collection of information to the Office of Management and Budget for review and approval.

Summary of Proposal(s):

(1) *Collection title:* Request to Non-Railroad Employer for Information About Annuitant's Work and Earnings.

(2) *Form(s) submitted:* RL–231–F.

(3) *OMB Number:* 3220–0107.

(4) *Expiration date of current OMB clearance:* 02/28/2006.

(5) *Type of request:* Extension of a currently approved collection.

(6) *Respondents:* Business or other for-profit.

(7) *Estimated annual number of respondents:* 300.

(8) *Total annual responses:* 300.

(9) *Total annual reporting hours:* 150.

(10) *Collection description:* Under the Railroad Retirement Act (RRA), benefits are not payable if an annuitant works for an employer covered under the RRA or last non-railroad employer. The collection obtains information regarding an annuitant's work and earnings from a non-railroad employer. The information will be used for determining whether benefits should be withheld.

Additional Information or Comments: Copies of the forms and supporting documents can be obtained from Charles Mierzwa, the agency clearance officer (312–751–3363) or *Charles.Mierzwa@rrb.gov*.

Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611–2092 or *Ronald.Hodapp@rrb.gov* and to the OMB Desk Officer for the RRB, at the Office of Management and Budget, Room 10230, New Executive Office Building, Washington, DC 20503.

Charles Mierzwa,

Clearance Officer.

[FR Doc. 05–23475 Filed 11–29–05; 8:45 am]

BILLING CODE 7905–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27166; 812–12909]

AEW Real Estate Income Fund, et al.; Notice of Application

Date: November 23, 2005.

AGENCY: Securities and Exchange Commission (''SEC'' or ''Commission'').

ACTION: Notice of application for an order under section 12(d)(1)(J) of the Investment Company Act of 1940 (the ''Act'') for an exemption from section 12(d)(1) of the Act, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act, under section 6(c) of the Act for an exemption from sections 18(f) and 21(b) of the Act, and under section 17(d) of the Act and Rule 17d–1 under the Act to permit certain joint arrangements.

Summary of Application: Applicants request an order that would permit certain registered management investment companies to invest cash balances in affiliated money market funds and to participate in a joint lending and borrowing facility.

Applicants: AEW Real Estate Income Fund, IXIS Advisor Funds Trust I (formerly CDC Nvest Funds Trust I), IXIS Advisor Funds Trust II (formerly CDC Nvest Funds Trust II), IXIS Advisor Funds Trust III (formerly CDC Nvest Funds Trust III), IXIS Advisor Funds Trusts IV (formerly CDC Nvest Companies Trust I), IXIS Advisor Cash Management Trust (formerly CDC Nvest Cash Management Trust), Harris Associates Investment Trust, Loomis Sayles Funds I (formerly Loomis Sayles Investment Trust), Loomis Sayles Funds II (formerly Loomis Sayles Funds), Delafield Fund, Inc., Institutional Daily Income Fund, Cortland Trust, Inc., and Short Term Income Fund, Inc. (each, a ''Trust,'' and each Trust on behalf of itself and its existing series, an ''Existing Fund''); AEW Management and Advisers, L.P., IXIS Asset Management Advisors, L.P. (formerly CDC IXIS Asset Management Advisers, L.P.), Harris Associates L.P., Loomis, Sayles & Company, L.P., and Reich & Tang Asset Management, LLC (each, an ''Applicant Adviser'').

Filing Dates: The application was filed on December 12, 2002, and amended on November 2, 2005.

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 December 20, 2005 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.

ADDRESSES: Secretary, SEC, 100 F Street, NE., Washington, DC 20549–9303; Applicants, c/o Coleen Downs Dinneen, Esq., IXIS Asset Advisors, L.P., 399 Boylston Street, Boston, MA 02116.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Senior Counsel, at (202) 551–6876, or Stacy L. Fuller, 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 may be obtained for a fee at the SEC's Public Reference Branch, 100 F Street, NE., Washington, DC 20549–0102 at telephone (202) 551–5850.

Applicants' Representations

1. Each of the Existing Funds is a management investment company registered under the Act, and is organized as a Massachusetts business trust or a Maryland corporation. All but one of the Existing Funds are open-end investment companies (''open-end Funds''); the AEW Real Estate Income Fund is a closed-end investment company (''closed-end Fund''). Certain of the open-end Funds are money market funds subject to the requirements of Rule 2a–7 under the Act (each, a ''Central Fund''). Any Funds that are not Central Funds are referred to herein as ''Participating Funds.''

