

consistent investment performance or to reduce operating expenses.

4. Applicants state that London Pacific, on the basis of the following facts and circumstances summarized herein, has determined that it is in the best interests of Contract Owners to substitute shares of the U.S. government Securities Portfolio for shares of the U.S. Quality Bond Portfolio.

5. Applicants state that the U.S. Quality Bond Portfolio and the U.S. Government Securities Portfolio each have investment objectives and programs which are substantially the same. The U.S. quality Bond Portfolio will invest at least 65% of its total assets in higher quality bonds or securities that represent an interest in pools of higher quality debt obligations, such as mortgages. The U.S. Government Securities Portfolio invests primarily in U.S. Government securities, including mortgage backed securities issued by U.S. government agencies.

6. Applicants state that the total expense ratio of 3.6% for the U.S. quality Bond Portfolio for the year ended December 31, 1998, without regard to waiver or reimbursement of expenses by London Pacific, is relatively high for this type of Portfolio. A large portion of the U.S. Quality Bond Portfolio's expenses is fixed. Consequently, because the size of the U.S. Quality Bond Portfolio is relatively small, these fixed expenses represent and may continue to represent a relatively large percentage of the U.S. Quality Bond Portfolio's average daily net assets. Applicants assert that Contract Owners will not be exposed to higher expenses following the Substitution and should, in fact, benefit from the U.S. Government Securities Portfolio's lower total expense ratio which, for the year ended December 31, 1998, was .93% of its average daily net assets, without regard to waiver or reimbursement of expenses.

7. Applicants state that the U.S. Government Securities Portfolio accumulated approximately \$119,525,394 in net assets as of June 4, 1999. The U.S. Quality Bond Portfolio accumulated approximately \$263,329 in net assets as of June 4, 1999. Effective January 25, 1999, shares of the U.S. Quality Bond Portfolio are no longer available for investment. Therefore, Applicants state that the prospects for continued growth of the U.S. Government Securities Portfolio indicate that greater economies of scale would be expected for that fund than for the U.S. Quality Bond Portfolio.

8. Applicants state that, due to the relatively small asset size of the U.S. Quality Bond Portfolio, there are a

limited number of attractive investments available for investment by the U.S. Quality Bond Portfolio. Thus, the ability to maintain optimal management of the Portfolio is reduced. The larger size of the U.S. Government Securities Portfolio lends itself to greater flexibility in purchasing attractive investments, and consequently the U.S. Government Securities Portfolio can more readily react to changes in market conditions. Applicants state that Contract Owners would benefit through the more effective management of a larger portfolio such as the U.S. Government Securities Portfolio.

9. Applicants state the Substitution will not result in the type of costly forced redemption that section 26(b) was intended to guard against and is consistent with the protection of investors and the purposes fairly intended by the 1940 Act for the following reasons:

(a) The Substitution is of the U.S. Government Securities Portfolio shares whose objectives, policies, and restrictions are substantially similar to the objectives, policies, and restrictions of the U.S. Quality Bond Portfolio so as to continue fulfilling the Contract Owners' objectives and risk expectations;

(b) While the advisory fees for the U.S. Government Securities Portfolio are somewhat higher than those of the U.S. Quality Bond Portfolio, the total expenses (as of December 31, 1998) of the U.S. Government Securities Portfolio, without regard to any waiver or reimbursement, were .93%, while the total expenses for the U.S. Quality Bond Portfolio were 3.60%.

(c) If during the Free Transfer Period a Contract Owner requests, assets will be reallocated for investment in a Contract Owner-selected sub-account. The Free Transfer period is sufficient time for Contract Owners to reconsider the Substitution;

(d) The Substitution will in all cases, be effected at the net asset value of the respective shares in conformity with section 22(c) of the 1940 Act and rule 22c-1 thereunder, without the imposition of any transfer or similar charge;

(e) London Pacific has undertaken to assume the expenses and transaction costs, including among others, legal and accounting fees and any brokerage commissions, relating to the Substitution;

(f) The Substitution in no way will alter the insurance benefits to Contract Owners or the contractual obligations of London Pacific;

(g) The Substitution in no way will alter the tax benefits to Contract Owners; and

(h) Contract Owners may choose simply to withdraw amounts credited to them following the Substitution under the conditions that currently exist, subject to any applicable contingent deferred sales charge.

