Applicant's Address: 1530 Hilton Head Rd., Suite 210, El Cajon, CA 92019.

SGM Funds [File No. 811–22247]

Summary: Applicant seeks an order declaring that its final liquidating distribution to its shareholders, based on net asset value. Expenses of $2,050 incurred in connection with the liquidation were paid by Roszel Advisors, LLC, applicant’s investment adviser.

Filing Date: The application was filed on June 30, 2010, and amended on September 14, 2010.

Applicant's Address: 8000 Town Centre Dr., Suite 400, Broadview Heights, OH 44147.

National Retail Fund I [File No. 811–22197]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On May 14, 2010, applicant made its final liquidating distribution to its shareholders, based on net asset value. Expenses of $2,050 incurred in connection with the liquidation were paid by Roszel Advisors, LLC, applicant’s investment adviser.

Filing Date: The application was filed on September 9, 2010.

Applicant’s Address: 1350 Hilton Head Rd., Suite 210, El Cajon, CA 92019.

SGM Funds [File No. 811–21401]

Summary: Applicant seeks an order declaring that it has ceased to be an investment company. On February 1, 2010, applicant made a liquidating distribution to its shareholders, based on net asset value. Expenses of $600 incurred in connection with the liquidation were paid by Sycuan Capital Management, Inc., applicant’s investment adviser.

Filing Date: The application was filed on September 9, 2010.

Applicant's Address: 1530 Hilton Head Rd., Suite 210, El Cajon, CA 92019.

Jackson National Life Insurance Company, et al.; Notice of Application

September 27, 2010.

AGENCY: Securities and Exchange Commission (“Commission”).

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 sections 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 6(c) of the Act for an exemption from rule 12d1–2(a) under the Act.

SUMMARY OF THE APPLICATION:

Applicants request an order that would (a) permit certain series of registered open-end management investment companies to acquire shares of other registered open-end management investment companies and unit investment trusts (“UTIs”) that are within or outside the same group of investment companies, and (b) permit certain series of registered open-end management investment companies relying on rule 12d1–2 under the Act to invest in certain financial instruments.

APPLICANTS: Jackson National Life Insurance Company (“Jackson”), Jackson National Life Insurance Company of New York (“Jackson New York,” and collectively with Jackson and any insurance company controlling, controlled by, or under common control with Jackson or Jackson New York, the “Insurance Companies”); Jackson National Asset Management, LLC (the “Manager”); JNL Series Trust (“Series Trust”), and JNL Variable Fund LLC (“JNLVF”) together with Series Trust, the “Trusts”).
FILING DATES: The application was filed on April 8, 2010, and amended on September 22, 2010, and September 24, 2010.

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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 22, 2010, 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 Commission’s Secretary.


FOR FURTHER INFORMATION CONTACT: Keith A. Gregory, Senior Counsel, at (202) 551–6815, or Mary Kay Frech, Branch Chief, at (202) 551–6821 (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 via the Commission’s Web site by searching for the file number, or an applicant using the Company name box, at http://www.sec.gov/search/search.htm or by calling (202) 551–8090.

Applicants’ Representations

1. Series Trust is a Massachusetts business trust and JNLVF is a Delaware limited liability company. Each Trust is registered under the Act as an open-end management investment company and is comprised of multiple series (“Funds”), each of which has its own investment objective, policies and restrictions. Shares of the Funds are not offered directly to the public. Shares of the Funds are offered to separate accounts that are registered as unit investment trusts under the Act (“Registered Separate Accounts”) or that are exempt from registration under the Act (“Unregistered Separate Accounts,” and together with the Registered Separate Accounts, “Separate Accounts”) of the Insurance Companies and serve as the underlying investment vehicles for the variable life insurance contracts and variable annuity contracts (“Variable Contracts”) issued by the Insurance Companies. Shares of the Funds may also be offered to qualified pension and retirement plans, the general accounts of the Insurance Companies, or to series of the Trusts.

2. The Manager is a Michigan limited liability company registered under the Investment Advisers Act of 1940 (“Advisers Act”) and serves as investment adviser to the Funds. The Manager is a wholly-owned subsidiary of Jackson. Jackson is a wholly-owned subsidiary of Prudential plc (London, England).