2. Applicants request that any relief granted pursuant to the Application also apply to any future series of the Trusts and to any other existing or future registered management investment companies, or series thereof, for which an Applicant Adviser, or a company controlling, controlled by, or under common control with an Applicant Adviser (together with the Applicant Advisers, the ''Advisers''), acts as investment adviser or sub-adviser (''Future Funds'' and together with the Existing Funds, the ''Funds'').[1] Each Applicant Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, and is an investment adviser to one or more of the Existing Funds. Each Applicant Adviser is an indirect wholly-owned subsidiary of IXIS Asset Management North America, L.P. Each Adviser, as the primary investment adviser or as subadviser to a Participating Fund is, and will be, responsible for the investment of Cash Balances, as defined below.

[1] All existing Funds that presently intend to rely on the order are named as Applicants. Any existing or future Fund that subsequently relies on the order will comply with the terms and conditions in the Application.

A. Investment of Cash Balances in the Central Funds

1. Each Participating Fund has, or may be expected to have, cash reserves that have not been invested in portfolio securities (''Uninvested Cash'') held by its custodian. Uninvested Cash may result from a wide variety of sources, including dividends or interest received on portfolio securities, unsettled securities transactions, strategic reserves, matured investments, liquidations of investment securities, and new investor monies. In addition, certain of the Participating Funds also may participate in a securities lending program (''Securities Lending Program'') under which the Participating Funds lend their securities to registered broker-dealers or other institutional investors. These loans are continuously secured by collateral equal at all times to at least the market value of the securities loaned. Collateral for these loans may include cash (''Cash Collateral,'' and together with Uninvested Cash, ''Cash Balances''). Any Securities Lending Program, including any investment of Cash Collateral will comply with all present and future Commission and staff positions regarding securities lending arrangements.

2. Applicants request an order to permit each Participating Fund to use its Cash Balances to purchase shares of one or more of the Central Funds that are in the same group of investment companies (as defined in section 12(d)(1)(G) of the Act) as the Participating Fund, and each Central Fund to sell its shares to, and redeem its shares from, Participating Funds that are in the same group of investment companies as the Central Fund (''Cash Sweep''). Investment by a Participating Fund of Cash Balances in shares of the Central Funds will be in accordance with each Participating Fund's investment restrictions and will be consistent with each Participating Fund's policies as set forth in its prospectus or statement of additional information (''SAI''). Applicants believe that by investing Cash Balances in the Central Funds, Participating Funds may reduce their transaction costs, create more liquidity, increase returns, and diversify holdings.

3. In connection with the proposed Cash Sweep transactions, applicants request an order under (i) section 12(d)(1)(J) of the Act granting relief from sections 12(d)(1)(A) and (B) of the Act; (ii) sections 6(c) and 17(b) of the Act granting relief from section 17(a) of the Act; (iii) section 17(d) of the Act and Rule 17d–1 under the Act to permit certain joint arrangements.

B. Interfund Lending Program

1. Under current arrangements, the Funds may lend money to banks, brokers or other entities by entering into repurchase agreements or purchasing other short-term instruments. In addition, the open-end Funds may borrow money from the same or other banks for temporary or emergency purposes to satisfy redemption requests or to cover unanticipated cash shortfalls, such as trade ''fails'' in which cash payments for a portfolio security sold by a Fund have been delayed. The open-end Funds may have credit arrangements with their custodians under which a custodian may, but is not obligated to, lend money to the Funds to meet their temporary or emergency cash needs. The open-end Funds may also borrow money from banks, brokers and other entities by entering into reverse repurchase agreements and economically similar transactions.

2. If an open-end Fund borrows money from any bank under its current arrangements or under other arrangements, the Fund will pay interest on the borrowed cash at a significantly higher rate than the rate that would be earned by other (non-borrowing) Funds on repurchase agreements and other short-term instruments of the same maturity as the bank loan. Applicants believe this differential represents the bank's profit for serving as a middleman between a borrower and lender. Other bank loan arrangements, such as committed lines of credit, may require a borrowing Fund to pay substantial commitment fees in addition to the interest rate to be paid by the Fund on outstanding loans.

3. Applicants request an order that would permit Funds that are in the same group of investment companies to enter into lending agreements (''Interfund Lending Agreements'') to lend and borrow money for temporary purposes directly to and from each other through a credit facility (''Interfund Loans'').[2] Applicants believe that the proposed credit facility (''Credit Facility'') would both substantially reduce the borrowing costs of an open-end Fund that sought to borrow money for temporary or emergency purposes and enhance the ability of a lending Fund to earn higher rates of interest on its short-term loans than it might otherwise earn on high quality, short-term, interest-bearing investments. Although the Credit Facility would substantially reduce an open-end Fund's reliance on bank credit arrangements, the Funds may continue to maintain bank loan facilities.