### Conclusion

Applicants submit, for all of the reasons stated herein, that the requested order approving the proposed substitution under section 26(b) of the 1940 Act is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-22939 Filed 9-1-99; 8:45 am]

BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23981]

### Notice of Applications for Deregistration Under Section 8(f) of the Investment Company Act of 1940

August 27, 1999.

The following is a notice of applications for deregistration under section 8(f) of the Investment Company Act of 1940 for the month of August, 1999. A copy of each application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth St., NW, Washington, DC 20549-0102 (tel. 202-942-8090). An order granting each application will be issued unless the SEC orders a hearing. Interested persons may request a hearing on any application by writing to the SEC's Secretary at the address below and serving the relevant 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 September 21, 1999, and should be accompanied by proof of service on the applicant, 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 Secretary, SEC, 450 Fifth Street, NW, Washington, DC 20549-0609. For Further Information Contact: Diane L. Titus, at (202) 942-0564, SEC,

Division of Investment Management,  
Office of Investment Company  
Regulation, 450 Fifth Street, NW,  
Washington, DC 20549-0506.

**The Premium Portfolios [File No. 811-7291]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On October 1, 1998, applicant made a liquidating distribution to its securityholders at net asset value per share. Expenses of approximately \$10,175 were incurred in connection with the liquidation and were paid by Citibank, N.A., applicant's investment adviser.

*Filing Dates:* The application was filed on May 25, 1999, and amended on August 2, 1999.

*Applicant's Address:* Elizabethan Square, George Town, Grand Cayman, Cayman Islands, British West Indies.

**The Baird Funds, Inc. [File No. 811-6714]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 4, 1999, applicant made a liquidating distribution to its shareholders based on net asset value per share. Expenses of approximately \$35,000 were incurred in connection with the liquidation and were paid by applicant.

*Filing Dates:* The application was filed on June 11, 1999, and amended on August 4, 1999.

*Applicant's Address:* 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202.

**Life Cycle Mutual Funds, Inc. [File No. 811-9058]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 30, 1998, applicant made a liquidating distribution to its shareholders at net asset value per share. Expenses incurred in connection with the liquidation were \$107,796 and were allocated pro rata to each series of applicant.

*Filing Dates:* The application was filed on April 30, 1999, and amended on August 11, 1999.

*Applicant's Address:* c/o Joseph V. Del Raso, Esq., Pepper Hamilton LLP, 3000 Two Logan Square, Eighteenth and Arch Streets, Philadelphia, Pennsylvania 19103-2799.

**MAP-Equity Fund (Previously Known as Mutual Benefit Fund) [File No. 811-2046]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 8, 1999, applicant transferred its assets to

MainStay MAP Equity Fund based on net asset value. Expenses of approximately \$84,295 incurred in connection with the reorganization were paid by applicant.

*Filing Date:* The application was filed on July 30, 1999.

*Applicant's Address:* 520 Broad Street, Newark, New Jersey 07102.

**Security Capital EuroPacific Real Estate Shares Incorporated [File No. 811-8383], Security Capital European Real Estate Shares Incorporated [File No. 811-8533]**

*Summary:* Each applicant seeks an order declaring that it has ceased to be an investment company. Neither applicant has ever made a public offering of its securities and does not propose to make a public offering or engage in business of any kind.

*Filing Date:* Each application was filed on July 7, 1999, and amended on August 12, 1999.

*Applicant's Address:* 11 South LaSalle Street, Chicago, Illinois 60603.

**Hyperion Short Duration U.S. Government Fund II [File No. 811-6210], Short Duration U.S. Government Portfolio [File No. 811-6250], Hyperion Government Mortgage Trust [File No. 811-6262]**

*Summary:* Each applicant seeks an order declaring that it has ceased to be an investment company. On August 31, 1995, each applicant made a liquidating distribution to its shareholders at net asset value per share. Expenses of \$93,325 were incurred in connection with each liquidation and were paid by the investment adviser to each applicant.

