

fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the Partnership. In addition, within 120 days after the end of each fiscal year of each Partnership or as soon as practicable thereafter, the General Partner of such Partnership will send a report to each person who was a Participant in such Partnership at any time during the fiscal year then ended, setting forth such tax information as shall be necessary for the preparation by the Participant of his or its federal and state income tax forms.

6. In any case where purchases or sales are made by a Partnership from or to an entity affiliated with such Partnership by reason of a 5% or more investment in such entity by a Jones Financial Companies director, officer or employee, such individual will not participate in such Partnership's determination of whether or not to effect such purchase or sale.

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

**Jonathan G. Katz,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25049; 812-12478]

### UBS PaineWebber Inc. et al.; Notice of Application

June 26, 2001.

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

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

#### SUMMARY OF THE APPLICATION:

Applicants seek an order ("Amended Order") to amend a prior order that permits certain registered investment companies to use cash collateral from securities lending transactions and uninvested cash to purchase shares of an unregistered investment vehicle formed and advised by UBS PaineWebber Inc. ("UBS PaineWebber") or Brinson Advisor, Inc. ("Brinson Advisors") or a person controlling, controlled by, or under common control with UBS-PaineWebber and Brinson

Advisors ("New Fund"); UBS PaineWebber and Brinson Advisors to accept fees from certain other registered investment companies; UBS PaineWebber and certain affiliated broker-dealers to borrow portfolio securities from certain affiliated registered investment companies and to receive brokerage commissions from, and engage in principal securities transactions with, the other registered investment companies ("Prior Order").<sup>1</sup>

**APPLICANTS:** UBS PaineWebber; Brinson Advisors; UBS PaineWebber Cashfund, Inc., Brinson Managed Investments Trust, UBS PaineWebber Managed Municipal Trust, Brinson Master Series, Inc., Brinson Financial Services Growth Fund Inc., UBS PaineWebber RMA Money Fund, Inc., UBS PaineWebber RMA Tax-Free Fund, Inc., Brinson Securities Trust, Brinson Series Trust, Strategic Global Income Fund, Inc., 2002 Target Term Trust Inc., All-American Term Trust Inc., Global High Income Dollar Fund Inc., Investment Grade Municipal Income Fund Inc., Insured Municipal Income Fund Inc., UBS PaineWebber Municipal Money Market Series, Brinson Investment Trust, Liquid Institutional Reserves, PaineWebber PACE Select Advisors Trust, Brinson Index Trust, Managed High Yield Plus Fund Inc., and Brinson Money Series (collectively, the "Affiliated Funds").

**FILING DATES:** The application was filed on March 15, 2001 and amended on June 13, 2001.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on July 23, 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 SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants, 1285 Avenue of the Americas, New York, New York 10019.

**FOR FURTHER INFORMATION CONTACT:** Marilyn Mann, Senior Counsel, at (202)

<sup>1</sup> PaineWebber America Fund, Investment Company Act Release Nos. 23284 (June 24, 1998) (notice) and 23322 (July 21, 1998) (order).

942-0582, or Mary Kay Frech, Branch Chief, at (202) 942-0564, (Division of Investment Management, Office of Investment Company Regulation).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 460 Fifth Street, NW., Washington, DC 20549-0102 (tel. 202-942-8090).

#### Applicant's Representations

1. Each Affiliated fund is registered as an open-end or closed-end investment company under the Act. USB PaineWebber, a wholly owned subsidiary of UBS Americas Inc., currently serves as investment adviser and Brinson Advisors, also a wholly owned subsidiary of UBS Americas Inc., serves as sub-adviser to USB PaineWebber Cashfund, Inc., UBS PaineWebber RMA Money Fund, Inc., UBS PaineWebber RMA Tax-Free Fund, Inc., UBS PaineWebber Managed Municipal Trust, UBS PaineWebber Municipal Money Market Series and Liquid Institutional Reserves. Brinson Advisors serves as investment adviser to the remaining Affiliated Funds.<sup>2</sup> UBS PaineWebber and Brinson Advisors are broker-dealers registered under the Securities Exchange Act of 1934, and investment advisers registered under the Investment Advisers Act of 1940.

2. On July 21, 1998, the Commission issued the Prior Order under sections 6(c) and 17(b) of the Act granting an exemption from sections 17(a) and 17(e) of the Act, and under section 17(d) of the Act and rule 17d-1 under the Act, permitting certain joint transactions. The Prior Order permits: (a) The Affiliated Funds and any other registered investment company or series thereof that may invest in shares of beneficial interest ("Shares") issued by New Fund (each such other registered investment company, an "Other Fund" and collectively, the "Other Funds" and, together with the Affiliated Funds, the "Investing Funds"), to purchase and redeem Shares issued by New Fund

<sup>2</sup> Applicants request that the Amended Order also apply to any other registered investment company or series thereof that currently is, or in the future may be, advised by UBS PaineWebber or Brinson Advisors or any other entity controlling, controlled by, or under common control (as defined in section 2(a)(9) of the Act) with, UBS PaineWebber or Brinson Advisors. All registered investment companies advised by UBS PaineWebber or Brinson Advisors or an entity controlling, controlled by, or under common control with UBS PaineWebber or Brinson Advisors that currently intend to rely on the Amended Order have been named as applicants. Any other existing or future registered investment companies that may rely on such relief in the future will do so in accordance with the terms and conditions of the application.