4. Applicants state that the Credit Facility would likely provide a borrowing Fund with significant savings when its cash position is insufficient to meet temporary cash requirements. This situation could arise when redemptions exceed anticipated volumes and the borrowing Fund has insufficient cash on hand to satisfy such redemptions. When the Funds liquidate portfolio securities to meet redemption requests, which normally are effected immediately, they often do not receive payment in settlement for up to three days (or longer for certain foreign transactions). The Credit Facility would provide a source of immediate, short-term liquidity pending settlement of the sale of portfolio securities.

5. Applicants also propose using the Credit Facility when a sale of securities fails due to circumstances beyond a Fund's control, such as delay in the delivery of cash to the Fund's custodian or improper delivery instructions by the broker effecting the transaction (''sales fails''). Sales fails may present a cash shortfall if the Fund has undertaken to purchase a security with the proceeds from securities sold. Under such circumstances, the Fund could fail on its intended purchase due to lack of funds from the previous sale, resulting in additional costs to the Fund, or sell a security on a same day settlement basis, earning a lower return on the investment. Use of the Credit Facility would enable the Funds to have access to immediate short-term liquidity without incurring overdraft or other charges.

6. While bank borrowings generally could supply needed cash to cover unanticipated redemptions and sales fails, under the Credit Facility a borrowing Fund would pay lower interest rates than those that would be payable under short-term loans offered by banks. In addition, Funds making short-term cash loans directly to other Funds would earn interest at a rate higher than they otherwise could obtain from investing their cash in repurchase agreements or purchasing shares of Central Funds. Thus, Applicants assert that the Credit Facility would benefit both borrowing and lending Funds.

7. The interest rate to be charged on Interfund Loans (the ''Interfund Rate'') would be determined daily and would be the average of (i) the higher of (x) the ''OTD Rate,'' as defined below, and (y) the ''Repo Rate,'' as defined below, and (ii) the ''Bank Loan Rate,'' as defined below. The OTD Rate on any day would be the highest rate available to the lending Funds from investments in

[2] The Central Funds and closed-end Funds will participate in the Credit Facility only as lenders.

overnight time deposits. The Repo Rate on any day would be the highest interest rate available to the lending Funds from investments in overnight repurchase agreements. The Bank Loan Rate for any day would be calculated by the Interfund Lending Team, as defined below, according to a formula established by the board of trustees of each Fund (''Board''), intended to approximate the lowest interest rate at which short-term bank loans are available to the Funds. The formula would be based upon a publicly available rate (*e.g.*, Federal funds rate plus 25 basis points) and would vary with that rate to reflect changing bank loan rates. The initial formula and any subsequent modification thereto would be subject to the approval of the Board of each Fund. In addition, each Fund's Board periodically would review the continuing appropriateness of reliance on the publicly available rate used to determine the Bank Loan Rate, as well as the relationship between the Bank Loan Rate and current bank loan rates available to the Funds.

8. The Credit Facility would be administered by personnel at Reich & Tang Asset Management, LLC (''Reich & Tang'') who have accounting experience, are members of its mutual fund administration group or the financial analysis department, and who are not portfolio managers of a Fund (''Interfund Lending Team''). No portfolio manager from any Fund would participate in the administration of the Credit Facility. Under the Credit Facility, the portfolio managers for each Fund could provide standing instructions to participate daily as a borrower or lender. On each business day the Interfund Lending Team would collect data on the uninvested cash and borrowing requirements of the Funds from each Fund's custodian, portfolio managers and/or administrators. Once it had determined the aggregate amount of cash available for loans and borrowing demand, the Interfund Lending Team would allocate loans among borrowing Funds without any further communication from portfolio managers. Applicants expect there to be far more available cash each day than borrowing demand. After allocating cash for Interfund Loans, the Interfund Lending Team would invest any remaining cash in accordance with the standing instructions of the relevant Fund's portfolio managers or return remaining amounts for investment directly by the portfolio manager of the Fund.

9. The Interfund Lending Team would allocate borrowing demand and cash available for lending among the Funds on what the Interfund Lending Team believed to be an equitable basis, subject to certain administrative requirements applicable to all Funds, such as the time of filing requests to participate, minimum loan sizes, and the need to minimize the number of transactions and associated administrative costs. To reduce transaction costs, each Interfund Loan may be allocated to minimize the number of participants necessary to complete that Interfund Loan transaction. The Interfund Lending Team would not solicit cash for loans from any Funds or publish or disseminate the amount of current borrowing demand to portfolio managers.

10. The Interfund Lending Team would (i) monitor the interest rates charged and the other terms and conditions of the Interfund Loans, (ii) limit the borrowings and loans entered into by each Fund to ensure that they comply with the Fund's investment policies and limitations, (iii) ensure equitable treatment of each Fund under the Credit Facility, and (iv) make quarterly reports to the Funds' Boards concerning any transactions by the Funds under the Credit Facility and the Interfund Rates. The method of allocation and related administrative procedures would be approved by each Fund's Board, including a majority of trustees who are not interested persons of the Fund, as defined in section 2(a)(19) of the Act (''Independent Trustees''), to ensure that both borrowing Funds and lending Funds participate in the Credit Facility on an equitable basis.