3. Applicants request relief to permit: (a) Certain Funds (each, a “Fund of Funds”) to acquire shares of registered open-end management investment companies (the “Unaffiliated Investment Companies”) and UITs that are not part of the same “group of investment companies” (as defined in section 12(d)(1)(G)(ii) of the Act) as the Fund of Funds (“Unaffiliated Trusts,” and together with the Unaffiliated Investment Companies, the “Unaffiliated Funds”); (b) the Unaffiliated Investment Companies, their principal underwriters and any broker or dealer registered under the Securities Exchange Act of 1934 (“Broker”) to sell shares of the Unaffiliated Investment Companies to the Funds of Funds; (c) the Funds of Funds to acquire shares of other Funds in the same “group of investment companies” (as defined in section 12(d)(1)(G)(ii) of the Act) as the Fund of Funds (collectively, the “Affiliated Funds,” and together with the Unaffiliated Funds, the “Underlying Funds”). and (d) the Affiliated Funds, other than those underwritten as noted above, to invest, to the extent consistent with its investment objective, policies, strategies and limitations, in financial instruments that may not be securities within the meaning of section 2(a)(36) of the Act (“Other Investments”).

4. Applicants also request an exemption to the extent necessary to permit a Fund of Funds that invests in Underlying Funds in reliance on section 12(d)(1)(G) of the Act, and that is eligible to invest in securities (as defined in section 2(a)(36) of the Act) in reliance on rule 12d1–2 under the Act (“Same Group Fund of Funds”), to also invest, to the extent consistent with its investment objective, policies, strategies and limitations, in financial instruments that may not be securities within the meaning of section 2(a)(36) of the Act (“Other Investments”).

5. Consistent with its fiduciary obligations under the Act, each Same Group Fund of Funds’ board of trustees will review the advisory fees charged by the Same Group Fund of Funds’ investment adviser to ensure that they are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to the advisory agreement of any investment company in which the Same Group Fund of Funds may invest.

Applicants’ Legal Analysis

Investments in Underlying Funds

A. Section 12(d)(1)

1. Section 12(d)(1)(A) of the Act prohibits a registered investment company from acquiring shares of an investment company if the securities represent more than 3% of the total outstanding voting stock of the acquired company, more than 5% of the total assets of the acquiring company, or, together with the securities of any other investment companies, more than 10% of the total assets of the acquiring company. Section 12(d)(1)(B) of the Act prohibits a registered open-end investment company, its principal underwriter and any Broker from selling the shares of the investment company to another investment company if the sale will cause the acquiring company to own more than 3% of the acquired company’s voting stock, or if the sale will cause more than 10% of the acquired company’s voting stock to be owned by the investment companies (as defined in section 12(d)(1)(G)(ii) of the Act) as its corresponding master fund.
owned by investment companies generally.

2. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Applicants seek an exemption under section 12(d)(1)(J) of the Act from the limitations of sections 12(d)(1)(A) and (B) to the extent necessary to permit the Funds of Funds to acquire shares of the Underlying Funds in excess of the limits set forth in section 12(d)(1)(A) of the Act and to permit the Unaffiliated Investment Companies and Affiliated Funds, their principal underwriters and any Broker to sell shares to the Funds of Funds in excess of the limits set forth in section 12(d)(1)(B) of the Act.

3. Applicants state that the proposed arrangement will not give rise to the policy concerns underlying sections 12(d)(1)(A) and (B), which include concerns about undue influence by a fund of funds or its affiliated persons over underlying funds, excessive layering of fees, and overly complex fund structures. Accordingly, applicants believe that the requested exemption is consistent with the public interest and the protection of investors.

4. Applicants state that the proposed arrangement will not result in undue influence by a Fund of Funds or its affiliated persons over the Underlying Funds. The concern about undue influence does not arise in connection with a Fund of Funds’ investment in the Affiliated Funds, since they are part of the same group of investment companies. To limit the control that a Fund of Funds or its affiliated persons may have over an Unaffiliated Fund, applicants propose a condition prohibiting: (a) The Manager and any person controlling, controlled by or under common control with the Manager, any investment company and any issuer that would be an investment company but for section 3(c)(1) or section 3(c)(7) of the Act advised or sponsored by the Subadviser or any person controlling, controlled by or under common control with the Subadviser (collectively, the “Subadviser Group”) from controlling (individually or in the aggregate) an Unaffiliated Fund within the meaning of section 2(a)(9) of the Act.

