

Summary of Proposal(s)

(1) *Collection title.* Application for Employee Annuity Under the Railroad Retirement Act.

(2) *Form(s) submitted:* AA-1, AA-1d, G-204.

(3) *OMB Number:* 3220-0022.

(4) *Expiration date of current OMB clearance:* 5/31/1998.

(5) *Type of request:* Revision of a currently approved collection.

(6) *Respondents:* Individuals or households.

(7) *Estimated annual number of respondents:* 13,400.

(8) *Total annual responses:* 19,225.

(9) *Total annual reporting hours:* 11,637.

(10) *Collection description:* The Railroad Retirement Act provides for payment of age, disability and supplemental annuities to qualified employees. The application and related forms obtain information about the applicant's family work history, military service, disability benefits from other government agencies and public or private pensions. The information is used to determine entitlement to and the amount of the annuity applied for.

Additional Information or Comments

Copies of the forms and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (321-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, D.C. 20503.

Chuck Mierzwa,
Clearance Officer.

[FR Doc. 98-6437 Filed 3-12-98; 8:45 am]

BILLING CODE 7905-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-23062; 812-10858]

INVESCO Global Health Sciences Fund et al.; Notice of Application

March 6, 1998.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

SUMMARY OF APPLICATION: Applicants request an order under section 6(c) of the Act for an exemption from section

19(b) of the Act and rule 19b-1 under the Act to permit the IVESCO Global Health Sciences Fund (the "Fund") to make up to four distributions of net long-term capital gains in any one taxable year, so long as the Fund maintains in effect a distribution policy calling for quarterly distributions of a fixed percentage of its net asset value ("NAV").

APPLICANTS: The Fund and INVESCO Funds Group, Inc. ("IFG").

FILING DATE: The application was filed on November 3, 1997 and amended on February 24, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

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 April 2, 1998, and should be accompanied by proof of service on the 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, N.W., Washington, D.C. 20549. Applicants, c/o Glen A. Payne, Esq., 7800 East Union Avenue, Denver, CO 80237.

FOR FURTHER INFORMATION CONTACT: John K. Forst, Attorney Advisor, at (202) 942-0569, or March 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, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicants' Representations

1. The Fund is a closed-end diversified management investment company organized as a Massachusetts business trust and registered under the Act. The fund's investment objective is capital appreciation through investment in health sciences related business sectors. IFG, an investment adviser registered under the Investment Advisers Act of 1940, serves as the Fund's investment adviser.

2. On October 6, 1997, the Fund's board of trustees adopted a distribution policy (the "Distribution Policy") that calls for four quarterly distributions of 2.5% of the Fund's NAV at the time of the declaration, for a total of approximately 10% of the NAV per year. If the total distributions required by the Distribution Policy exceed the Fund's investment income and net realized capital gains, the excess will be treated as a return of capital. If the Fund's net investment income, net short-term realized gains and net long-term realized gains for any year exceed the amount required to be distributed under its Distribution Policy, the Fund, in its discretion, may retain and not distribute net long-term capital gains to the extent of the excess.

3. Applicants state that the Distribution Policy will provide a steady cash flow to the Fund's shareholders and, during periods when its per share NAV is increasing, a means for the shareholders to receive, on a periodic basis, some of the appreciation in the value of their shares. Applicants also believe that the Distribution Policy will help reduce the discount from NAV at which the Fund's shares typically trade.

4. Applicants request relief to permit the Fund, so long as it maintains in effect the Distribution Policy, to make up to four capital gains distributions (as defined in section 852(b)(3)(C) of the Internal Revenue Code of 1986, as amended (the "Code")) in any one taxable year. Applicants further request that the relief extend to any other registered closed-end management investment company in the future advised by IFG or any entity controlling, controlled by, or under common control (within the meaning of section 2(a)(9) of the Act) with IFG ("Future Fund"). Applicants state that all registered investment companies currently intending to rely on this relief have been named as applicants and any Future Fund that relies on the relief will do so only in accordance with the terms and conditions of the application.

Applicants' Legal Analysis

1. Section 19(b) of the Act provides that a registered investment company may not, in contravention of such rules, regulations, or orders as the SEC may prescribe, distribute long-term capital gains more often than once every twelve months. Rule 19b-1(a) permits a registered investment company, with respect to any one taxable year, to make one capital gains distribution, as defined in section 852(b)(3)(C) of the Code. Rule 19b-1(a) also permits a supplemental distribution to be made pursuant to section 855 of the Code not

exceeding 10% of the total amount distributed for the year. Rule 19b-1(f) permits one additional long-term capital gains distribution to be made to avoid the excise tax under section 4982 of the Code.

