

For the Nuclear Regulatory Commission.  
**E. William Brach**,  
*Director, Spent Fuel Project Office, Office of Nuclear Material Safety and Safeguards.*  
 [FR Doc. 01-21856 Filed 8-28-01; 8:45 am]  
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## OFFICE OF MANAGEMENT AND BUDGET

### Budget Analysis Branch; Sequestration Update Report

**AGENCY:** Office of Management and Budget—Budget Analysis Branch.

**ACTION:** Notice of transmittal of the Sequestration Update Report to the President and Congress for Fiscal Year 2002.

**SUMMARY:** Pursuant to Section 254(b) of the Balanced Budget and Emergency Control Act of 1985, as amended, the Office of Management and Budget hereby reports that it has submitted its Sequestration Update Report for Fiscal Year 2002 to the President, the Speaker of the House of Representatives, and the President of the Senate.

**FOR FURTHER INFORMATION CONTACT:** Sarah Lee, Budget Analysis Branch—202/395-3674.

Dated: August 23, 2001.

**Cynthia Christian**,  
*Assistant Director for Administration.*  
 [FR Doc. 01-21737 Filed 8-28-01; 8:45 am]  
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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request; Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension:

Regulation 12B, OMB Control No. 3235-0062, SEC File No. 270-70  
 Form 15, OMB Control No. 3235-0167, SEC File No. 270-170  
 Form F-4, OMB Control No. 3235-0325, SEC File No. 270-288

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

Regulation 12B includes rules governing Securities Exchange Act of 1934 (“Exchange Act”) registration statements and reports. The purpose of the regulation is to set forth guidelines for the uniform preparation of Exchange Act documents. All information is provided to the public for review. The information required is filed on occasion and is mandatory. Regulation 12B is assigned one burden hour for administrative convenience because the regulation simply prescribes the disclosure that must appear in other filings under the federal securities laws. Finally, persons who respond to the collection of information prescribed to in Regulation 12B are not required to respond unless the collection of information displays a currently valid control number.

Form 15 is a certification of termination of a class of security under Section 12(g) or notice of suspension of duty to file reports pursuant to Sections 13 and 15(d) of the Securities Exchange Act of 1934. The information collected is to inform the public when a registrant does not file periodic reports. All information is provided to the public for review. Approximately 2,000 issuers file Form 15 annually and it takes approximately a total of 1.5 hours per response for a total of 3,000 annual burden hours. Finally, persons who respond to the collection of information contained in Form 15 are not required to respond unless the form displays a currently valid control number.

Form F-4 is used by foreign issuers to register securities in business combinations, reorganizations and exchange offers pursuant to federal securities laws. If the information disclosed on Form F-4 were not required, the objectives of the Securities Act would not be met. The information required is filed on occasion and is mandatory. All information is provided to the public for review. Form F-4 is filed by foreign issuers. Form F-4 takes approximately 1,311 hours per response to prepare and is filed by 450 respondents. It is estimated that 50% of the 589,950 total burden hours (294,975 hours) would be prepared by the company. Finally, persons who respond to the collection of information contained in Form F-4 are not required to respond unless the form displays a currently valid control number.

Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building,

Washington, DC 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: August 21, 2001.

**Jonathan G. Katz**,  
*Secretary.*  
 [FR Doc. 01-21788 Filed 8-28-01; 8:45 am]  
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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25134; 812-11880]

### Commonfund Institutional Funds, et al.; Notice of Application

August 23, 2001.

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

**ACTION:** Notice of an application under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from section 15(a) of the Act and rule 18f-2 under the Act, as well as from certain disclosure requirements.

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

**APPLICANTS:** Commonfund Institutional Funds (the “Company”) and Commonfund Asset Management Company, Inc. (“COMANCO”).

**FILING DATES:** The application was filed on December 13, 1999 and amended on July 19, 2001.

**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 September 17, 2001, 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.

**ADDRESSES:** Secretary, Commission 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, c/o Timothy

W. Levin, Esq., Morgan, Lewis & Bockius LLP, 1701 Market Street, Philadelphia, PA 19103.

**FOR FURTHER INFORMATION CONTACT:** Emerson S. Davis, Sr., Senior Counsel, at (202) 942-0714, or Janet M. Grossnickle, 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 Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone (202) 942-8090).