5. Applicants further state that condition 2 precludes a Fund of Funds, the Manager, any Subadviser, promoter or principal underwriter of a Fund of Funds, and any person controlling, controlled by or under common control with a Fund of Funds Affiliate (except to the extent it is acting in its capacity as an investment adviser to an Unaffiliated Investment Company or sponsor to an Unaffiliated Trust) from causing an Unaffiliated Fund to purchase a security in an offering of securities during the existence of any underwriting or selling syndicate of which a principal underwriter is an officer, director, member of an advisory board, Manager, Subadviser, or employee of the Fund of Funds, or a person of which any such officer, director, Manager, Subadviser, member of an advisory board, or employee is an affiliated person (each, an “Underwriting Affiliate,” except any person whose relationship to the Unaffiliated Fund is covered by section 10(f) of the Act is not an Underwriting Affiliate). An offering of securities during the existence of any underwriting or selling syndicate of which a principal underwriter is an Underwriting Affiliate is an “Underwriting Affiliate.”

6. As an additional assurance that an Unaffiliated Investment Company understands the implications of an investment by a Fund of Funds under the requested order, prior to an investment in the shares of the Unaffiliated Investment Company in excess of the limit in section 12(d)(1)(A)(i), condition 8 requires that the Fund of Funds and the Unaffiliated Investment Company execute an agreement stating, without limitation, that their boards of directors or trustees (“Boards”) and their investment advisors understand the terms and conditions of the order and agree to fulfill their responsibilities under the order (“Participation Agreement”). Applicants note that an Unaffiliated Investment Company (other than an ETF whose shares are purchased by a Fund of Funds in the secondary market) will retain the right to reject an investment by a Fund of Funds.4

7. Applicants do not believe that the proposed arrangement will involve excessive layering of fees. With respect to investment advisory fees, applicants state that, in connection with the approval of any investment advisory contract under section 15 of the Act, the Board of each Fund of Funds, including a majority of the trustees who are not “interested persons,” as defined in section 2(a)(19) of the Act (“Independent Trustees”), will find that the advisory fees charged under the advisory contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund’s advisory contract(s). Applicants further state that the Manager will waive fees otherwise payable to it by a Fund of Funds in an amount at least equal to any compensation (including fees received pursuant to any plan adopted by an Unaffiliated Investment Company pursuant to rule 12b–1 under the Act) received from an Unaffiliated Fund by the Manager, or an affiliated person of the Manager, other than any advisory fees paid to the Manager or an affiliated person of the Manager by an Unaffiliated Investment Company, in connection with the investment by the Fund of Funds in the Unaffiliated Fund.

8. Applicants state that with respect to Registered Separate Accounts that invest in a Fund of Funds, no sales load will be charged at the Fund of Funds level or at the Underlying Fund level. Other sales charges and service fees, as defined in Rule 2830 of the Conduct Rules of the NASD (“NASD Conduct Rule 2830”), if any, will only be charged at the Fund of Funds level or at the Underlying Fund level, not both. With respect to other investments in a Fund of Funds, any sales charges and/or service fees charged with respect to shares of the Fund of Funds will not exceed the limits applicable to funds as set forth in NASD Conduct Rule 2830.5

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4 An Unaffiliated Investment Company, including an ETF, would retain its right to reject any initial investment by a Fund of Funds in excess of the limit in section 12(d)(1)(A)(i) of the Act by declining to execute the Participation Agreement with the Fund of Funds.

5 Any references to NASD Conduct Rule 2830 include any successor or replacement FINRA rule to NASD Conduct Rule 2830.
9. Applicants represent that each Fund of Funds will represent in the Participation Agreement that no insurance company sponsoring a Registered Separate Account funding Variable Contracts will be permitted to invest in the Fund of Funds unless the insurance company has certified to the Fund of Funds that the aggregate of all fees and charges associated with each contract that invests in the Fund of Funds, excluding fees and charges at the Separate Account, Fund of Funds, and Underlying Fund levels, are reasonable in relation to the services rendered, the expenses expected to be incurred, and the risks assumed by the insurance company.