*Filing Dates:* Hyperion Short Duration U.S. Government Fund II and Short Duration U.S. Government Portfolio filed their applications on July 6, 1999, and Hyperion Government Mortgage Trust filed its application on July 9, 1999. Each application was amended on August 11, 1999.

*Applicant Address:* One Liberty Plaza, 165 Broadway, New York, New York 10006.

**AJL PEPS Trust [File No. 811-7341]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On February 15, 1999, applicant made a liquidating distribution to its shareholders at net asset value per share. Applicant has approximately 30 shareholders who have not surrendered their shares. Assets representing the aggregate liquidation value of applicant's remaining shares are being held by The Bank of New York. Expenses of

approximately \$30,958 incurred in connection with the liquidation were paid by Morgan Stanley & Co., Incorporated, as sponsor of applicant.

*Filing Dates:* The application was filed on May 10, 1999, and amended on August 13, 1999.

*Applicant's Address:* c/o The Bank of New York, 101 Barclay Street, New York, New York 10286.

**The New South Africa Fund, Inc. [File No. 811-8298]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 3, 1999, applicant made a liquidating distribution to its shareholders at net asset value per share. Applicant has 49 shareholders who have not surrendered their shares. Funds representing the aggregate liquidation value of applicant's remaining shares are being held by the Custodial Trust Company, applicant's custodian. Expenses of \$430,250 incurred in connection with the liquidation were paid by applicant.

*Filing Dates:* The application was filed on July 28, 1999, and amended on August 19, 1999.

*Applicant's Address:* 101 Carnegie Center, Princeton, New Jersey 08540.

**Smith Hayes Trust, Inc. [File No. 811-5463]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 21, 1999, applicant transferred its assets to Great Plains Funds based on net asset value. Expenses of \$28,400 were incurred in connection with the reorganization and were paid by SMITH HAYES Financial Services Corporation, applicant's distributor.

*Filing Dates:* The application was filed on July 29, 1999, and amended on August 18, 1999.

*Applicant's Address:* Centre Terrace, 1225 L Street, P.O. Box 83000, Lincoln, Nebraska 68501-3000.

**Scudder Spain and Portugal Fund, Inc. [File No. 811-5304]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On March 8, 1999, applicant made a liquidating distribution to its securityholders at net asset value. As of August 3, 1999, applicant had 48 securityholders who had not surrendered their shares. State Street Bank and Trust Company is holding funds representing the aggregate liquidation value of applicant's remaining shares. Expenses of approximately \$77,600 were incurred in connection with the liquidation, of which applicant's investment adviser

paid approximately \$25,800, and applicant paid the remaining expenses.

*Filing Dates:* The application was filed on June 30, 1999, and amended on August 17, 1999.

*Applicant's Address:* 345 Park Avenue, New York, New York 10154.

**AIM Investment Portfolios [File No. 811-3297]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 21, 1998, applicant transferred its assets to AIM Money Market Fund, a series of AIM Funds Group, based on net asset value. Expenses of \$95,249 incurred in connection with the reorganization were paid by AIM Advisors Inc., applicant's investment adviser.

*Filing Date:* The application was filed on August 11, 1999.

*Applicant's Address:* 11 Greenway Plaza, Suite 100, Houston, Texas 77046.

**Franklin Life Variable Annuity Fund B [File No. 811-2110]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On April 8, 1999, the shareholders of applicant voted to approve the merger of applicant with two other investment companies. The name of the fund surviving the merger is Franklin Life Variable Annuity Fund, and its Investment Company Act file number 811-1990. Expenses of \$287,065 were incurred in connection with the merger and were paid by The Franklin Life Insurance Company, which had been the investment adviser of applicant during the last five years.

*Filing Date:* The application was filed on June 4, 1999.

*Applicant's Address:* #1 Franklin Square, Springfield, Illinois 62713.