using cash from normal operations ("Uninvested Cash") or cash received as collateral in connection with portfolio securities lending ("Cash Collateral"), (b) New Fund to sell Shares to the Investing Funds and redeem Shares from the Investing funds, (c) UBS PaineWebber, Brinson Advisors, the Investing Funds, New Fund and the trustee/managing member of New Fund ("Trustee") to engage in certain transactions incident to the Investing Funds' investment in the Shares, (d) UBS PaineWebber and any other broker-dealer that may be controlled by or under common control with UBS PaineWebber (collectively, the "Affiliated Broker-Dealers") to borrow portfolio securities from the Affiliated Funds, (e) UBS PaineWebber and the Affiliated Broker-Dealers to engage in principal transactions in securities with the Other Funds, (f) UBS PaineWebber and the Affiliated Broker-Dealers to borrow securities from the Other Funds, (g) the Other Funds to pay, and UBS PaineWebber and the Affiliated Broker-Dealers to receive, commissions from the Other Funds for acting as brokers in connection with the purchase or sale of securities for the Other Funds, and (h) the Other Funds to pay, and UBS PaineWebber to accept, fees based on a share of the revenue generated from securities lending transactions and Brinson Advisors to accept fees for providing certain services in connection with securities lending transactions.<sup>3</sup>

3. New Fund is an investment vehicle that serves as an investment option for managing Cash Collateral and Uninvested Cash of the Investing Funds. New Fund operates as a private investment company and is not registered under the Act in reliance on section 3(c)(7) of the Act. Brinson Advisors currently serves as New Fund's Trustee and investment adviser. New Fund currently has one series, which operates as a money market portfolio and complies with the requirements of rule 2a-7 under the Act.

4. Condition 9 to the Prior Order provides that UBS PaineWebber or Brinson Advisors will reduce its advisory fee charged to an Affiliated Fund that invests in Shares of New Fund in an amount equal to the net asset value of the Affiliated Fund's holdings in New Fund multiplied by the rate at which advisory fees are charged by Brinson Advisors to New Fund. Applicants seek to amend the Prior

Order to modify condition 9 so that it would apply only with respect to an Affiliated Fund's investment of Uninvested Cash in New Fund and would not apply with respect to an Affiliated Fund's investment of Cash Collateral in New Fund. Since investment advisory fees are calculated on the net, rather than the total, assets of the Affiliated Funds, and since Cash Collateral does not increase net assets because it is offset by the liability to repay it to the borrower, the Affiliated Funds will pay no additional advisory fees with respect to investments made with Cash Collateral. Applicants will continue to comply with all the other conditions to the Prior Order.

#### Applicants' Condition

Applicants agree that condition 9 to the Prior Order is revised to read as follows:

9. With respect to any Affiliated Fund that invests Uninvested Cash in Shares of New Fund, UBS PaineWebber or Brinson Advisors will reduce its advisory fee charged to the Affiliated Fund in an amount (the "Reduction Amount") equal to the net asset value of the Affiliated Fund's Uninvested Cash invested in the New Fund multiplied by the rate at which advisory fees are charged by Brinson Advisors to the New Fund. Any fees remitted or waived pursuant to this condition will not be subject to recoupment by UBS PaineWebber or Brinson Advisors or their affiliates at a later date.

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

**Jonathan G. Katz,**  
Secretary.

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44470; File No. SR-DTC-2001-10]

#### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Order Granting Accelerated, Temporary Approval of a Proposed Rule Change to the Admission of Non-U.S. Entities as Direct Depository Participants

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on June 1, 2001, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission

("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared primarily by DTC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated, temporary approval of the proposed rule change through May 31, 2002.

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

The purpose of the proposed rule change is to extend the Commission's temporary approval of DTC's admission criteria for entities that are organized in a country other than the United States ("non-U.S. entities").

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

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of these statements.<sup>2</sup>

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

The purpose of the proposed rule change is to extend the Commission's temporary approval of DTC's admission criteria for non-U.S. entities.<sup>3</sup>

The proposed rule change seeks to extend approval of established admissions criteria that permit a well-qualified foreign entity to obtain direct access to DTC's services without requiring the foreign entity to obtain financial guarantees. The policy was established by DTC in response to requests received from certain participants to consider changes in DTC's admissions policy that would allow foreign affiliates to become direct participants without having to obtain financial guarantees.

<sup>2</sup> The Commission has modified the text of the summaries prepared by DTC.

<sup>3</sup> DTC's admission criteria for non-U.S. entities were first temporarily approved on May 16, 1997. Securities Exchange Act Release No. 38600 (May 16, 1997), 62 FR 27086. Since then, the non-U.S. admission criteria have been temporarily approved several times. Securities Exchange Act Release Nos. 40064 (June 3, 1998), 63 FR 31818; 41466 (May 28, 1999), 64 FR 30077; and 42865 (May 30, 2000), 65 FR 36188.

<sup>3</sup> The Prior Order grants relief for the Other Funds to the extent that the Other Funds are affiliated with UBS PaineWebber, Brinson Advisors, Affiliated Broker-Dealers, or New Fund solely by reason of owning 5% or more of the shares of a series of New Fund.

<sup>1</sup> 15 U.S.C. 78s(b)(1).