### Applicants' Representations

1. The Company, a Delaware business trust, is registered under the Act as an open-end management investment company. The Company currently offers eight series (together the "Funds," and each a "Fund"). Each Fund has its own investment objectives, policies and restrictions. COMANCO, registered under the Investment Advisers Act of 1940 ("Advisers Act"), serves as the investment adviser to each Fund pursuant to an investment advisory agreement with the Company ("Advisory Agreement") that was approved by the board of directors of the Company (the "Board"), including a majority of the directors who are not "interested persons," as defined in section 2(a)(19) of the Act ("Independent Directors"), and the sole shareholder of each Fund.<sup>1</sup>

2. Under the terms of the Advisory Agreement, COMANCO serves as investment adviser to each Fund and provides investment sub-adviser selection, monitoring and asset allocation services to the Funds and may hire one or more sub-advisers ("Sub-Adviser") to exercise day-to-day investment discretion over all or a portion of the assets of a Fund pursuant to separate investment sub-advisory agreements. In its capacity as

investment adviser, COMANCO is required (a) to perform due diligence on prospective Sub-Advisers; (b) to communicate performance targets and evaluations to Sub-Advisers; (c) to supervise compliance with each Fund's investment objectives and policies; and (d) to recommend to the Board whether sub-advisory agreements should be renewed, modified or terminated. Each Sub-Adviser is or will be either registered or exempt from registration under the Advisers Act. Sub-Advisers are recommended to the Board by COMANCO and selected and approved by the Board, including a majority of the Independent Directors. Each Sub-adviser's fee is paid by COMANCO out of the management fee received by COMANCO from the respective Fund.

3. COMANCO will recommend and, if the Board, including a majority of the Independent Directors, approves the recommendations monitor for the Fund one or more Sub-Advisers that follow a range of investment styles. The Board will rely upon COMANCO to monitor the Sub-Advisers' performance and their compliance with a Fund's investment objectives and policies, and to recommend the hiring and or termination of Sub-Advisers. In using a manager of managers approach, COMANCO believes that the likelihood of outperformance is increased through the use of multiple Sub-Advisers in appropriate cases because underperformance by a single Sub-Adviser would not necessarily result in overall underperformance. The Funds currently use 24 Sub-Advisers.

4. Applicants request relief to permit COMANCO, subject to the Board's approval, to enter into and materially amend sub-advisory agreements without shareholder approval. The requested relief will not extend to a Sub-Adviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of a Fund or COMANCO, other than by reason of serving as a Sub-Adviser to one or more of the Funds (an "Affiliated Manager").

5. Applicants also request an exemption from the various disclosure provisions described below that may require the Funds to disclose the fees paid by COMANCO to the Sub Advisers. An exemption is requested to permit a Fund to disclose (as both a dollar amount and as a percentage of a Fund's net assets): (a) aggregate fees paid to COMANCO and any Affiliated Managers; and (b) aggregate fees paid to Sub-Advisers other than Affiliated Managers ("Aggregate Fees"). If a Fund employs an Affiliated Manager, the Fund will provide separate disclosure of any fees paid to the Affiliated Manager.

### Applicant's 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 pursuant to a written contract that has been approved by the vote of the majority of the 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 such matter if the Act requires shareholder approval.

2. Form N-1A is the registration statement used by open-end investment companies. Item 15(a)(3) of Form N-1A requires disclosure of the method and amount of the investment adviser's compensation.

3. Rule 20a-1 under the Act requires proxies solicited with respect to an investment company to comply with Schedule 14A under the Securities Exchange Act of 1934 (the "Exchange Act"). Items 22(c)(1)(ii), 22(c)(8), and 22(c)(9) of Schedule 14A, taken together, require a proxy statement for a shareholder meeting at which the advisory contract will be voted upon to include the "rate of compensation of the investment adviser," the "aggregate amount of the investment adviser's fees," a description of "terms of the contract to be acted upon," and, if a change in the advisory fee is proposed, the existing and proposed fees and the difference between the two fees.

4. Form N-SAR is the semi-annual report filed with the Commission by registered investment companies. Item 48 of Form N-SAR requires investment companies to disclose the rate schedule for fees paid to their investment advisers, including the Sub-Advisers.

5. Regulation S-X sets forth the requirements for financial statements required to be included as part of investment company registration statements and shareholder reports filed with the Commission. Sections 6-07(2)(a), (b), and (c) of Regulation S-X require that investment companies include in their financial statements information about investment advisory fees.

6. Section 6(c) 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 the Act, or from any rule thereunder, 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. Applicants believe that the requested relief meets

<sup>1</sup> Applicants also request relief with respect to future Funds, and any other registered open-end management investment companies or series thereof (a) that are advised by COMANCO or any entity controlling, controlled by, or under common control with COMANCO, and (b) use the multi-manager structure described in the application ("Future Funds," and together with the Funds the "Funds"). Any fund that relies on the requested order will do so only in accordance with the terms and conditions contained in the application. The Company is the only existing investment company that currently intends to rely on the order. In the name of any Fund contains the name of a Sub-Adviser, the Fund's name will also contain the name Commonfund, COMANCO or the name of the entity controlling, controlled by, or under common control with COMANCO that serves as the primary adviser to such Fund.

this standard for the reasons discussed below.

