

shareholder approval of each Advisory Agreement would impose costs and unnecessary delays on the Funds, and may preclude the Manager from acting promptly in a manner considered advisable by the Board. Applicants note that the Management Agreements will remain subject to section 15(a) of the Act and rule 18f-2 under the Act.

8. Applicants assert that many Advisers use a "posted" rate schedule to set their fees. Applicants state that while Advisers are willing to negotiate fees lower than those posted in the schedule, particularly with large institutional clients, they are reluctant to do so where the fees are disclosed to other prospective and existing customers. Applicants submit that the nondisclosure of the individual Adviser's fees is in the best interests of the Funds and their shareholders, where the disclosure of such fees would increase costs to shareholders without offsetting benefit to the Funds and their shareholders.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

Conditions Applicable to All Funds Relying on the Requested Order

1. Before a Fund may rely on the requested order, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund's outstanding voting securities or, in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the initial shareholder(s) before the shares of the Fund are offered to the public.

2. Each Fund will disclose in its prospectus the existence, substance and effect of any order granted pursuant to the application. In addition, each Fund will hold itself out to the public as employing the management structure described in this application. Each Fund's prospectus will prominently disclose that the Manager has ultimate responsibility (subject to oversight by the Board) to oversee the Advisers and recommend their hiring, termination and replacement.

3. Within 90 days of the hiring of any new Adviser, the Manager will furnish shareholders of the affected Fund all information about the new Adviser that would be included in a proxy statement, except as modified by the order to permit Aggregate Fee Disclosure. This information will include the Aggregate Fee Disclosure and any change in such

disclosure caused by the addition of the new Adviser. The Manager will satisfy this condition by providing shareholders with an information statement meeting the requirements of Regulation 14C, Schedule 14C and Item 22 of Schedule 14A under the Exchange Act, except as modified by the order to permit Aggregate Fee Disclosure.

4. The Manager will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of each Fund's securities portfolio, and, subject to review and approval by the Board will: (a) Set the Fund's overall investment strategies; (b) evaluate, select, and recommend Advisers to manage all or part of a Fund's assets; (c) allocate and, when appropriate, reallocate a Fund's assets among Advisers; (d) monitor and evaluate the performance of Advisers; and (e) implement procedures reasonably designed to ensure that the Advisers comply with each Fund's investment objectives, policies, and restrictions.

5. The Manager will not enter into an Advisory Agreement with any Affiliated Adviser without that Advisory Agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

6. When a change in Adviser is proposed for a Fund with an Affiliated Adviser, the Board, including a majority of the Independent Directors, will make a separate finding, reflected in the Board minutes, that the change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Manager or the Affiliated Adviser derives an inappropriate advantage.

7. At all times, a majority of each Board will be Independent Directors, subject only to the suspension of this requirement for the death, disqualification or bona fide resignation of directors as provided in rule 10e-1 under the Act, and the nomination of new or additional Independent Directors will be at the discretion of the then-existing Independent Directors.

8. No director or officer of a Fund or director or officer of the Manager will own directly or indirectly (other than through a pooled investment vehicle over which such person does not have control) any interest in an Adviser except for: (a) Ownership of interests in the Manager, or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either an Adviser or an entity that controls, is

controlled by or is under common control with an Adviser.

Additional Conditions Applicable to Funds Relying on the Aggregate Fee Disclosure Relief of the Requested Order

9. Each Fund will disclose in its registration statement the respective Aggregate Fee Disclosure.

10. Independent legal counsel knowledgeable about the Act and the duties of Independent Directors, will be engaged to represent the Independent Directors. The selection of such counsel will be within the discretion of the then-existing Independent Directors.

11. The Manager will provide the Board, no less frequently than quarterly, with information about the Manager's profitability for each Fund relying on the relief requested in the application. This information will reflect the impact on profitability of the hiring or termination of any Adviser during the applicable quarter.

12. Whenever an Adviser to a particular Fund is hired or terminated, the Manager will provide the applicable Fund's Board with information showing the expected impact on the Manager's profitability.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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DEPARTMENT OF STATE

[Public Notice 4311]

Bureau of Political-Military Affairs: Directorate of Defense Trade Controls; Notifications to the Congress of Proposed Commercial Export Licenses

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: Notice is hereby given that the Department of State has forwarded the attached Notifications of Proposed Export Licenses to the Congress on the dates shown on the attachments pursuant to sections 36(c) and 36(d) and in compliance with section 36(f) of the Arms Export Control Act (22 U.S.C. 2776).

EFFECTIVE DATE: As shown on each of the nine letters.

FOR FURTHER INFORMATION CONTACT: Mr. Robert W. Maggi, Deputy Assistant Secretary for Defense Trade Controls, Bureau of Political-Military Affairs, Department of State (202 663-2700).