11. Reich & Tang would administer the Credit Facility pursuant to a form of Interfund Lending Agreement (to which Reich & Tang and each Fund participating in the Credit Facility would be a party). Reich & Tang would not receive any fees in connection with its administration of the Credit Facility.

12. No Fund would participate in the Credit Facility unless (i) it had fully disclosed all material information concerning the Credit Facility in its prospectus or SAI, or, in the case of a closed-end Fund, in its registration statement or shareholder reports, (ii) it had obtained shareholder approval to participate in the Credit Facility, if shareholder approval were required by the Fund's fundamental investment policies, and (iii) the Fund's participation in the Credit Facility was consistent with its investment policies and restrictions and its organizational documents.

13. In connection with the Credit Facility, Applicants request an order under (i) section 6(c) granting relief from sections 18(f) and 21(b) of the Act; (ii) section 12(d)(1)(J) granting relief from sections 12(d)(1)(A) and (B) of the Act; (iii) sections 6(c) and 17(b) granting relief from sections 17(a) and (iv) section 17(d) and Rule 17d–1 to permit certain joint arrangements.

Applicants' Legal Analysis

A. Investment of Cash Balances in the Central Funds

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

2. Section 12(d)(1)(J) provides that the Commission may exempt any person, security, or transaction, or classes of persons, securities or transactions, from any provision of section 12(d)(1) if and to the extent that the exemption is consistent with the public interest and the protection of investors. Applicants request relief under section 12(d)(1)(J) from the limitations of sections 12(d)(1)(A) and (B) to permit each Participating Fund to invest its Cash Balances in the Central Funds that are in the same group of investment companies as the Participating Fund; under the requested order, the Participating Fund's aggregate investment of Uninvested Cash in the Central Funds would not exceed the greater of 25% of such Participating Fund's total assets or $10 million.

3. Applicants state that the proposed investment of Cash Balances in the Central Funds will not result in the abuses meant to be addressed by section 12(d)(1), including undue influence, layering of fees and complexity. Applicants state that because each Central Fund will maintain a highly liquid portfolio and both the Participating Fund and the Central Fund are in the same group of investment companies, there should not be a concern about undue influence by a Participating Fund over a Central Fund.

With respect to layering of fees, Applicants note that shares of the Central Funds sold to the Participating Funds will not be subject to a sales load, redemption fee, distribution fee under a plan adopted in accordance with Rule 12b–1 under the Act, or service fee (as defined in Rule 2830(b)(9) of the National Association of Securities Dealers, Inc. Conduct Rules (''NASD Conduct Rules'')). Applicants state that if a Central Fund offers more than one class of shares, a Participating Fund will invest its Cash Balances only in the class with the lowest expense ratio at the time of the investment. In addition, before the next meeting of the Board of a Participating Fund is held for the purpose of voting on any investment advisory contract, the investment adviser will provide the Board with information on the approximate cost to the adviser of, or portion of the advisory fee under the existing contract attributable to, managing the Participating Fund's Uninvested Cash that may be invested in the Central Funds. Further, before approving any investment advisory contract for a Participating Fund, the Board of the Participating Fund, including a majority of the Independent Trustees, will consider to what extent, if any, the investment advisory fees charged to the Participating Fund should be reduced to account for the reduced services provided to the Participating Fund as a result of Uninvested Cash being invested in the Central Funds. With regard to complexity, Applicants include a condition that the Central Funds will not acquire shares of any other investment company or company relying on sections 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A), except as permitted by a Commission order governing interfund loans.

4. Section 17(a) makes it unlawful for any affiliated person of a registered investment company, or any affiliated person of the affiliated person (''Second Tier Affiliate''), acting as principal, knowingly to sell any security to or purchase any security from the investment company. Section 2(a)(3) of the Act defines an ''affiliated person'' to include 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; any person directly or indirectly controlling, controlled by, or under common control with the other person; and, in the case of an investment company, its investment adviser. Applicants state that because the Funds share a common Adviser or have Advisers that are under common control, the Funds may be deemed to be under common control and, thus, affiliated persons of each other. In addition, applicants state that a Participating Fund may acquire more than 5% of a Central Fund's outstanding voting securities and, as a result, the Participating Fund and the Central Fund may be deemed to be affiliated persons of each other. The sale of shares by the Central Funds to the Participating Funds and the redemption of such shares would thus be prohibited under section 17(a).