10. Applicants state that the proposed arrangement will not create an overly complex fund structure. Applicants note that an Underlying Fund will be prohibited from acquiring securities of any investment company or company relieving on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A), except to the extent that such Underlying Fund: (a) acquires such securities in compliance with section 12(d)(1)(E) of the Act; (b) receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (c) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to: (i) acquire securities of one or more investment companies for short-term cash management purposes, or (ii) engage in interfund borrowing and lending transactions.

B. Section 17(a)

1. Section 17(a) of the Act generally prohibits sales or purchases of securities between a registered investment company and its affiliated persons or affiliated persons of such persons. Section 2(a)(3) of the Act defines an “affiliated person” of another person to include (a) any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of the other person; (b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote by the other person; and (c) any person directly or indirectly controlling, controlled by, or under common control with the other person.

Applicants state that the Funds of Funds and the Affiliated Funds may be deemed to be under common control and therefore affiliated persons of one another. Applicants also state that the Funds of Funds and the Underlying Funds may be deemed to be affiliated persons of one another if a Fund of Funds acquires 5% or more of an Underlying Fund’s outstanding voting securities. In light of these possible affiliations, section 17(a) could prevent an Underlying Fund from selling shares to and redeeming shares from a Fund of Funds.6

3. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt any person or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

4. Applicants submit that the proposed transactions satisfy the standards for relief under sections 17(b) and 6(c) of the Act, as the terms are fair and reasonable and do not involve overreaching. Applicants state that the terms upon which an Underlying Fund will sell its shares to or purchase its shares from a Fund of Funds will be based on the net asset value of each Underlying Fund.7 Applicants also state that the proposed transactions will be consistent with the policies of each Fund of Funds and Underlying Fund, and with the general purposes of the Act.

C. Other Investments by Same Group Funds of Funds

1. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) the acquiring company and acquired company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered UITs in reliance on section 12(d)(1)(F) or (G) of the Act. 2. Rule 12d1–2 under the Act permits a registered open-end investment company or a registered UIT that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, government securities, and short-term paper: (1) Securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (2) securities (other than securities issued by an investment company); and (3) securities issued by a money market fund, when the investment is in reliance on rule 12d1–1 under the Act. For the purposes of rule 12d1–2, “securities” means any security as defined in section 2(a)(36) of the Act.

3. Applicants state that the proposed arrangement would comply with the provisions of rule 12d1–2 under the Act, but for the fact that the Same Group Funds of Funds may invest a portion of their assets in Other Investments. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1–2(a) to allow the Same Group Funds of Funds to invest in Other Investments. Applicants assert that permitting the Same Group Funds of Funds to invest in Other Investments as described in the application would not raise any of the concerns that the
requirements of section 12(d)(1) were
designed to address.

Applicants’ Conditions
Applicants agree that the order
granting the requested relief shall be
subject to the following conditions:

Investments in Underlying Funds by
Funds of Funds

1. The members of the Group will not
control (individually or in the aggregate)
an Unaffiliated Fund within the
meaning of section 2(a)(9) of the Act.
The members of a Subadviser Group
will not control (individually or in the
aggregate) an Unaffiliated Fund within
the meaning of section 2(a)(9) of the Act.
If, as a result of a decrease in the
outstanding voting securities of an
Unaffiliated Fund, the Group or a
Subadviser Group, each in the aggregate,
becomes a holder of more than 25% of
the outstanding voting securities of the
Unaffiliated Fund, then the Group or the
Subadviser Group (except for any
member of the Group or the Subadviser
Group that is a Separate Account) will
vote its shares of the Unaffiliated Fund
in the same proportion as the vote of all
other holders of the Unaffiliated Fund’s
shares. This condition will not apply to
a Subadviser Group with respect to an
Unaffiliated Fund for which the
Subadviser or a person controlling,
controlled by, or under common control
with the Subadviser acts as the
investment adviser within the range of
consideration that

2. No Fund of Funds or Fund of
Funds Affiliate will cause any existing
or potential investment by the Fund of
Funds or a Fund of Funds Affiliate to
influence the terms of any services or
transactions between the Fund of Funds
or a Fund of Funds Affiliate and the
Unaffiliated Fund or an Unaffiliated
Fund Affiliate.

