

RAILROAD RETIREMENT BOARD**Sunshine Act Meeting**

Notice is hereby given that the Railroad Retirement Board will hold a meeting on August 26, 1998, 9:00 a.m., at the Board's meeting room on the 8th floor of its headquarters building, 844 North Rush Street, Chicago, Illinois, 60611. The agenda for this meeting follows:

- (1) Organizational Placement of the Bureau of Quality Assurance
- (2) Restructuring Plan for Office of Programs—Assessment and Training Component
- (3) Fiscal Year 2000 Budget and Future Budgets
- (4) Year 2000 Issues

The entire meeting will be open to the public. The person to contact for more information is Beatrice Ezerski, Secretary to the Board, Phone No. 312-751-4920.

Date: August 14, 1998.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 98-22403 Filed 8-17-98; 11:25 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23388; 812-10668]

SIT Mutual Funds, Inc., et al.; Notice of Application

August 13, 1998.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 ("Act") for an exemption from section 12(d)(1)(A) and (B) of the Act, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act, and under section 17(d) of the Act and rule 17d-1 under the Act.

SUMMARY OF APPLICATION: Applicants, SIT Mutual Funds, Inc., SIT Mutual Funds II, Inc., SIT Mid Cap Growth Fund, Inc., SIT Large Cap Growth Fund, Inc., SIT U.S. Government Securities Fund, Inc., SIT Money Market Fund, Inc. ("Money Market Fund") (collectively, the "Funds"), and SIT Investment Associates, Inc. ("Adviser") seek an order to permit certain registered open-end investment companies to invest uninvested cash in an affiliated money market fund. The requested order would extend to current and subsequently created series of the Funds and any other registered open-

end investment company advised by the Adviser. The requested order would supersede an existing order.¹

FILING DATES: The application was filed on May 14, 1997, and amended on July 13, 1998. Applicants undertake to file a amendment during the notice period, the substance of which is incorporated in the notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 10, 1998, and should be accompanied by proof of service on applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC 450 Fifth Street, NW., Washington, DC 20549. Applicants, Mary K. Stern, 4600 Norwest Center, Minneapolis, MN 55402. Counsel, Robert A. Kukuljan, Esq., Dorsey & Whitney, LLP., 220 South Sixth Street, Minneapolis, MN 55402.

FOR FURTHER INFORMATION CONTACT: Edward P. Macdonald, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549 (tel. 202-942-8090).

Applicants' Representations

1. The Funds are open-end management investment companies registered under the Act and organized as Minnesota corporations. The Adviser is registered under the Investment Advisers Act of 1940 and serves as the investment adviser for each of the series of the Funds ("Series"). Certain of the Series also have investment subadvisers (together with the Adviser, "Advisers"). The Money Market Fund, a series of the Funds, is subject to rule 2a-7 under the Act.

2. The Series may have, or may be expected to have, uninvested cash

("Uninvested Cash") held by their custodian. Uninvested cash may result from a variety of sources, including dividends or interest received on portfolio securities, unsettled securities transactions, reserves held for investment strategy purposes, scheduled maturity of investments, liquidation of investment securities to meet anticipated redemptions, dividend payments, or new monies received from investors. Currently, the Series may invest Uninvested Cash directly in individual short term money market instruments.

3. The Series (the "Investing Funds") wish to have the flexibility to invest their Uninvested Cash in the Money Market Fund. Any investment of Uninvested Cash in shares of the Money Market Fund will be in accordance with each Investing Fund's investment restrictions and will be consistent with each Investing Funds' policies as set forth in its prospectuses and statements of additional information. Applicants believe that the proposed transactions may reduce transaction costs, create more liquidity, increase returns, and diversify holdings.

Applicants' Legal Analysis

1. Section 12(d)(1)(A) of the Act provides that no registered investment company may acquire securities of another investment company if such securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company's total assets. Section 12(d)(1)(B) provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(J) of the Act provides that the SEC may exempt persons or transactions from any provision of section 12(d)(1) if and to the extent the exemption is consistent with the public interest and the protection of investors. Applicants request relief under section 12(d)(1)(J) to permit the Investing Funds to use Uninvested Cash to acquire shares of the Money Market Fund in excess of the percentage limitations in section 12(d)(1)(A), provided however, that in all cases the Investing Fund's aggregate investment of Uninvested Cash in shares of the Money Market Fund will not exceed 25% of the Investing Fund's

¹ Investment Company Act Release No. 20420 (July 21, 1994) (Notice) and 20482 (August 16, 1994) (Order).