5. Section 17(b) authorizes the Commission to exempt a transaction from section 17(a) if the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act. Section 6(c) authorizes the Commission to exempt any person or transaction from any provision of the Act if the 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.

6. Applicants submit that the request for relief to permit the purchase and redemption of shares of the Central Funds by the Participating Funds satisfies the standards in sections 6(c) and 17(b). Applicants note that shares of the Central Funds will be purchased and redeemed at their net asset value, the same consideration paid and received for these shares by any other shareholder. In addition, Applicants state that the Participating Funds will retain their ability to invest Cash Balances directly in money market or other instruments as authorized by their respective investment objectives and policies if they believe they can obtain a higher rate of return or for any other reason. Each Central Fund reserves the right to discontinue selling shares to any of the Participating Funds if its Board determines that the sale will adversely affect its portfolio management and operations.

7. Section 17(d) and Rule 17d–1 prohibit any affiliated person of a registered investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates. Applicants state that each Participating Fund (by purchasing shares of the Central Funds), the Advisers (by managing the assets of the Participating Funds and the Central Funds, including the Participating Funds' investments in the Central Funds), and each Central Fund (by selling shares to the Participating Funds) could be deemed to be participants in a ''joint enterprise or other joint arrangement'' within the meaning of section 17(d) and Rule 17d–1.

8. Rule 17d–1 permits the Commission to approve a joint arrangement covered by the terms of section 17(d). In determining whether to approve a transaction, the Commission considers whether the investment company's participation in the joint enterprise is consistent with the provisions, policies, and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants. Applicants submit that investments by the Participating Funds will be at net asset value and will be indistinguishable from any other shareholder account maintained by the Central Funds, and that the transactions will be consistent with the Act. Applicants further submit that the arrangement is not intended to increase the fees earned by the Advisers. Thus, applicants contend that the proposed transactions meet the standards for relief under Rule 17d–1.

B. Interfund Lending Program

1. Section 17(a)(3) of the Act generally prohibits any affiliated person or Second-Tier Affiliate from borrowing money or other property from a registered investment company. Section 21(b) generally prohibits any registered management company from lending money or other property to any person if that person controls or is under common control with the company. As discussed above, Applicants believe that the Funds may be deemed to be under common control and, as a result, prohibited from participating in the Credit Facility because of sections 17(a)(3) and 21(b).

2. Applicants submit that sections 17(a)(3) and 21(b) were intended to prevent a party with potential adverse interests to, and some influence over the investment decisions of, a registered investment company from causing or inducing the investment company to engage in lending transactions that unfairly benefit that party and that are detrimental to the best interests of the investment company and its shareholders. Applicants assert that the proposed transactions do not raise such concerns for the following reasons: (i) Reich & Tang would receive no

compensation for administering the Credit Facility; (ii) all Interfund Loans would consist only of uninvested cash reserves that the Fund otherwise would invest in short-term repurchase agreements or other short-term investments; (iii) the Interfund Loans would not involve a greater risk than such other investments; (iv) the lending Fund would earn interest on Interfund Loans at a rate higher than it could obtain through such other investments; and (v) the borrowing Fund would pay interest at a rate lower than otherwise available to it under bank loan agreements and avoid commitment fees associated with committed lines of credit. Moreover, Applicants believe that the other conditions proposed would effectively preclude the possibility of any Fund obtaining undue advantage over any other Fund.

3. Applicants also seek exemptions from section 17(a)(1) under sections 6(c) and 17(b) and from section 12(d)(1) under section 12(d)(1)(J) with respect to the Credit Facility. Applicants state that the obligation of a borrowing Fund to repay an Interfund Loan may constitute a security under sections 17(a)(1) and 12(d)(1). Applicants contend that the standards under sections 6(c), 17(b), and 12(d)(1)(J), as stated above, are satisfied for all the reasons set forth in the two preceding paragraphs in support of their request for relief from sections 17(a)(3) and 21(b) and for the reasons set forth below.

4. As discussed above, Applicants state that section 12(d)(1) was intended to prevent the pyramiding of investment companies in order to avoid, among other things, duplicative costs and fees that are generated by multiple layers of investment companies. Applicants submit that the Credit Facility does not involve these types of abuses. Regarding duplicative costs, Applicants state that Reich & Tang would administer the Credit Facility pursuant to an Interfund Lending Agreement between it and the relevant Fund and would not receive any compensation for its services. Applicants further state that the purpose of the Credit Facility is to provide economic benefits for all participating Funds.

5. Section 18(f)(1) prohibits open-end investment companies from issuing any senior security, except that a company may borrow from any bank so long as immediately after the borrowing there is asset coverage of at least 300% for all borrowings of the company. Under section 18(g) of the Act, the term ''senior security'' includes any bond, debenture, note, or similar obligation or instrument constituting a security and evidencing indebtedness. Applicants request exemptive relief from section 18(f)(1) to the limited extent necessary to implement the Credit Facility (because the lending Funds are not banks).

