

exempt from the provisions of the Act by rule or order from all provisions of the Act except section 9(a)(2). It is estimated that the total number of respondents is 134, and the average number of responses per respondent is 2.4 responses annually. The Commission estimates that the total annual reporting burden under rule 24 is 636 hours (e.g., 318 filings \times 2 hours = 636 burden hours).

These estimates of average burden hours are made solely for the purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even a representative survey or study of the costs of SEC rules and forms. There is no requirement to keep the information in the forms confidential because it is public information.

General 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, 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: April 19, 1999.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-10197 Filed 4-22-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23788; 812-11398]

INVESCO Bond Funds, Inc., et al.; Notice of Application

April 16, 1999.

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

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

SUMMARY OF APPLICATION: Applicants request an order to permit certain registered management investment

companies to invest uninvested cash in affiliated money market funds.

APPLICANTS: INVESCO Bond Funds, Inc., INVESCO Combination Stock and Bond Funds, Inc., INVESCO Diversified Funds, Inc., INVESCO Emerging Opportunity Funds, Inc., INVESCO Global Health Sciences Fund, INVESCO Growth Funds, Inc., INVESCO Industrial Income Fund, Inc., INVESCO International Funds, Inc., INVESCO Sector Funds, Inc., INVESCO Specialty Funds, Inc., INVESCO Stock Funds, Inc., INVESCO Tax-Free Income Funds, Inc., INVESCO Treasurer's Series Trust, INVESCO Value Trust, INVESCO Variable Investment Funds, Inc., INVESCO Money Market Funds, Inc. (collectively, the "Funds"), and INVESCO Funds Group, Inc. ("INVESCO").

FILING DATES: The application was filed on November 13, 1998, and amended on April 4, 1999. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

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 May 11, 1999, 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, 7800 East Union Avenue, Denver, Colorado 80237.

FOR FURTHER INFORMATION CONTACT: Lawrence W. Pisto, Senior Counsel, at (202) 942-0527, or George J. Zornada, Branch Chief, at (202) 942-0564, Office of Investment Company Regulation, Division of Investment Management.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102, (tel. (202) 942-8090).

Applicants' Representatives

1. The Funds, with the exceptions noted below, are registered under the

Act as open-end management investment companies and organized as Maryland corporations. INVESCO Treasurer's Series Trust and INVESCO Value Trust are registered under the Act as open-end management investment companies and organized as Massachusetts business trusts. INVESCO Global Health Sciences Fund is registered under the Act as a closed-end management investment company and organized as a Massachusetts business trust. INVESCO, a wholly-owned subsidiary of AMVESCAP PLC, is registered under the Investment Advisers Act of 1940 and serves as the investment adviser for each of the Funds. Applicants also request relief for any other registered management investment company or series thereof that is currently, or in the future becomes, advised by INVESCO or an entity controlling, controlled by, or under common control with INVESCO (INVESCO and all such entities, collectively, "INVESCO").¹

2. Each Fund has, or may be expected to have, uninvested cash ("Uninvested Cash") held by its custodian. Uninvested Cash may result from a variety of sources, including dividends or interest received on portfolio securities, unsettled securities transactions, reserves held for investment strategy purposes, scheduled maturity of investments, liquidation of investment securities to meet anticipated redemptions, dividend payments, or new monies received from investors. Currently, the Funds can invest Uninvested Cash directly in money market instruments. The policies of certain Funds permit them to purchase shares of a money market fund. The trustees and directors of the Funds that have investment restrictions currently prohibiting the investment in shares of other open-end management investment companies have determined that such policies should be changed to permit such investments and plan to recommend to shareholders the adoption of such policies.

3. Applicants request relief to permit Funds that are not money market funds (the "Investing Funds") to invest their Uninvested Cash in one of more series of INVESCO Money Market Funds, Inc. or any other money market series of any of the Funds (collectively, the "Money Market Funds") and the Money Market Funds to sell to and purchase shares from the Investing Funds. The Money

¹ All investment companies that currently intend to rely on the order have been named as applicants. Any other existing or future registered management investment company that relies on the order will comply with the terms and conditions of the application.

Market Funds are subject to rule 2a-7 under the Act. Any investment by an Investing Funds of Uninvested Cash in shares of the Money Market Funds will be in accordance with each Investing Fund's investment restrictions and will be consistent with each Investing Fund's policies. Applicants believe that the proposed investments may reduce transaction costs, create more liquidity, increase returns, and further diversify holdings.

