

registered under the Act and established in the state of Delaware. The Trust is organized as a series fund with multiple series. The Adviser, an investment adviser registered under the Investment Advisers Act of 1940, will serve as investment adviser to each New Fund. The Distributor, a broker-dealer unaffiliated with the Adviser and registered under the Securities Exchange Act of 1934, serves as the principal underwriter for the Trust.

2. The Trust is currently permitted to offer seven series based on fixed-income securities indices in reliance on the Prior Order. Applicants seek to amend the Prior Order to permit the Trust to offer 11 new series based on fixed-income securities indices (each, a "New Fund") that, except as described in the application, would operate in a manner identical to the existing series of the Trust that are subject to the Prior Order.²

3. Each New Fund will invest in a portfolio of securities generally consisting of the component securities of a specified fixed income securities index (each, an "Underlying Index").³ No entity that creates, compiles, sponsors, or maintains an Underlying Index is or will be an affiliated person, as defined in section 2(a)(3) of the Act, or an affiliated person of an affiliated person, of the Trust, the Adviser, the Distributor, or a promoter of a New Fund.

4. Except for the TIPS Index and the Aggregate Index, all of the Underlying Indices contain fixed-income securities that are eligible for inclusion in the underlying indices for the existing series of the Trust that are subject to the Prior Order. The TIPS Index represents all of the inflation protected public obligations of the United States Treasury. The Aggregate Bond Index includes United States agency mortgage pass-through securities, in addition to fixed-income securities that are included in certain underlying indices

for existing series of the Trust. The New Fund that would track the Aggregate Index ("Aggregate Fund") intends to use "to-be-announced" ("TBA") transactions to track the United States agency mortgage pass-through securities in the Aggregate Index.⁴ Applicants state that information about the intraday prices for the fixed income securities held by the New Funds (and TBAs held by the Aggregate Fund) is readily available to the marketplace.

5. The investment objective of each New Fund will be to provide investment results that correspond generally to the price and yield performance of its relevant Underlying Index. Each New Fund will utilize as an investment approach a representative sampling strategy where each New Fund will seek to hold a representative sample of the component securities of the Underlying Index. Except for the Aggregate Fund and the New Funds that track the GS 5-Year Index ("GS 5-Year Fund") and the GS 10-Year Index ("GS 10-Year Fund"), each New Fund will invest at least 90% of its assets in the component securities of its Underlying Index and may invest the remainder of its assets in certain futures, options, and swap contracts, cash and cash equivalents, and in bonds not included in its Underlying Index which the Adviser believes will help the New Fund track its Underlying Index. Each of the GS 5-Year Fund and the GS 10-Year Fund generally will invest 90% of its assets in the component securities of its Underlying Index, though at times each of those New Funds may invest up to 20% of its assets in certain futures, options and swap contracts, cash and cash equivalents, as well as in bonds not included in its Underlying Index in order to manage prospective changes to the indices.⁵ The Aggregate Bond Fund will have at least 90% of its net assets invested in: (a) Component securities of its Underlying Index and (b) investments that have economic characteristics that are substantially

identical to the economic characteristics of the component securities of its Underlying Index (*i.e.*, the TBAs, as discussed above). Applicants expect that each New Fund will have a tracking error relative to the performance of its respective Underlying Index of no more than 5 percent.

6. Applicants state that all discussions contained in the application for the Prior Order are equally applicable to the New Funds, except as specifically noted by applicants (as summarized above). Applicants agree that the amended order will subject applicants to the same conditions as imposed by the Prior Order. Applicants believe that the requested relief continues to meet the necessary exemptive standards.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27712]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

August 15, 2003.

Notice is hereby given that the following filing(s) has/have been made with the Commission under provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by September 10, 2003, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A persons who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order is issued in

² If the amended order is granted, the New Funds would also be able to rely on an exemptive order granting certain relief from section 24(d) of the Act to the existing series of the Trust that are subject to the Prior Order. See iShares, Inc., *et al.*, Investment Company Act Release Nos. 25595 (May 29, 2002) (notice) and 25623 (June 25, 2002) (order).

³ The Underlying Indices for the New Funds are Lehman Brothers Short U.S. Treasury Index, Lehman Brothers 3-7 Year U.S. Treasury Index, Lehman Brothers 10-20 Year U.S. Treasury Index, Lehman Brothers U.S. Treasury Inflation Notes Index ("TIPS Index"), Lehman Brothers U.S. Credit Index, Lehman Brothers Intermediate U.S. Credit Index, Lehman Brothers Intermediate U.S. Government/Credit Index, Lehman Brothers U.S. Aggregate Index ("Aggregate Index"), Credit Suisse First Boston Liquid U.S. Agency Index, GS \$ InvesTop 5-Year Index ("GS 5-Year Index") and GS \$ InvesTop 10-Year Index ("GS 10-Year Index").

⁴ A TBA transaction essentially is a purchase or sale of a United States agency mortgage pass-through security for future settlement at an agreed upon date. Applicants state that 90% of United States agency mortgage pass-through securities are executed as TBA trades. Applicants state that TBA transactions increase the liquidity and pricing efficiency of transactions in United States agency mortgage pass-through securities since they permit similar United States agency mortgage pass-through securities to be traded interchangeably pursuant to commonly observed settlement and delivery requirements.

⁵ The bonds will be bonds that the Adviser believes will help the New Fund track its Underlying Index and which are either: (a) included in the broader index upon which such Underlying Index is based; or (b) new issues entering or about to enter the Underlying Index or the broader index upon which such Underlying Index is based.