

consolidation of records and reports, and the general ease of investing in one fund instead of several. In addition, in return for the indirect expenses of investing in the Underlying Spokes and the Underlying Hubs, the Portfolios and their shareholders will benefit to the same extent as other shareholders in the Underlying Spokes from the administrative services provided to the Underlying Spokes and the portfolio management services provided to the Underlying Hubs.

#### C. Section 17(d) and Rule 17d-1

1. Section 17(d) prohibits an affiliated person of a registered investment company, or an affiliated person of such person, acting as principal, from effecting any transaction in which such investment company is a joint, or joint and several, participant with such person in contravention of SEC rules and regulations. Rule 17d-1 provides that an affiliated person of a registered investment company or an affiliated person of such person, acting as principal, shall not participate in, or effect any transaction in connection with, any joint enterprise or other joint arrangement in which the registered investment company is a participant unless the SEC has issued an order approving the arrangement.

2. Applicants believe that all shareholders of the Underlying Spokes, including Strategic Fund, will benefit equally from the distribution and distribution-related services received from the Distributor, which services will be financed, in part, from rule 12b-1 fees. Under the Servicing Agreement, the distribution-related expenses relating to Strategic Fund would be paid from the rule 12b-1 fees of the Underlying Spokes only up to the amount of such fees attributable to the shares of the Portfolios, and no Underlying Spoke would be required to pay any additional distribution-related expenses attributable to the Portfolios. In addition to the benefit to each Portfolio from the sale of its shares, applicants assert that each Underlying Spoke would receive a benefit from the sale of shares of the Portfolios to the extent that a Portfolio invests in such Underlying Spoke. Applicants submit that, based on these considerations: (a) Strategic Fund may create benefits for the Underlying Spokes; (b) the benefits would be shared by the Underlying Spokes in proportion to their assets; (c) the Underlying Spokes and Strategic Fund would participate in the arrangement on the same or substantially the same basis; (d) none of the Underlying Spokes, the Underlying Hubs, Strategic Fund, Diversified, or the

Distributor would be advantaged or disadvantaged over one another; and (e) the entire arrangement would be consistent with the provisions, policies, and purposes of the Act.

#### Applicants' Conditions

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

1. Strategic Fund and each Underlying Spoke and Underlying Hub will be part of the same "group of investment companies," as defined in rule 11a-3 under the Act.

2. No Underlying Hub shall acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

3. A majority of the trustees of Strategic Fund will not be "interested persons," as defined in section 2(a)(19) of the Act (the "Independent Trustees").

4. Before approving any advisory contract under section 15 of the Act, the trustees of Strategic Fund, including a majority of the Independent Trustees, shall find that advisory fees charged under such contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Hub's advisory contract. Such finding, and the basis upon which the finding was made, will be recorded fully in the minute books of Strategic Fund.

5. Any sales charges or service fees charged with respect to securities of Strategic Fund, when aggregated with any sales charges or service fees paid by Strategic Fund with respect to securities of the Underlying Spokes, shall not exceed the limits set forth in Article III, section 26, of the Rules of Fair Practice of the National Association of Securities Dealers, Inc.

6. Applicants agree to provide the following information, in electronic format, to the Chief Financial Analyst of the Division: monthly average total assets for each Portfolio and each of its Underlying Spokes and Underlying Hubs; monthly purchases and redemptions (other than by exchange) for each Portfolio and each of its Underlying Spokes and underlying Hubs; monthly exchanges into and out of each Portfolio and each of its Underlying Spokes; month-end allocations of each Portfolio's assets among its Underlying Spokes; annual expense ratios for each Portfolio and each of its Underlying Spokes and Underlying Hubs; and a description of any vote taken by the shareholders of any Underlying Spoke, including a statement of the percentage of votes cast for and against the proposal by Strategic

Fund and by the other shareholders of the Underlying Spoke. Such information will be provided as soon as reasonably practicable following each fiscal year-end of Strategic Fund (unless the Chief Financial Analyst shall notify Strategic Fund or Diversified in writing that such information need no longer be submitted).

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

Jonathan G. Katz,  
Secretary.

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#### FEDERAL MARITIME COMMISSION

##### Security for the Protection of the Public Indemnification of Passengers for Nonperformance of Transportation; Notice of Issuance of Certificate (Performance)

Notice is hereby given that the following have been issued a Certificate of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation pursuant to the provisions of Section 3, Public Law 89-777 (46 U.S.C. 817(e)) and the Federal Maritime Commission's implementing regulations at 46 C.F.R. part 540, as amended:

The Peninsular and Oriental Steam Navigation Company, Princess Cruises, Inc. and P & O Cruises (UK) Limited, 77 New Oxford Street, London WC1A 1PP, England, Vessels: CANBERRA, ORIANA and VICTORIA

Dated: December 15, 1995.

Joseph C. Polking,  
Secretary.

[FR Doc. 95-30926 Filed 12-19-95; 8:45 am]

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#### SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-21596; 811-4607]

##### Eaton Vance High Income Trust; Notice of Application

December 13, 1995.