6. Applicants believe that granting relief under section 6(c) is appropriate. Based on the conditions and safeguards described in the Application, Applicants also submit that to allow the Funds to borrow from other Funds under the Credit Facility is consistent with the purposes and policies of section 18(f)(1).

7. Applicants also request an order under Rule 17d–1 with respect to the Credit Facility. Applicants state that the Credit Facility could be deemed to be a ''joint enterprise or other joint arrangement'' within the meaning of section 17(d) and Rule 17d–1. Applicants submit that the proposed transactions meet the standards of Rule 17d–1 because the Credit Facility offers both reduced borrowing costs to borrowing Funds and enhanced returns on loaned funds to lending Funds. Applicants note that each Fund would have an equal opportunity to borrow and lend on equal terms consistent with its investments policies and fundamental investment limitations and that Reich & Tang would not receive any compensation for administering the Credit Facility. Applicants therefore believe that each Fund's participation in the Credit Facility would be on terms that are no different from or less advantageous than those of other participants.

Applicants' Conditions

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

A. Investment of Cash Balances in the Central Funds

1. The shares of the Central Funds sold to and redeemed by the Participating Funds will not be subject to a sales load, redemption fee, distribution fee under a plan adopted in accordance with Rule 12b–1 under the Act, or service fee (as defined in NASD Conduct Rule 2830(b)(9)).

2. No Central 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 as permitted by an SEC order governing interfund loans.

3. Before the next meeting of the Board of a Participating Fund is held for the purpose of voting on an investment advisory contract of the Participating Fund under section 15 of the Act, the investment adviser to the Participating Fund will provide the Board with specific information regarding the approximate cost to the investment adviser of, or the portion of the investment advisory fee under the existing investment advisory agreement attributable to, managing the Uninvested Cash of the Participating Fund that may be invested in the Central Funds. Before approving any investment advisory contract for a Participating Fund, the Board of the Participating Fund, including a majority of the Independent Trustees, shall consider to what extent, if any, the investment advisory fees charged to the Participating Fund should be reduced to account for reduced services provided to the Participating Fund as a result of Uninvested Cash being invested in the Central Funds. The minute books of the Participating Fund will record fully the Board's consideration in approving the investment advisory contract, including the considerations relating to the fees referred to above.

4. A Participating Fund may invest Uninvested Cash in, and hold shares of, the Central Funds only to the extent that such Participating Fund's aggregate investment of Uninvested Cash in the Central Funds does not exceed the greater of 25% of the Participating Fund's total assets or $10 million.

5. Each Participating Fund and Central Fund shall be advised by an Adviser. Each Participating Fund may only invest in Central Funds that are in the same group of investment companies, as defined in section 12(d)(1)(G) of the Act, as the Participating Fund. A Participating Fund that is subadvised by an Adviser may rely on the order provided that the Adviser manages Cash Balances.

6. Investment of Cash Balances by a Participating Fund in shares of the Central Funds will be consistent with each Participating Fund's respective investment restrictions and policies as set forth in its prospectus and SAI or, in the case of a closed-end Fund, in its registration statement or shareholder reports.

7. Before a Participating Fund may participate in a Securities Lending Program, a majority of the Board, including a majority of the Independent Trustees, will approve the Participating Fund's participation in the Securities Lending Program. The Board also will evaluate the Securities Lending Program and its results no less frequently than annually and determine that any investment of Cash Collateral in the Central Funds is in the best interest of the shareholders of the Participating Fund.

8. The Board of any Participating Fund will satisfy the fund governance standards as defined in rule 0–1(a)(7) under the Act by the compliance date for the rule.

B. Interfund Lending Under the Credit Facility

1. The interest rate to be charge to the Funds under the Credit Facility will be the average of (i) the higher of (x) the OTD Rate and (y) the Repo Rate and (ii) the Bank Loan Rate.

2. The Interfund Lending Team on each business day will compare the Bank Loan Rate with the Repo Rate and the OTD Rate and will make cash available for Interfund Loans only if the Interfund Rate is (i) more favorable to the lending Fund than both the Repo Rate and the OTD Rate and (ii) more favorable to the borrowing Fund than the Bank Loan Rate.

