

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.*

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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.