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

**ACTION:** Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

**APPLICANT:** Easton Vance Income Trust.

**RELEVANT ACT SECTION:** Section 8(f).

**SUMMARY OF APPLICATION:** Applicant requests an order declaring that it has ceased to be an investment company.

**FILING DATE:** The application was filed on November 16, 1995 and amended on November 24, 1995.

**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 January 8, 1996, and should be accompanied by proof of service on 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 may request notification of a hearing by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicant, 24 Federal Street, Boston, Massachusetts 02110.

**FOR FURTHER INFORMATION CONTACT:** Deepak T. Pai, Staff Attorney, at (202) 942-0574, or Alison E. Baur, 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.

#### Applicant's Representations

1. Applicant is an open-end management investment company organized as a Massachusetts business trust. On February 28, 1986, applicant registered under the Act as an investment company. On March 5, 1986, applicant filed a registration statement under the Securities Act of 1933 registering an indefinite number of shares. The registration statement became effective on August 1, 1986, and applicant's initial public offering commenced soon thereafter. Applicant consists of two series, EV Classic High Income Fund ("Classic High Income") and EV Marathon High Income Fund ("Marathon High Income") (collectively the "Funds"). Applicant is a feeder fund in a master/feeder structure and therefore has no investment adviser.

2. On June 19, 1995, applicant's Board of Trustees, including a majority of Trustees who were not interested persons of applicant, approved an Agreement and Plan of Reorganization for each Fund whereby applicant would transfer all of the assets and liabilities of Classic High Income and Marathon High Income to a corresponding new

series of Eaton Vance Mutual Funds Trust (the "Trust"). These new series are EV Classic High Income Fund and EV Marathon High Income Fund (together, the "Successor Funds"). In exchange, each Fund would receive shares of beneficial interest of each Successor Fund with an aggregate net asset value equal to the net asset value of each Fund's assets and liabilities transferred. Pursuant to rule 17a-8, applicant's Board of Trustees determined that such reorganization would be in the best interests of applicant and that the interests of existing shareholders of the Funds would not be diluted as a result of the reorganization.<sup>1</sup> No shareholder approval was required by the Declarations of Trust of applicant or the Trust, or by applicable law.

3. On July 31, 1995, applicant transferred all of the assets and liabilities of the Funds to their corresponding Successor Funds. Shareholders in the Funds received shares of beneficial interest of each Successor Fund equal in value to their shares in a Fund in complete liquidation and dissolution of applicant. No brokerage commissions were paid as a result of the exchange.

4. Each Fund and each Successor Fund assumed its own expenses in connection with the reorganization. Such expenses included, but were not limited to, legal fees, registration fees and printing expenses.

5. At the time of the filing of the application, applicant had no assets or liabilities, was not a party to any litigation or administration proceeding, and had no shareholders. Applicant is neither engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs.

6. On July 31, 1995, applicant dissolved as a Massachusetts business trust.

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

Jonathan G. Katz,

Secretary.

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**BILLING CODE 8010-01-M**

<sup>1</sup> Although purchases and sales between affiliated persons generally are prohibited by section 17(a) of the Act, rule 17a-8 provides an exemption for certain purchases and sales among investment companies that are affiliated persons of one another solely by reason of having a common investment adviser, common directors, and/or common officers. Applicant and the Trust may be deemed to be affiliated persons of each other solely by reason of having common trustees and officers, and therefore may rely on the rule.

[Rel. No. IC-21601; 812-9828]

#### Mutual Fund Group, et al.; Notice of Application

December 14, 1995.

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

**ACTION:** Notice of Application for Exemption under the Investment Company Act of 1940 (the "Act").

**APPLICANTS:** Mutual Fund Group, Mutual Fund Trust, Mutual Fund Variable Annuity Trust, Vista Global Fixed Income Portfolio, Vista Growth and Income Portfolio, Vista International Equity Portfolio, Vista Capital Growth Portfolio (collectively, the "Investment Companies"), and the Chase Manhattan Bank, N.A. or its successor entity subsequent to its merger into Chemical Bank<sup>1</sup> (the "Adviser").

**RELEVANT ACT SECTIONS:** Order requested under section 6(c) of the Act for an exemption from sections 13(a)(2), 13(a)(3), 18(f)(1), 22(f), and 22(g) and rule 2a-7 thereunder, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a)(1), and under section 17(d) of the Act and rule 17d-1 thereunder to permit certain joint arrangements.

**SUMMARY OF APPLICATION:** Applicants request an order that would permit each applicant investment company to enter into deferred compensation arrangements with its trustees who are not employees of its affiliated persons.

**FILING DATES:** The application was filed on October 23, 1995, and amended on December 7, 1995.

**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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 8, 1996, 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.

<sup>1</sup> Chase Manhattan Corporation has announced that it plans to enter into a reorganization with Chemical Banking Corporation pursuant to which Chemical Banking Corporation will be the surviving corporation. This merger is expected to be completed on or about April 1, 1996. Subsequent to this merger it is expected that the Chase Manhattan Bank will be merged into Chemical Bank, with Chemical Bank as the surviving bank, assuming the investment management of the Investment Companies.