3. The Board of each Fund of Funds,
including a majority of the Independent
Trustees, will adopt procedures
reasonably designed to assure that the
Manager and any Subadviser are
conducting the investment program of
the Fund of Funds without taking into
account any consideration received by
the Fund of Funds or a Fund of Funds
Affiliate from an Unaffiliated Fund or
an Unaffiliated Fund Affiliate in
connection with any services or
transactions.

4. Once an investment by a Fund of
Funds in the securities of an
Unaffiliated Investment Company
exceeds the limit of section
12(d)(1)(A)(i) of the Act, the Board of
the Unaffiliated Investment Company,
including a majority of the Independent
Trustees, will determine that any
consideration paid by the Unaffiliated
Investment Company to a Fund of
Funds or a Fund of Funds Affiliate in
connection with any services or
transactions: (a) Is fair and reasonable in
relation to the nature and quality of
the services and benefits received by the
Unaffiliated Investment Company; (b) is
within the range of consideration that
the Unaffiliated Investment Company
would be required to pay to another
unaffiliated entity in connection with
the same services or transactions; and
(c) does not involve overreach on the
part of any person concerned. This
condition will not apply with respect to
any services or transactions between an
Unaffiliated Investment Company and its
investment adviser(s), or any person
controlling, controlled by, or under
common control with such investment
adviser(s).

5. No Fund of Funds or Fund of
Funds Affiliate (except to the extent it
is acting in its capacity as an investment
adviser to an Unaffiliated Investment
Company or sponsor to an Unaffiliated
Trust) will cause an Unaffiliated Fund
to purchase a security in any Affiliated
Underwriting or to purchase a security in
an Underwriting Affiliate. The
Unaffiliated Investment Company will
maintain and preserve permanently in an
easily accessible place a written copy of
the procedures described in the
preceding condition, and any
modifications to such procedures, and
will maintain and preserve for a period of
not less than six years from the end of the
fiscal year in which any purchase in an
Affiliated Underwriting occurred, the
first two years in an easily accessible
place, a written record of each purchase
of securities in an Affiliated Underwriting
once an investment by a Fund of Funds
in the securities of an Unaffiliated
Investment Company exceeds the limit
of section 12(d)(1)(A)(i) of the Act,
setting forth (a) the party from whom
the securities were acquired, (b) the
identity of the underlying syndicate’s
members, (c) the terms of the purchase,
and (d) the information or materials
upon which the determinations of the
Board of the Unaffiliated Investment
Company were made.

8. Prior to its investment in shares of
an Unaffiliated Investment Company in
excess of the limit of section
12(d)(1)(A)(i) of the Act, the Fund of
Funds and the Unaffiliated Investment
Company will execute a Participation
Agreement stating without limitation,
that their Boards and their investment
advisers understand the terms and
periodically, but no less frequently than
annually, to determine whether the
purchases were influenced by the
investment by the Fund of Funds in the
Unaffiliated Investment Company. The
Board of the Unaffiliated Investment
Company will consider, among other
things: (a) Whether the purchases were
consistent with the investment
objectives and policies of the
Unaffiliated Investment Company; (b) how
the performance of securities
purchased in an Affiliated Underwriting
compares to the performance of
compares to the performance of comparable securities purchased during
during a comparable period of time in
underwritings other than Affiliated
Underwritings or to a benchmark such
as a comparable market index; and (c)
whether the amount of securities
purchased by the Unaffiliated
Investment Company in Affiliated
Underwritings and the amount
purchased directly from an
Underwriting Affiliate have changed
significantly since prior years. The
Board of an Unaffiliated Investment
Company will take any appropriate
actions based on its review, including,
if appropriate, the institution of
procedures designed to assure that
purchases of securities in Affiliated
Underwritings are in the best interests
of shareholders.
conditions of the order and agree to fulfill their responsibilities under the order. At the time of its investment in shares of an Unaffiliated Investment Company in excess of the limit set forth in section 12(d)(1)(A)(i), a Fund of Funds will notify the Unaffiliated Investment Company of the investment. At such time, the Fund of Funds will also transmit to the Unaffiliated Investment Company a list of the names of each Fund of Funds Affiliate and Underwriting Affiliate. The Fund of Funds will notify the Unaffiliated Investment Company of any changes to the list as soon as reasonably practicable after a change occurs. The Unaffiliated Investment Company and the Fund of Funds will maintain and preserve a copy of the order, the Participation Agreement and the list with any updated information for the duration of the investment and for a period of not less than six years thereafter, the first two years in an easily accessible place.

