

by the shareholders of the applicable Investment Company, which in the case of a Master Fund will be pursuant to voting instructions provided by shareholders of those Feeder Funds investing in such Master Fund that are registered under the Act, or other voting arrangements that comply with section 12(d)(1)(E)(iii)(aa) of the Act, if applicable.

5. When a Sub-Adviser change is proposed for an Investment Company with an Affiliated Sub-Adviser, the applicable Board of Trustees, including a majority of the Independent Trustees, will make a separate finding, reflected in the minutes of the Board of the Master Fund and the Board of Trustees of the corresponding Feeder Fund, that the change is in the best interests of the Master Fund and its shareholders, and any Feeder Fund investing in the Master Fund and its respective shareholders, and does not involve a conflict of interest from which the Adviser or Affiliated Sub-Adviser derives an inappropriate advantage.

6. Within 90 days of the hiring of any new Sub-Adviser, the shareholders of the applicable Master Fund and Feeder Fund will be furnished all information about the new Sub-Adviser that would have been contained in a proxy statement, including any change in such disclosure caused by the addition of a new Sub-Adviser. The Trusts will meet this condition by providing such shareholders, within 90 days of the hiring of a new Sub-Adviser an information statement meeting the requirements of Regulation 14C, Schedule 14C and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

7. The Adviser will provide general management services to each Investment Company, including overall supervisory responsibility for the general management and investment of each Investment Company's portfolio, and, subject to review and approval by the respective Trusts' Board will (i) set the Investment Company's overall investment strategies; (ii) select Sub-Advisers; (iii) when appropriate, recommend to the Investment Company's Board the allocation and reallocation of the Investment Company's assets among multiple Sub-Advisers; (iv) monitor and evaluate the performance of Sub-Advisers; and (v) implement procedures reasonably designed to ensure that the Sub-Advisers comply with the Investment Company's investment objectives, policies, and restrictions.

8. No trustee, or officer of a Trust or director or officer of the Adviser will own directly or indirectly (other than

through a pooled investment vehicle that is not controlled by the trustee, director or officer) any interest in a Sub-Adviser except for (i) ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser; or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Sub-Adviser or an entity that controls, is controlled by or is under common control with a Sub-Adviser.

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

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46078; File No. SR-Amex-2002-45]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Relating to the Discontinuation of the Exchange's Program of Revenue Sharing With Exchange Specialists

June 14, 2002.

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 May 29, 2002, the American Stock Exchange LLC ("Amex" or "Exchange") 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 the Exchange. The Amex has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act,³ 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.

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

The Exchange proposes to discontinue the Exchange's program of revenue sharing with Exchange specialists. The revenue sharing

program will be reduced by 50 percent as of July 1, 2002 and will be discontinued entirely effective January 1, 2003.⁴

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

In its filing with the Commission, the Exchange 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. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

In SR-Amex-99-44,⁵ the Exchange filed: (1) Certain changes to the Exchange's Equity Fee Schedule, including elimination of share or value charges for orders up to 2,099 shares entered into the Amex Order File ("System Orders"); (2) implementation of a policy to eliminate specialists' commissions for System Orders up to 2,099 shares; and (3) a program of revenue sharing with Exchange specialists, to be made from the Exchange's general revenues. These fee and policy revisions were implemented as of November 1, 1999.⁶

The applicable revenue sharing is calculated on the basis of average daily Amex (not consolidated) trading volume, excluding Portfolio Depositary Receipts (e.g., SPDRs®, Nasdaq 100 Index Tracking Stock™), Index Fund Shares (e.g., iShares™, VIPERs™), and Trust Issued Receipts (e.g., HOLDRs™) based on the following incremental rates per 100 shares:

⁴ The Exchange will issue a Memorandum to Amex specialist units describing the 50 percent reduction in revenue sharing as of July 1, 2002 and the elimination of the program, effective January 1, 2003. Telephone conversation between Michael Cavalier, Associate General Counsel, Amex, and Cyndi Nguyen, Attorney, Division of Market Regulation ("Division"), Commission, on June 12, 2002.

⁵ See Securities Exchange Act Release No. 42067 (October 28, 1999), 64 FR 60254 (November 4, 1999).

⁶ Telephone conversation between Michael Cavalier, Associate General Counsel, Amex, and Cyndi Nguyen, Attorney, Division of Market Regulation, Commission, on June 6, 2002.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

Average daily volume (millions)	Rate per 100 shares
Up to 40	\$0.25
from 40 to 60	.23
from 60 to 80	.20
over 80	.18

The applicable rate(s) is calculated monthly. Payments on qualified orders are made monthly in arrears to equity specialists at a rate calculated as a single weighted average rate based on volume for the month most recently ended. Qualifying orders are those delivered electronically from off the floor of the Exchange, but excluding all orders for Portfolio Depositary Receipts, Index Fund Shares, and Trust Issued Receipts.

The Exchange has determined to reduce the revenue sharing arrangement by 50 percent as of July 1, 2002 and to discontinue the revenue sharing program entirely effective January 1, 2003, in view of revenue requirements of the Exchange under increasingly competitive market conditions. The rate per 100 shares applicable from July 1 to December 31, 2002 would be \$.125, \$.115, \$.10, and \$.09 for Average Daily Volume of up to 40 million, from 40 to 60 million, from 60 to 80 million, and over 80 million shares, respectively.

Because this program was implemented in conjunction with implementation of an Exchange policy to eliminate specialist commissions for System Orders up to 2,099 shares, the Exchange believes continued application of this policy to be inappropriate and unnecessary. Specialists, therefore, would be able to charge commissions for such orders if they choose.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(4)⁸ in particular, because it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments on the proposed rule change were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and subparagraph (f)(2) of Rule 19b-4 thereunder¹⁰ because it establishes or changes a due, fee, or other charge imposed by the Exchange. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-2002-45 and should be submitted by July 12, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46082; File No. SR-PCX-2002-29]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to a One-Year Extension of the Auto-Ex Book Function Pilot Program

June 17, 2002.

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 June 4, 2002, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by PCX. PCX filed the proposed rule change pursuant to section 19(b)(3)(A) of the Act³ and rule 19b-4(f)(6) 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.

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

The Exchange is proposing to extend the Automatic Execution System ("Auto-Ex") Book function pilot program for one year. The text of the proposed rule change is available at the PCX and at the Commission.

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

In its filing with the Commission, PCX 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

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(4).

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).