Applicants' Legal Analysis

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

2. Section 12(d)(1)(J) of the Act provides that the Commission may exempt persons or transactions from any provision of section 12(d)(1) of the Act, 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) of the Act from the limitations of sections 12(d)(1)(A) and (B) of the Act to permit an Investing Fund to invest its Uninvested Cash in Money Market Funds, provided that in all cases the Investing Fund's aggregate investment of uninvested Cash in shares of the Money Market Funds will not exceed 25% of the Investing Fund's total assets at any time.

3. Applicants believe that the proposed arrangement does not result in the abuses that sections 12(d)(1)(A) and (B) were intended to prevent. Applicants state that the Money Market Funds will have a highly liquid portfolio, and will enhance the Investing Funds' ability to manage Uninvested Cash. Applicants also represent that the proposed arrangement will not result in an inappropriate layering of fees because shares of the Money Market Funds sold to the Investing Funds will not be subject to a sales load, redemption fee, asset-based

distribution fee or service fee. In addition, the board of director or trustees of each Investing Fund (the "Board"), including a majority of the directors or trustees who are not "interested persons" of the Fund, as defined in Section 2(a)(19) of the Act, ("Independent Directors or Trustees") will consider to what extent the advisory fees charged by INVESCO should be reduced to account for reduced services provided such Investing Fund by INVESCO as a result of Uninvested Cash being invested in a Money Market Fund.

4. Section 17(a) of the Act makes it unlawful for any affiliated person of a registered investment company, acting as principal, to sell or purchase any security to or from the company. Section 2(a)(3) of the Act defines an "affiliated person" of an investment company to include the investment adviser, any person that owns 5% or more of the outstanding shares of that company, and any person directly or indirectly controlling, controlled by, or under common control with the investment company. Applicants state that, because the Funds have a common investment adviser and identical Boards, each Fund may be deemed to be under common control with the other Funds and could be deemed an affiliated person or an affiliated person of an affiliated person of each other Fund. In addition, applicants state that a Fund could become an affiliated person of a Money Market Fund by owning more than 5% of a Money Market Fund. Accordingly, applicants state that the sale of shares of the Money Market Funds to the Investing Funds, and the redemption of such shares by the Funds, may be prohibited under section 17(a) of the Act.

5. Section 17(b) of the Act authorizes the Commission to exempt a transaction from section 17(a) of the Act if the terms of the proposed transaction, including the consideration to be paid or received, are fair and reasonable and do not involve overreaching on the part of any person concerned, the proposed transaction is consistent with the policy of each investment company concerned, and with the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt persons or transactions from any provision of the Act if, and to the extent that, the exemption is necessary or appropriate in the public interest and is 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 satisfies the standards of sections 17(b) and 6(c) of the Act.

Applicants state that the relief requested is fair and reasonable and would not involve overreaching because shares of the Money Market Funds will be sold and redeemed at their net asset values, the same consideration paid and received by any other shareholder. In addition, the Investing Funds will retain their ability to invest their cash balances directly into money market instruments if they believe that they can obtain a higher return or any other reason. Any Money Market Fund has the right to discontinue selling shares to any of the Investing Funds if its Board determines that such sales would adversely affect the portfolio management and operations of the Money Market Fund.

7. Section 17(d) of the Act and rule 17d-1 under the Act prohibit an affiliated person of an 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 Investing Fund, by purchasing shares of the Money Market Funds, and INVESCO, by managing the assets of the Investing Funds invested in the Money Market Funds, could be participants in a joint enterprise within the meaning of section 17(d)(1) of the Act and rule 17d-1 under the Act.

8. Rule 17d-1 under the Act permits the Commission to approve a joint transaction covered by the terms of section 17(d) of the Act. In determining whether to approve a transaction, the Commission considers whether the proposed transaction is consistent with the provisions, policies, and purposes of the Act, and the extent to which the participation of the investment companies is on a basis different from or less advantageous than that of the other participants. Applicants submit that the Funds will participate in the proposed transactions on a basis not different from or less advantageous than that of any other participants. Applicants submit that the Funds will participate in the proposed transaction on a basis not different from or less advantageous than that of any other participant and that the transactions will be consistent with the Act.

Applicants' Conditions

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

1. Shares of the Money Market Funds sold to and redeemed by the Investing 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 of the NASD's Conduct Rules).

