

exempt from the requirement of prior Commission approval under section 6(a) of the Act), from time to time through December 31, 2000, in an aggregate amount not to exceed \$1.2 billion at any one time outstanding.

Guaranties may take the form of direct guaranties, standby equity funding commitments, obligations under capital maintenance agreements or reimbursement agreements in respect of bank letters of credit, or other similar financial instruments or undertakings.

Pledge of Securities

Southern proposes to pledge the shares of Holdings, and Holdings, Domestic Holdings, Foreign Holdings and any Intermediate Subsidiary propose to pledge the shares of their respective subsidiaries, as security in connection with the sale of debt securities by Holdings and such subsidiaries.

Performance Guaranties

Southern is currently authorized by the December 1994 Order to guaranty performance by or act as indemnitor or surety with respect to contractual obligations of Southern Electric, any subsidiary of Southern Electric or any project entity in which Southern directly or indirectly holds an interest, in an aggregate amount not to exceed \$800 million at any one time outstanding through December 31, 2003¹¹. Southern requests that this authorization be modified so that it may provide such performance guaranties on behalf of Holdings and any direct or indirect subsidiary of Holdings, including Southern Electric, any Exempt Project, other power project, energy-related company or Intermediate Subsidiary.

Holdings, Domestic Holdings, Foreign Holdings and any Intermediate Subsidiary also propose to provide performance guaranties on behalf of any of their direct and indirect subsidiaries. The amount of these guaranties will be included in calculating the above maximum amount of performance guaranties provided by Southern only if they are supported by an agreement or undertaking of Southern.

Services and Goods

The applicants propose that Special Purpose Subsidiaries of Holdings, Domestic Holdings or Foreign Holdings may render services or sell goods to associate companies. Such services will

be rendered and goods will be sold at cost, in compliance with the Act and the rules thereunder, unless the Special Purpose Subsidiary complies with the conditions specified in the December 1994 Order with respect to Southern Electric, in which case services or goods may be sold at market prices.

Reporting

The applicants propose that a single consolidated quarterly report be filed by Southern and Holdings pursuant to rule 24 with respect to all activities of Holdings and its subsidiaries authorized in this file. This report would replace the combined report currently being filed pursuant to the December 1994 Order and the Orders with respect to the activities of Southern Electric and the Project Parents.

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

Margaret H. McFarland,

Deputy Secretary.

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[Investment Company Act Release No. 21590; 812-9534]

Managed Accounts Services Portfolio Trust and Mitchell Hutchins Asset Management Inc.; Notice of Application

December 11, 1995.

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

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

APPLICANTS: Managed Accounts Services Portfolio Trust (the "Trust") and Mitchell Hutchins Asset Management Inc. ("Mitchell Hutchins").

RELEVANT ACT SECTIONS: Applicants request an exemption under section 6(c) of the Act from section 15(a) of the Act and rule 18f-2 thereunder.

SUMMARY OF APPLICATION: The Trust is a registered investment company advised by Mitchell Hutchins. Mitchell Hutchins oversees the selection of other investment advisers for the Trust's series, monitors such investment advisers, and allocates assets among them. The order would permit an investment adviser other than Mitchell Hutchins to serve as an investment adviser to one or more series of the Trust without receiving prior shareholder approval.

FILING DATE: The application was filed on March 16, 1995, and amended on August 9, and December 8, 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 5, 1996, and should be accompanied by proof of service on applicants, in the form of an addendum, 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 Fifth Street NW., Washington, D.C. 20549. Applicants, 1285 Avenue of the Americas, New York, New York 10019.

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 is available for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. The Trust is a registered open-end management investment company organized as a Delaware business trust. The Trust is currently composed of twelve separate investment portfolios (each a "Portfolio," and collectively, the "Portfolios"). The Trust was organized by Mitchell Hutchins and its parent, PaineWebber Incorporated ("PaineWebber"), to provide to participants in the PaineWebber PACE Program (the "PACE Program") a cost-effective investment method (i.e., a series of pooled investment funds) to invest their assets in a variety of different asset classes managed by investment advisers selected and monitored by Mitchell Hutchins.

2. Mitchell Hutchins, a Delaware corporation that is registered as an investment adviser, acts as the investment manager and administrator to the Trust pursuant to an Investment Management and Administration Agreement with the Trust (the "Management Agreement") and is responsible for the selection or termination of investment advisers ("Sub-Advisers") for each of the Portfolios. Mitchell Hutchins also serves as the adviser to the PACE Money Market Investment Portfolio, one of the

¹¹ The aggregate amount of such guarantees and indemnification of sureties is reduced by similar undertakings made or incurred by Southern in connection with activities of certain other subsidiaries.