3. If a Fund has outstanding borrowings, then any Interfund Loans to the Fund (i) will be at an interest rate equal to or lower than any outstanding bank loan, (ii) will be secured at least on an equal priority basis with at least an equivalent percentage of collateral to loan value as any outstanding bank loan that requires collateral, (iii) will have a maturity no longer than any outstanding bank loan (and in no event more than seven days) and (iv) will provide that if an event of default occurs under any agreement evidencing an outstanding bank loan to the Fund, that event of default will automatically (without need for action or notice by the lending Fund) constitute an immediate event of default under the Interfund Lending Agreement. This event of default will entitle the lending Fund to call the Interfund Loan and exercise all rights with respect to the collateral, if any. Such call will be made if a lending bank or banks exercise their rights to call their loan under an agreement with the borrowing Fund.

4. A Fund may make an unsecured borrowing through the Credit Facility if its outstanding borrowings from all sources immediately after the interfund borrowing total 10% or less of its total assets, provided that if the Fund has a secured loan outstanding from any other lender, including but not limited to another Fund, the Fund's interfund borrowing will be secured on at least an equal priority basis with at least an equivalent percentage of collateral to loan value as any outstanding loan that requires collateral. If a Fund's total outstanding borrowings immediately after an interfund borrowing would be greater than 10% of its total assets, the Fund may borrow through the Credit Facility only on a secured basis. A Fund may not borrow through the Credit Facility or from any other source if its total outstanding borrowings immediately after the interfund borrowing would be more than 33⅓% of its total assets.

5. Before any Fund that has outstanding interfund borrowings may, through additional borrowings, cause its outstanding borrowings from all sources to exceed 10% of its total assets, the Fund must first secure each outstanding Interfund Loan by the pledge of segregated collateral with a market value at least equal to 102% of the outstanding principal value of the loan. If the total outstanding borrowings of a Fund with outstanding Interfund Loans exceed 10% of its total assets for any other reason (such as a decline in net asset value or shareholder redemptions), the Fund will within one business day thereafter (i) repay all of its outstanding Interfund Loans, (ii) reduce its outstanding indebtedness to 10% or less of its total assets or (iii) secure each outstanding Interfund Loan by a pledge of segregated collateral with a market value at least equal to 102% of the outstanding principal value of the loan until the Fund's total outstanding borrowings cease to exceed 10% of its total assets, at which time the collateral called for by this condition (5) will no longer be required. Until each Interfund Loan that is outstanding any time that a Fund's total outstanding borrowings exceed 10% is repaid or the Fund's total outstanding borrowings cease to exceed 10% of its total assets, the Fund will mark the value of the collateral to market each day and will pledge such additional collateral as is necessary to maintain the market value of the collateral that secures each outstanding Interfund Loan at least equal to 102% of the outstanding principal value of the Interfund Loan.

6. No Fund may loan funds through the Credit Facility if the loan would cause its aggregate outstanding loans through the Credit Facility to exceed 15% of its net assets at the time of the loan.

7. A Fund's Interfund Loans to any one Fund shall not exceed 5% of the lending Fund's net assets.

8. The duration of Interfund Loans will be limited to the time required to receive payment for securities sold, but in no event more than seven days. Loans effected within seven days of each other will be treated as separate loan transactions for purposes of this condition (8).

9. Unless the Fund has a policy that prevents it from borrowing for other than temporary or emergency purposes, its borrowing through the Credit Facility, as measured on the day the most recent Interfund Loan was made to it, will not exceed the greater of 125% of the Fund's total net cash redemptions or 102% of sales fails for the preceding seven calendar days.

10. Each Interfund Loan may be called on one business day's notice by the lending Fund and may be repaid on any day by the borrowing Fund.

11. A Fund's participation in the Credit Facility must be consistent with its investment policies and limitations and organizational documents.

12. The Interfund Lending Team will calculate total Fund borrowing and lending demand through the Credit Facility, and allocate Interfund Loans on an equitable basis among Funds, without the intervention of any portfolio manager of any Fund. The Interfund Lending Team will not solicit cash for the Credit Facility from any Fund or prospectively publish or disseminate loan demand data to portfolio managers. The Interfund Lending Team will invest amounts remaining after satisfaction of borrowing demand in accordance with standing instructions from portfolio managers or return remaining amounts for investment directly by the relevant Fund's portfolio managers.

13. The Interfund Lending Team will monitor the interest rates charged and the other terms and conditions of the Interfund Loans and will make a quarterly report to each Fund's Board concerning the participation of the Fund in the Credit Facility and the terms and other conditions of any extensions of credit under the Credit Facility.

14. Each Fund's Board, including a majority of the Independent Trustees: (i) Will review no less frequently than quarterly the Fund's participation in the Credit Facility during the preceding quarter for compliance with the conditions of any order permitting such transactions; (ii) will establish the Bank Loan Rate formula used to determine the interest rate on Interfund Loans, and review no less frequently than annually the continuing appropriateness of such Bank Loan Rate formula; and (iii) will review no less frequently than annually the continuing appropriateness of the Fund's participation in the Credit Facility.