2. Before the next meeting of an Investing Fund's Board held for the purpose of voting on an advisory contract under section 15 of the Act, INVESCO will provide the Board with specific information regarding the approximate cost to INVESCO of, or portion of the advisory fee under the existing advisory contract attributable to, managing the Uninvested Cash of such Investing Fund that can be expected to be invested in the Money Market Funds. Before approving any advisory contract for an Investing Fund, the Board, including a majority of the Independent Directors or Trustees, shall consider to what extent, if any, the advisory fees charged to the Investing Fund by INVESCO should be reduced to account for the reduced services provided to the Investing Fund by INVESCO as a result of Uninvested Cash being invested in the Money Market Funds. An Investing Fund's minute books will record fully the Board's consideration in approving the advisory contract, including the considerations relating to fees referred to above.

3. Each of the Investing Funds will be permitted to invest Uninvested Cash in, and hold shares of, a Money Market Fund only to the extent that the Investing Fund's aggregate investment in the Money Market Funds does not exceed 25% of the Investing Fund's total assets. For purposes of this limitation, each Investing Fund or series thereof will be treated as a separate investment company.

4. Investment in shares of the Money Market Funds will be in accordance with each Investing Fund's respective investment restrictions and will be consistent with each Investing Fund's policies as set forth in its prospectus and statement of additional information.

5. Each Investing Fund, Money Market Fund, and any future Fund that may rely on the order requested will be advised by INVESCO.

6. No Money Market Fund will acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

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

[Investment Company Act Release No. 23790; 812-11492]

MFS Series Trust XI, et al.; Notice of Application

April 19, 1999.

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

ACTION: Notice of an application under sections 6(c) and 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit in-kind redemptions of shares of certain registered open-end management investment companies held by certain affiliated shareholders.

APPLICANTS: MFS Series Trust XI, MFS Institutional Trust and MFS Variable Insurance Trust (each a "Fund" and collectively, the "Funds") and Massachusetts Financial Services Company ("MFS") and Vertex Investment Management, Inc. ("Vertex," and together with MFS, the "Advisers").

FILING DATES: The application was filed on February 1, 1999, and amended on April 1, 1999.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief 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 May 14, 1999, 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, Massachusetts Financial Services Company, 500 Boylston Street, Boston, MA 02116.

FOR FURTHER INFORMATION CONTACT: George J. Zornada, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch,

450 Fifth Street, NW, Washington, DC 20549-0102 (tel. 202-942-8090).

Applicants' Representations

1. Each Fund is registered under the Act as an open-end management investment company, and organized as a Massachusetts business trust. MFS, a Delaware corporation, serves as investment adviser to one series of MFS Series Trust XI and to each of the series of MFS Institutional Trust and MFS Variable Insurance Trust. Vertex, a Delaware corporation and a wholly-owned subsidiary of MFS, serves as investment adviser to the other series of MFS Series Trust XI. Each of the Advisers is registered as an investment adviser under the Investment Advisers Act of 1940.

2. Applicants request relief to permit the Funds to satisfy redemption requests made by any shareholder of a Fund who, at the time of such redemption requests, is an "affiliated person" of a Fund solely by reason of owning, controlling, or holding with the power to vote, five percent or more of the Fund's shares ("Covered Shareholder") by distributing portfolio securities in-kind. The relief sought would not extend to shareholders who are "affiliated persons" of a Fund within the meaning of sections 2(a)(3)(B) through (F) of the Act.

3. Each Fund's prospectus and statement of additional information provide that, in limited circumstances, the Fund may satisfy all or part of a redemption request by a distribution in-kind of portfolio securities. The boards of trustees of the Funds ("Boards") including a majority of the trustees who are not "interested persons" as defined in section 2(a)(19) of the Act ("Non-Interested Trustees"), have determined that it would be in the best interests of the Funds and their shareholders to pay to a Covered Shareholder the redemption price for shares of the Funds in-kind to the extent permitted by certain Funds' elections to be governed by rule 18f-1 under the Act.

Applicants' Legal Analysis

1. Section 17(a)(2) of the Act generally prohibits an affiliated person of a registered investment company, or an affiliated person of such person, acting as principal, from knowingly purchasing any security or other property (except securities of which the seller is the issuer) from the registered investment company. Section 2(a)(3)(A) of the Act defines "affiliated person" of another person to include any person owning 5% or more of the outstanding voting securities of the other person. Applicants state that to the extent that