2. Applicants assert that the limitation on the number of net long-term capital gains distributions in rule 19b-1 prohibits the Fund from including available net long-term capital gains in certain of its fixed quarterly distributions. As a result, applicants state that the Fund must fund these quarterly distributions. As a result, applicants state that the Fund must fund these quarterly distributions with returns of capital (to the extent net investment income and net realized short-term capital gains are insufficient to cover a quarterly distribution). Applicants further assert that, in order to distribute all of the Fund's long-term capital gains within the limits on the number of long-term capital gains distributions in rule 19b-1, the Fund may be required to make certain of its quarterly distributions in excess of the total annual amount called for by the Distribution Policy. Alternatively, applicants state that the Fund may be forced to retain long-term capital gains and pay the applicable taxes. Applicants assert that the application of rule 19b-1 to the Fund's Distribution Policy may create pressure on the investment adviser to limit the realization of long-term capital gains based on considerations unrelated to investment goals.

3. Applicants submit that the requested exemption from section 19(b) of the Act and rule 19b-1 under the Act would be in the best interests of the Fund and its shareholders. One of the concerns leading to the adoption of section 19(b) and rule 19b-1 was that shareholders might be unable to distinguish between frequent distributions of capital gains and dividends from investment income. Applicants state that the Fund's Distribution Policy will be clearly disclosed to shareholders in the Fund's quarterly and annual reports. Applicants state that, in accordance with rule 19a-1 under the Act, a separate statement showing the source of the distribution will accompany each distribution (or the confirmation of reinvestment under the Fund's dividend reinvestment plan). In addition, a statement showing the amount and source of each quarterly distribution during the year will be included with the Fund's IRS Form 1099-DIV report sent to each shareholder who received distributions during the year (including shareholders who have sold shares

during the year). Applicants believe that the Fund's shareholders will fully understand that their distributions are not tied to the Fund's net investment income and realized capital gains and do not represent yield or investment return.

4. Applicants state that another concern underlying section 19(b) and rule 19b-1 is that frequent capital gains distributions could facilitate improper distribution practices including, in particular, the practice of urging an investor to purchase shares of a fund on the basis of an upcoming dividend ("selling the dividend"), when the dividend results in an immediate corresponding reduction in NAV and is, in effect, a return of the investor's capital. Applicants submit that this concern does not arise with regard to closed-end management investment companies, such as the Fund, which do not continuously distribute their shares.

5. The Fund may make transferable rights offerings in the future to its shareholders to subscribe for additional shares. Applicants contend that in the case of a rights offering by the Fund, shares would be offered during the one-month interval which would occur immediately after payment of a quarterly dividend. Thus, applicants argue that the concern about selling the dividend will not arise. Applicants also state that they will comply with the condition to the requested order with regard to any rights offering.

6. Section 6(c) of the Act provides that the SEC may exempt any person or transaction from any provision of the Act or any rule thereunder to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. For the reasons stated above, applicants believe that the requested relief satisfies this standard.

Applicants' Condition

Applicants agree that the order granting the requested relief shall terminate upon the effective date of a registration statement under the Securities Act of 1933 for any future public offering by the Fund of its common shares other than: (i) a rights offering to shareholders of the Fund, provided that: (a) such offering does not include the payment of solicitation fees to brokers in excess of 3% of the subscription price per share or the payment of any other commissions or underwriting fees in connection with

the offering or exercise of the rights,¹ (b) the rights will not be exercisable between a date a dividend to the Fund's shareholders is declared and the record date of such dividend, (c) the Fund has not engaged in more than one rights offering during any given calendar year, and (d) the subscription price for a share in such rights offering is not more than \$0.50 per share below the closing market or bid price, as the case may be, on the pricing date for the rights offering; or (ii) an offering in connection with a merger, consolidation, acquisition, or reorganization of the Fund; unless the Fund has received from the staff of the SEC written assurance that the order will remain in effect.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 98-6527 Filed 3-12-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26838]

Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

March 6, 1998.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by March 30, 1998, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the

¹ Holders of rights who do not wish to exercise any or all of their rights may instruct the Fund's subscription agent to sell their unexercised rights. Such shareholders would be responsible for paying all brokerage commissions incurred by the subscription agent in selling the unexercised rights.