

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, the Investment Companies, Vista Service Center, P.O. Box 419392, Kansas City, Missouri 64141-6392, and the Adviser, One Chase Manhattan Plaza, New York, New York 10081.

FOR FURTHER INFORMATION CONTACT: Elaine M. Boggs, Staff Attorney, at (202) 942-0572, 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. 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 and Vista Capital Growth Portfolio are diversified open-end management investment companies that currently consist of 32 separate portfolios. The Adviser serves as the investment adviser for the Investment Companies and Vista Broker-Dealer Services, Inc. services as their distributor.

2. Applicants request that relief be extended to any other registered open-end investment company established or acquired in the future, or series thereof, (including any successors in interest²) advised by the Adviser (together with the Investment Companies, the "Funds").

3. Each Investment Company has a board of trustees, a majority of the members of which are not "interested persons" of such Investment Company within the meaning of section 2(a)(19) of the Act. Each of the trustees who is not as employee of the Adviser, the Investment Companies' administrator or distributor, or any of their affiliates ("Eligible Trustees") receives annual fees which collectively are, and are expected to continue to be, insignificant in comparison to the total net assets of the Investment Companies. Applicants request an order to permit the Eligible Trustees to elect to defer receipt of all or a portion of their fees pursuant to a deferred compensation plan (the "Plan") and related election agreement

entered into between each Eligible Trustee and the appropriate Fund. Under the Plan, the Eligible Trustees could defer payment of trustees' fees (the "Deferred Fees") in order to defer payment of income taxes or for other reasons.

4. Under the Plan, the deferred fees payable by a Fund to a participating Eligible Trustee will be credited to a book reserve account established by the Fund (a "Deferral Account"), as of the first business day following the date such fees would have been paid to the Eligible Trustee. The trustee may select one or more investment portfolios from a list of available Investment Companies that will be used to measure the hypothetical investment performance of the trustee's Deferral Account. The value of a Deferral Account will be equal to the value such account would have had if the amount credited to it had been invested and reinvested in shares of the investment portfolios designated by the trustee (the "Designated Shares").

5. Each Investment Company intends generally to purchase and maintain Designated Shares in an amount equal to the deemed investments of the Deferred Accounts of its trustees. Any participating money market series of a Fund that values its assets by the amortized cost method will buy and hold the Designated Shares that determine the performance of the Deferral Accounts in order to achieve an exact match between such series' liability to pay deferred fees and the assets that offset such liability. The accrued liability of each Investment Company for the compensation deferrals will fluctuate with changes in the value of the Designated Shares. The Investment Company will not, however, experience any economic effect from the fluctuating liability because it will own Designated Shares purchased with money that otherwise would have been paid to the Eligible Trustee. Changes in the amount of the liability will be exactly matched by changes in the value of the Designated Shares.

6. The Funds' respective obligations to make payments of amounts accrued under the Plan will be general unsecured obligations, payable solely from their respective general assets and property. The Plan provides that the Funds will be under no obligation to purchase, hold or dispose of any investments under the Plan, but, if one or more of the Funds choose to purchase investments to cover their obligations under the Plan, then any and all such investments will continue to be a part of the respective general assets and property of such Funds.

7. Payment to Eligible Trustees will be made in a lump sum or in generally equal annual installments over a period of no more than 10 years as selected by the Eligible Trustee at the time of deferral. In the event of death, amounts payable to the Eligible Trustee under the Plan will become payable to a beneficiary designated by the Eligible Trustee. In all other events, the Eligible Trustee's right to receive payments is non-transferable.

8. The Plan was adopted prior to receipt of the requested relief. Pending receipt of SEC approval, the Plan provides that the compensation deferred by an Eligible Trustee will be credited to a Deferral Account in the form of cash and credited with an amount equal to the yield on 90 day U.S. Treasury Bills.³

Applicants' Legal Analysis

1. Applicants request an order which would exempt the Funds: (a) under section 6(c) of the Act from sections 13(a)(2), 13(a)(3), 18(f)(1), 22(f), and 22(g) and rule 2a-7 thereunder, to the extent necessary to permit the Funds to adopt and implement the Plan; (b) under sections 6(c) and 17(b) of the Act from section 17(a)(1) to permit the Funds to sell securities for which they are the issuer to participating Funds in connection with the Plan; and (c) under section 17(d) of the Act and rule 17d-1 thereunder to permit the Funds to effect certain joint transactions incident to the Plan.

2. Section 18(f)(1) generally prohibits a registered open-end investment company from issuing senior securities. Section 13(a)(2) requires that a registered investment company obtain shareholder authorization before issuing any senior security not contemplated by the recitals of policy in its registration statement. Applicants state that the Plan possesses none of the characteristics of senior securities that led Congress to enact section 18(f)(1). The Plan would not: (a) Induce speculative investments or provide opportunities for manipulative allocation of any Fund's expenses or profits; (b) affect control of any Fund; or (c) confuse investors or convey a false impression as to the safety of their investments. All liabilities created under the Plan would be offset by equal amounts of assets that would not otherwise exist if the fees were paid on a current basis.

3. Section 22(f) prohibits undisclosed restrictions on transferability or negotiability of redeemable securities

² "Successors in interest" is herein limited to entities that result from a reorganization into another jurisdiction or a change in the type of business organization.

³ See, e.g., American Balanced Fund, Inc. (pub. avail. Feb. 13, 1984) (no-action assurances given for deferred compensation plan in which the value of the deferred amounts did not depend upon the investment company's performance).