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

APPLICANTS: Frank Russell Investment Company ("FRIC"), Russell Insurance Funds, Inc. ("RIF"), Frank Russell Investment Management Company ("FRIMCo"), Frank Russell Company ("FRC"), and Russell Fund Distributors, Inc. ("RFD").

RELEVANT ACT SECTIONS: Exemption requested under section 6(c) of the Act from the provisions of section 15(a) and rule 18f–2; and from certain disclosure requirements set fort in item 22 of Schedule 14A under the Securities Exchange Act of 1934 (the "Exchange Act"); items 2, 5(b)(iii), and 16(a)(iii) of Form N–1A; item 3 of Form N–14; item 48 of Form N–SAR; and sections 6–07(2) (a), (b), and (c) of Regulation S–X.

SUMMARY OF APPLICATION: Applicants seek a conditional order permitting FRIMCo to enter into sub-advisory contracts without receiving prior shareholder approval, and permitting FRIC and RIF (the "Funds") to disclose only aggregate sub-advisory fees for each fund in their prospectuses and other reports.

FILING DATES: The application was filed on February 19, 1991, and amended and restated on December 20, 1993, April 15, 1994, May 3, 1995, and May 10, 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 June 27, 1995, 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 SEC's Secretary. ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, D.C. 20549. Applicant, 909 A Street, Tacoma, Washington 98402.

FOR FURTHER INFORMATION CONTACT: Mary Kay Frech, Senior Attorney, at (202) 942–0579, or C. David Messman, 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.

Applicants' Representations

1. FRIC is a registered no-load, openend management investment company organized as a Massachusetts business trust. FRIC has twenty-two separate series, each constituting a different investment portfolio. All of FRIC's series follow the conventional practice of paying their investment advisory fee from the series' assets. Ten of FRIC's series require investors to pay an additional investment services fee directly to their investment adviser, FRIMCo, for shareholder services (the "External Fee FRIC Funds").¹ The remaining twelve series pay no investment services fee. FRIC's shares are offered predominantly to institutional fiduciaries, such as bank trust departments and registered investment advisers, which have investment discretion over their clients' accounts. A limited number of shares are offered to smaller institutional investors such as endowment funds and to individual investors who have a direct, contractual relationship with FRIMCo. Each investor in each of FRIC's series executes an asset management services agreement with FRTAMCo, the different forms of which reflect the different services required by different categories of investors.

2. RIF is a registered no-load, openend management investment company organized as a Maryland corporation. It is proposed to consist of several separate series, each constituting a different investment portfolio. RIF shares initially will be offered exclusively to insurance separate accounts as the funding vehicle for variable and fixed annuity and life insurance products. Each series of RIF follows the conventional practice of paying FRIMCo an advisory fee from the series' assets. The Funds' separate series are referred to herein as the "Portfolios."

3. FRIMCo is a registered investment adviser, organized as a Washington corporation. The Funds have engaged FRIMCo as their investment adviser pursuant to an investment management agreement. FRIMCo as engaged, or will engage, one or more sub-advisers ("Money Managers") pursuant to an investment management agreement ("Portfolio Management Agreement") to exercise investment discretion over the assets of each Portfolio. Each Portfolio, except for the money market Portfolios and a real estate securities Portfolio, has two or more Money Managers.

4. FRC, the parent company of FRIMCo, is a registered investment adviser, organized as a Washington corporation. FRC provides portfolio structuring and Money Manager evaluation services to FRIMCo, but receives no separately stated fee from the Funds for its services.

5. RFD is a registered broker-dealer, organized as a Washington corporation. RFD is a wholly-owned subsidiary of FRIMCo and serves as the distributor of the Funds' shares.

6. In contrast to the majority of investment companies that have a single organization serving as the manager/ administrator and the investment adviser, the Funds divide responsibility for corporate management and investment advice between FRIMCo and the Money Managers. The Funds employ a "multi-style, multi-manager" method of investment, under which FRIMCo, using the consulting services of FRC, selects and monitors for each Portfolio multiple Money Managers using a range of manager styles.

7. FRIMCo performs internal due diligence on prospective Money Managers for each Portfolio and thereafter monitors their performance through quantitative and qualitative analysis, as well as actual consultations with the Money Managers. FRIMCo has responsibility for communicating performance expectations and evaluations to the Money Managers, supervising compliance with the Portfolios' investment policies and objectives, recommending to the board of directors of the Funds whether Portfolio Management Agreements should be renewed, modified, or terminated, and recommending to the Funds' directors the addition of new Money Managers. For its services, FRIMCo receives a management fee from the Portfolios. FRIMCo pays the Money Managers from these fees.

8. In 1981, the SEC issued an order to permit the FRIC Portfolios to hire and contract with Money Managers without

¹ Investors in the External Fee FRIC Funds include (a) banking institutions, broker-dealers, investment advisers, charitable foundations, endowments, and qualified pension plans, including IRA plans, which have negotiated and entered into a written agreement with FRIMCo establishing the investment services fee to be paid FRIMCo for assets invested in the External Fee FRIC Funds by those entities both for their own account as well as on behalf of their clients for whom they may be acting in either an agency or discretionary capacity, and (b) individuals with investable assets of \$5 million or more, who have negotiated and entered into a written agreement wit FRIMCo for all assets invested in the External Fee FRIC Funds Applicants also may make shares of the External Fee FRIC Funds available to employees of FRC and its affiliates. These employees will pay an investment services fee to FRIMCo which is consistent for all employees.