15. If an Interfund Loan is not paid according to its terms and such default is not cured within two business days from its maturity or from the time the lending Fund makes a demand for payment under the provisions of the Interfund Lending Agreement, the Interfund Lending Team promptly will refer such loan for arbitration to an independent arbitrator who has been selected by the Board of any Fund involved in the loan who will serve as

arbitrator of disputes concerning Interfund Loans.[3] The arbitrator will resolve any problem promptly, and the arbitrator's decision will be binding on both Funds. The arbitrator will submit, at least annually, a written report to the Board of the Funds involved in any such dispute setting forth a description of the nature of any dispute and the actions taken by the Funds to resolve the dispute.

16. Each Fund will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any Interfund Loan occurred, the first two years in an easily accessible place, a written record of all such transactions setting forth a description of the terms of the transaction, including the amount, the maturity and the rate of interest on the loan, the OTD Rate, the rate of interest available at the time on overnight repurchase agreements and bank borrowings, and such other information presented to the Fund's Board in connection with the review required by conditions (13) and (14).

17. The Interfund Lending Team will prepare and submit to the Board of each Fund for review an initial report describing the operations of the Credit Facility and the procedures to be implemented to ensure that all Funds are treated fairly. After the Credit Facility commences operations, the Interfund Lending Team will report to the Board quarterly on the operations of the Credit Facility.

In addition, for two years following the commencement of the Credit Facility, the independent public accountant for each Fund shall prepare an annual report that evaluates the Interfund Lending Team's assertion that it has established procedures reasonably designed to achieve compliance with the conditions of the order. The report shall be prepared in accordance with the Statements on Standards for Attestation Engagements No. 10 and it shall be filed pursuant to Item 77Q3 of Form N-SAR, as such Statements or Form may be revised, amended, or superseded from time to time. In particular, the report shall address procedures designed to achieve the following objectives: (i) That the Interfund Rate will be higher than both the Repo Rate and the OTD Rate but lower than the Bank Loan Rate; (ii) compliance with the collateral requirements described in this application; (iii) compliance with the percentage limitations on interfund borrowing and lending; (iv) allocation of interfund borrowing and lending demand in an equitable manner and in accordance with procedures established by the Board: and (v) that the interest rate on any Interfund Loan does not exceed the interest rate on any third party borrowings of a borrowing Fund at the time of the Interfund Loan.

After the final report is filed, the Fund's external auditors, in connection with their Fund audit examinations, will continue to review the operation of the Credit Facility for compliance with the conditions of the Application and their review will form the basis, in part, of the auditor's report on internal accounting controls in Form N-SAR.

18. No Fund will participate in the Credit Facility unless it has fully disclosed in its prospectus or SAI or, in the case of a closed-end Fund in its registration statement or shareholder reports, all material facts about its intended participation.

19. The Board of each borrowing and lending Fund will satisfy the fund governance standards as defined in Rule 0–1(a)(7) under the Act by the compliance date for the rule.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 05–23492 Filed 11–29–05; 8:45 am]

BILLING CODE 8010–01–P

[3] If the dispute involves Funds with separate Boards, the Board of each Fund will select an independent arbitrator that is satisfactory to each Fund.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–52825; File No. SR–NASD–2005–127]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify NASD Rule 7010 To Change the Fee Structure for the ''Browse/Query'' Function in the Trade Reporting Service of the Nasdaq Market Center

November 22, 2005.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on November 1, 2005, the National Association of Securities Dealers, Inc. (''NASD''), through its subsidiary, The Nasdaq Stock Market, Inc. (''Nasdaq''), filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II and III below, which Items have been prepared by Nasdaq. Nasdaq has designated this proposal as one establishing or changing a due, fee or other charge imposed by Nasdaq under Section 19(b)(3)(A)(ii) of the Act,[3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Nasdaq proposes to modify the fee structure for the ''Browse/Query'' function in the trade reporting service of the Nasdaq Market Center.[5] Nasdaq will implement the proposed rule change on November 1, 2005.

The text of the proposed rule change is available on the NASD's Web site at *http://www.nasd.com,* Office of the Secretary, NASD, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, Nasdaq included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Nasdaq customers using the trade reporting service of the Nasdaq Market Center can view a summary of their trade reporting activity by using the ''Browse/Query'' function of the Nasdaq Workstation.[6] The legacy ''Browse/Query'' function would only display 18 records per request. In order to view the next 18 records, Nasdaq customers would have to use the ''More'' function.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

[5] The proposed rule change applies only to NASD member firms.

[6] The ''Browse/Query'' function is also provided in Nasdaq Workstation II (NWII) and application protocol interface (API) services. NWII and API services, however, will be retired as of November 30, 2005 and December 31, 2005 respectively.