

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-24184, 812-11754]

Harris Insight Funds Trust and Harris Trust and Savings Bank; Notice of Application

December 6, 1999.

AGENCY: Securities and Exchange Commission ("SEC").**ACTION:** Notice of application for an exemption under section 6(c) of the Investment Company Act of 1940 ("Act") from section 15(a) of the Act and rule 18f-2 under the Act.

Summary of Application: The order would permit applicants to enter into and materially amend sub-advisory agreements without shareholder approval.

Applicants: Harris Insight Funds Trust (the "Trust") and Harris Trust and Savings Bank (the "Adviser").

Filing Date: The application was filed on September 17, 1999. Applicants have agreed to file an amendment to the application, the substance of which is reflected in this notice, during the notice period.

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 January 3, 2000, 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20540-0609. Applicants, Four Falls Corporate Center, 6th Floor, West Conshohocken, Pennsylvania 19428-2961 (Trust) and 111 West Monroe Street/6W, Chicago, Illinois 60602 (Adviser).

FOR FURTHER INFORMATION CONTACT: Paula L. Kashtan, Senior Counsel, at (202) 942-0615, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's

Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 (tel. (202) 942-8090).

Applicants' Representations

1. The Trust, a Massachusetts business trust, is registered under the Act as an open-end management investment company. The Trust currently is comprised of thirteen separate series (the "Funds"), each with its own investment objectives, policies, and restrictions.¹

2. The Adviser, an Illinois banking corporation, is exempt from registration under the Investment Advisers Act of 1940 ("Advisers Act") and serves as investment adviser for each of the Funds under an investment advisory agreement ("Advisory Agreement"). Under the Advisory Agreement, the Adviser is responsible, subject to the ongoing supervision of the Trust's board of trustees ("Board"), for administering all operations of the Trust, and is ultimately responsible for the management of the Trust's investments. For its services, the Adviser receives from each Fund a fee based on the Fund's average daily net assets.

3. The Advisory Agreement provides that the Adviser may delegate its advisory duties to Harris Investment Management, Inc. ("HIM"), an investment adviser registered under the Advisers Act. The Adviser and HIM are each wholly-owned subsidiaries of Harris Bankcorp, Inc. Each Fund currently is advised by HIM pursuant to a separate investment advisory agreement ("Subadvisory Agreement"). Under the Subadvisory Agreement, HIM is responsible for managing the assets of each Fund for which it serves as the sole subadviser. HIM's duties consist of making discretionary investment decisions on behalf of the Funds and conducting any research that may be necessary to formulate investment decisions. For its services, HIM receives from the Adviser a fee based on the average daily net assets of a Fund.

4. HIM, in turn, has entered into a Subadvisory Agreement with Hansberger Global Investors, Inc. ("HGI"), an investment adviser registered under the Advisers Act, which serves as sub-subadviser with respect to two of the Funds. HGI is not

affiliated with the Adviser. HGI is responsible for making investment decisions for these two Funds after obtaining and evaluating appropriate economic, statistical, and financial information. For its services, HGI receives from HIM a fee based on the average daily net assets of the two Funds.

5. In the future, the Adviser may delegate its responsibility for providing investment advice or making investment decisions for a particular Fund to other subadvisers (together with HIM and HGI, "Subadvisers") and may employ multiple Subadvisers for a single Fund. The Adviser will recommend the selection or termination of any Subadvisers to the Board, and all future Subadvisers will be approved by the Board. In the event of such delegation, the Adviser will oversee and monitor the performance of each Subadviser, will allocate and, when appropriate, reallocate a Fund's assets among Subadvisers, and will compensate each Subadviser out of fees paid to the Adviser by the Funds. Any future Subadviser will be registered under the Advisers Act or exempt from registration.

6. Applicants state that the Adviser has longstanding and substantial experience managing assets itself and managing external, unaffiliated managers. Applicants believe that the allocation of responsibilities between the Adviser and the Subadvisers benefits shareholders because of the specialization and efficiency it provides. Applicants request relief to permit the Adviser to enter into and materially amend Subadvisory Agreements without obtaining shareholder approval. The requested relief will not extend to HIM or any other Subadviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Trust or the Adviser, other than by reason of serving as a Subadviser to one or more of the Fund ("Affiliated Subadviser").

Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except under a written contract that has been approved by a majority of the investment company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve the matter if the Act requires shareholder approval.

2. Section 6(c) of the Act authorizes the SEC to exempt persons or transactions from the provisions of the

¹ Applicants also request relief with respect to future series of the Trust and all future registered open-end management investment companies that: (a) Are advised by the Adviser or any entity controlling, controlled by or under common control with the Adviser; (b) use the adviser/subadviser structure described in the application; and (c) comply with the terms and conditions in the application ("Future Funds"). The Trust is the only existing investment company that currently intends to rely on the order.

Act to the extent that the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants state that the requested relief meets this standard for the reasons discussed below.

3. Applicants assert that the Fund's shareholders rely on the Adviser to select the Subadvisers best suited to achieve a Fund's investment objectives. Therefore, applicants assert that, from the perspective of the investor, the role of the Subadvisers is comparable to that of individual portfolio managers employed by other investment advisory firms. Applicants submit that the requested relief will reduce the Funds' expenses associated with shareholder meetings and proxy solicitations, and enable the Funds to operate more efficiently. Applicants also note that the Advisory Agreement will remain subject to sections 15(a) and 15(c) of the Act and rule 18f-2 under the Act.

Applicants' Conditions

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

1. Before a Fund may rely on the order requested in the application, the operation of the Fund in the manner described in the application will be approved by a majority of its outstanding voting securities, as defined in the Act, or, in the case of a Future Fund whose shareholders purchased shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder(s) before offering shares of the Future Fund to the public.

2. The Trust 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 the application. The prospectus for each Fund will prominently disclose that the Adviser has the ultimate responsibility, subject to review of the Board, to oversee Subadvisers and recommend their hiring, termination, and replacement.

3. At all times, a majority of the board will be persons each of whom is not an "interested person" of the Trust as defined in Section 2(a)(19) of the Act ("Independent Trustees"), and the nomination of new or additional Independent Trustees will be at the discretion of the then-existing Independent Trustees.

4. The Adviser will not enter into a Sub-Advisory Agreement on behalf of a

Fund with any Affiliated Subadviser, unless that agreement, including the compensation to be paid thereunder, has been approved by the shareholders of the applicable Fund.

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

6. Within 90 days of the hiring of any Subadviser, shareholders of the affected Fund will be furnished with all information about the new Subadviser that would be included in a proxy statement. The Adviser will meet this condition by providing shareholders of the applicable Fund with an information statement meeting the requirement of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

7. The Adviser will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of each Fund's portfolio, and, subject to review and approval by the Board, will (i) Set the Fund's overall investment strategies; (ii) Select Subadvisers; (iii) When appropriate, recommend to the Board the allocation and allocation of a Fund's assets among multiple Subadvisers; (iv) Monitor and evaluate the performance of Subadvisers; and (v) Ensure that the Subadvisers comply with the Fund's investment objectives, policies, and restrictions.

8. No trustee or officer of the Trust or director or officer of the Adviser will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by that trustee, director or officer) any interest in a Subadviser except for (i) Ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser or (ii) Ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either the Subadviser or an entity that controls, is controlled by, or is under common control with the Subadviser. For the SEC, by the Division

of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24183; 812-11706]

The Payden & Rygel Investment Group and Payden & Rygel; Notice of Application

December 6, 1999.

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

ACTION: Notice of an application for an order under sections 6(c), 12(d)(1)(f), and 17(b) of the Investment Company Act of 1940 (the "Act") for exemptions from sections 12(d)(1)(A) and (B) and 17(a) of the Act, and under section 17(d) of the Act and rule 17d-1 under the Act to permit certain joint transactions.

Summary of the Application: The requested order would permit certain registered management investment companies to invest uninvested cash and cash collateral in affiliated money market funds in excess of the limits in sections 12(d)(1)(A) and (B) of the Act.

Applicants: The Payden & Rygel Investment Group ("P&R Group"), and all existing and future registered management investment companies for which Payden & Rygel ("Payden") serves in the future as an investment adviser (collectively, the "Investment Companies") and all existing and future series of the Investment Companies ("Funds"), and Payden.

Filing Dates: The application was filed on July 20, 1999. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on December 28, 1999, 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