**Franklin Life Money Market Variable Annuity Fund C [File No. 811-3289]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On April 8, 1999, the shareholders of applicant voted to approve the merger of applicant with two other investment companies. The name of the fund surviving the merger is Franklin Life Variable Annuity Fund, and its Investment Company Act file number is 811-1990. Expenses of \$287,065 were incurred in connection with the merger and were paid by The Franklin Life Insurance Company, which had been the investment adviser of applicant during the last five years.

*Filing Date:* The application was filed on June 4, 1999.

*Applicant's Address:* #1 Franklin Square, Springfield, Illinois 62713.

**The Sports Funds Trust [File No. 811-8563]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On February 26, 1999, applicant made a liquidating distribution to its securityholders at net asset value per share. Expenses of \$6,289 incurred in connection with the liquidation were paid by applicant.

*Filing Date:* The application was filed on August 20, 1999.

*Applicant's Address:* 610 Pasteur Drive, Suite 2, Greensboro, NC 27403.

**Veredus Funds (Formerly Artemis Funds) [File No. 811-8771]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On December 4, 1998, applicant transferred all of its assets and liabilities to Allegheny/Veredus Aggressive Growth Fund (the "Acquiring Fund") based on net asset value. Expenses of \$154,701 were incurred in connection with the reorganization, of which the investment advisers for applicant and the Acquiring Fund paid \$119,207 and \$35,494, respectively.

*Filing Dates:* The application was filed on May 12, 1999, and amended on August 24, 1999.

*Applicant's Address:* 6900 Bowling Boulevard, Suite 250, Louisville, Kentucky 40207.

**TCW/DW Global Telecom Trust [File No. 811-7591]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 28, 1999, applicant transferred its assets to Morgan Stanley Dean Witter Global Utilities Fund based on net asset value. Expenses of \$145,000 incurred in connection with the reorganization were paid by applicant.

*Filing Date:* The application was filed on August 24, 1999.

*Applicant's Address:* Two World Trade Center, 70th Floor, New York, New York 10048.

**Pioneer Intermediate Tax-Free Fund [File No. 811-4768]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On March 31, 1999, applicant transferred all of its assets to Pioneer Tax-Free Income Fund (the "Acquiring Fund") based on net asset value per share. Expenses of \$45,000 incurred in connection with the reorganization were allocated between applicant and the Acquiring Fund based on their respective net assets.

*Filing Date:* The application was filed on August 23, 1999.

*Applicant's Address:* 60 State Street, Boston, Massachusetts 02109.

**The United Kingdom Fund Inc. [File No. 811-5184]**

*Summary:* Applicant seeks an order declaring that it has ceased to be an investment company. On June 18, 1999, applicant distributed substantially all of its assets to shareholders at net asset value per share. Funds representing the aggregate liquidation value of applicant's remaining shares and a reserve to cover remaining liabilities are held in trust. Expenses of \$153,646 incurred in connection with the liquidation were paid by applicant.

*Filing Dates:* The application was filed on July 27, 1999. Applicant has agreed to file an amendment during the notice period.

*Applicant's Address:* c/o Merrill Lynch Asset Management, 800 Scudders Mill Road, Legal Advisory-2A, Plainsboro, New Jersey 08536.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-22941 Filed 9-1-99; 8:45 am]

BILLING CODE 8010-01-M

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**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**Aviation Rulemaking Advisory Committee Meeting on Transport Airplane and Engine Issues**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of public meeting.

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**SUMMARY:** This notice announces a public meeting of the FAA's Aviation Rulemaking Advisory Committee (ARAC) to discuss transport airplane and engine (TAE) issues.

**DATES:** The meeting is scheduled for September 14 and 15, 1999, beginning at 8:30 a.m. on September 14. Arrange for oral presentations by September 7.

**ADDRESSES:** Boeing Commercial Airplane Group, 535 Garden Avenue, N., Building 10-16, Renton, WA.

**FOR FURTHER INFORMATION CONTACT:** Effie M. Upshaw, Office of Rulemaking, ARM-209, FAA, 800 Independence Avenue, SW., Washington, DC 20591, Telephone (202) 267-7626, FAX (202) 267-5075.

**SUPPLEMENTARY INFORMATION:** Pursuant to section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92-463; 5 U.S.C. app. III), notice is given of