9. Before approving any advisory contract under section 15 of the Act, the Board of each Fund of Funds, including a majority of the Independent Trustees, shall find that the advisory fees charged under the advisory contract are based on services provided that are in addition to, rather than duplicative of, services provided under the advisory contract(s) of any Underlying Fund in which the Fund of Funds may invest. Such finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the appropriate Fund of Funds.

10. The Manager will waive fees otherwise payable to it by a Fund of Funds in an amount at least equal to any compensation (including fees received pursuant to any plan adopted by an Unaffiliated Investment Company pursuant to rule 12b–1 under the Act) received from an Unaffiliated Fund by the Manager, or an affiliated person of the Manager, other than any advisory fees paid to the Manager or its affiliated person by an Unaffiliated Investment Company, in connection with the investment by the Fund of Funds in the Unaffiliated Fund. Any Subadviser will waive fees otherwise payable to the Subadviser, directly or indirectly, by the Fund of Funds in an amount at least equal to any compensation received by the Subadviser, or an affiliated person of the Subadviser, from an Unaffiliated Fund, other than any advisory fees paid to the Subadviser or an affiliated person of the Subadviser by the Unaffiliated Investment Company, in connection with the investment by the Fund of Funds in the Unaffiliated Fund made at the direction of the Subadviser. In the event that the Subadviser waives fees, the benefit of the waiver will be passed through to the Fund of Funds.

11. With respect to Registered Separate Accounts that invest in a Fund of Funds, no sales load will be charged at the Fund of Funds level or at the Underlying Fund level. Other sales charges and service fees, as defined in NASD Conduct Rule 2830, if any, will only be charged at the Fund of Funds level or at the Underlying Fund level, not both. With respect to other investments in a Fund of Funds, any sales charges and/or service fees charged with respect to shares of a Fund of Funds will not exceed the limits applicable to funds of funds set forth in NASD Conduct Rule 2830.

12. No Underlying Fund will acquire securities of any other investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent that such Underlying Fund (a) Acquires such securities in compliance with section 12(d)(1)(E) of the Act; (b) receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (c) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to: (i) acquire securities of one or more investment companies for short-term cash management purposes, or (ii) engage in interfund borrowing and lending transactions.

Other Investments by Same Group Funds of Funds

13. The Applicants will comply with all provisions of rule 12d1–2 under the Act, except for paragraph (a)(2) to the extent that it restricts any Same Group Fund of Funds from investing in Other Investments as described in the application.

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

Florence E. Harmon, Deputy Secretary.
[FR Doc. 2010–24654 Filed 9–30–10; 8:45 am]
BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 29444; File No. 812–13708]

American Fidelity Dual Strategy Fund, Inc. and American Fidelity Assurance Company; Notice of Application

September 27, 2010.

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from section 15(a) of the Act, as well as from certain disclosure requirements.

SUMMARY OF APPLICATION: Applicants request an order that would permit them to enter into and materially amend subadvisory agreements without shareholder approval and would grant relief from certain disclosure requirements.

APPLICANTS: American Fidelity Dual Strategy Fund, Inc. (the “Fund”) and American Fidelity Assurance Company (the “Advisor”).

FILING DATES: The application was filed on October 1, 2009, and amended on March 15, 2010, and September 24, 2010.

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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 22, 2010, and should be accompanied by proof of service on the 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 Commission’s Secretary.


FOR FURTHER INFORMATION CONTACT: Lewis Reich, Senior Counsel, at (202) 551–6919, or Jennifer Sawin, Branch Chief, at (202) 551–6821 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application