7. Applicants assert that by investing in a Fund, shareholders, in effect, will hire COMANCO to manage the Fund's assets by selecting and monitoring Sub-Advisers rather than by hiring its own employees to manage assets directly. Applicants state that investors will purchase Fund shares to gain access to COMANCO's expertise in overseeing Sub-Advisers. Applicants further assert that the requested relief will reduce Fund expenses and permit the Funds to operate more efficiently. Applicants note that the Advisory Agreement will remain subject to the shareholder approval requirements of section 15(a) of the Act and rule 18f-2 under the Act.

8. Applicants assert that many Sub-Advisers charge their customers for advisory services according to a "posted" rate schedule. Applicants state that while Sub-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 relief will encourage Sub-Advisers to negotiate lower advisory fees with COMANCO, the benefits of which are likely to be passed on to shareholders.

#### Applicants' Conditions

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

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, as defined in the Act, 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 sole shareholder prior to offering shares of the Fund to the public.

2. Each Fund will disclose in its prospectus the existence, substance and effect of any order granted pursuant to this application. In addition, each Fund will hold itself out to the public as employing the "manager of managers" approach described in this application. The prospectus will prominently disclose that COMANCO has ultimate responsibility (subject to oversight by the Board) for the investment performance of a Fund due to its responsibility to oversee Sub-Advisers and recommend their hiring, termination, and replacement.

3. Within 90 days of the hiring of any new Sub-Adviser, COMANCO will

furnish shareholders of the affected Fund with all of the information about the new Sub-Adviser that would be contained in a proxy statement, except as modified by the order to permit the disclosure of Aggregate Fees. This information will include the disclosure of Aggregate Fees and any change in such disclosure caused by the addition of a new Sub-Adviser. COMANCO will meet this condition by providing shareholders with an information statement meeting the requirements of Regulation 14C and Schedule 14C and Item 22 of Schedule 14A under the Exchange Act, except as modified by the order to permit the disclosure of Aggregate Fees.

4. COMANCO will not enter into a sub-advisory agreement with any Affiliated Manager without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the Fund.

5. At all times, a majority of the Board will be Independent Directors and the nomination of new or additional Independent Directors will be placed within the discretion of the then-existing Independent Directors.

6. When a change of Sub-Adviser is proposed for a Fund with an Affiliated Manager, the Board, including a majority of the Independent Directors, will make a separate funding, 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 COMANCO or the Affiliated Manager derives an inappropriate advantage.

7. COMANCO will provide general management services to each Fund, and, subject to review and approval by the Board, will: (a) Set the Fund's overall investment strategies; (b) evaluate, select and recommend Sub-Advisers to manage all or a part of the Fund's assets; (c) when appropriate, allocate and reallocate the Fund's assets among multiple Sub-Advisers; (d) monitor and evaluate the Sub-Adviser's performance; and (e) implement procedures reasonably designed to ensure that the Sub-Advisers comply with the Fund's investment objective, policies, and restrictions of the Fund.

8. No director or officer of the Company, or director or officer of COMANCO will own directly or indirectly (other than through a pooled investment vehicle over which such person does not have control) any interest in a Sub-Adviser except for (a) ownership of interests in COMANCO or an entity that controls, is controlled by or is under common control with COMANCO; 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 a Sub-Adviser or an entity that controls, is controlled by, or is under common control with a Sub-Adviser.

Each Fund will disclose in its registration statement the Aggregate Fees.

10. Independent legal counsel, as defined in rule 0-1(a)(6) under the Act, 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. COMANCO will provide the Board, no less frequently than quarterly, with information about COMANCO's profitability on a per-Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Sub-Adviser during the applicable quarter.

12. Whenever a Sub-Adviser is hired or terminated, COMANCO will provide the Board information showing the expected impact on COMANCO's profitability.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-21738 Filed 8-28-01; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-25135; 812-12416]

### Master Investment Portfolio, et al.; Notice of Application

August 23, 2001.

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

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

**SUMMARY OF APPLICATION:** Applicants request an order to permit certain registered open-end management investment companies to invest uninvested cash and cash collateral in one or more affiliated money market funds.

**APPLICANTS:** Master Investment Portfolio ("MIP Portfolios"), Barclays Global Investors Funds, Inc. ("BGI Funds"),