IDS Growth Fund, Inc.	2-38355	811-2111
IDS High Yield Tax-Exempt Fund, Inc.	2-63552	811-2901
IDS International Fund, Inc.	2-92309	811-4075
IDS Investment Series, Inc.	2-11328	811-54
IDS Life Investment Series, Inc.	2-73115	811-3218
IDS Life Managed Fund, Inc.	2-96367	811-4252
IDS Life Moneyshare Fund, Inc.	2-72584	811-3190
IDS Life Special Income Fund, Inc.	2-73113	811-3219
IDS Managed Retirement Fund, Inc.	2-93801	811-4133
IDS Market Advantage Series, Inc.	33-30770	811-5897
IDS Money Market Series, Inc.	2-54516	811-2591
IDS New Dimensions Fund, Inc.	2-28529	811-1629
IDS Precious Metals Fund, Inc.	2-93745	811-4132
IDS Progressive Fund, Inc.	2-30059	811-1714
IDS Selective Fund, Inc.	2-10700	811-499
IDS Special Tax-Exempt Series Trust	33-5102	811-4647
IDS Stock Fund, Inc.	2-11358	811-498
IDS Strategy Fund, Inc.	2-89288	811-3956
IDS Tax-Exempt Bond Fund, Inc.	2-57328	811-2686
IDS Tax-Free Money Fund, Inc.	2-66868	811-3003
IDS Utilities Income Fund, Inc.	33-20872	811-5522

hereby constitutes and appoints the other as his attorney-in-fact and agent, to sign for him in his name, place and stead any and all further amendments to said registration statement filed pursuant to said Acts and any rules and regulations

thereunder, and to file such amendments with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting to either of them the full power and authority to do and perform each and every act required and necessary to be done in connection therewith.

Dated the 1st day of March, 1999

/s/ Arne H. Carlson
Arne H. Carlson

/s/ Leslie L. Ogg
Leslie L. Ogg

/s/ John R. Thomas
John R. Thomas

/s/ Peter J. Anderson
Peter J. Anderson

/s/ Frederick C. Quirsfeld
Frederick C. Quirsfeld

/s/ John M. Knight
John M. Knight