

Applicants, 50 California Street, San Francisco, California 94111.

FOR FURTHER INFORMATION CONTACT:

Bradley W. Paulson, Staff Attorney, at (202) 942-0147 or Robert A. Robertson, 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

A. Multi-Class Distribution System

1. Growth Series, Investment Funds, and Investment Portfolios are open-end management investment companies registered under the Act. Applicants request relief on behalf of themselves and any future open-end management investment company for which G.T. Capital (or any person controlling, controlled by, or under common control with G.T. Capital) serves as investment adviser or G.T. Global (or any person controlling, controlled by, or under common control with G.T. Global) serves as principal underwriter. These future companies, together with Growth Series, Investment Funds, and Investment Portfolios, are referred to as the "Companies." Existing and future series of each Company are referred to as the "Portfolios." The Adviser is the investment adviser and administrator for each existing Portfolio, and the Distributor serves as principal underwriter for each existing Portfolio.

2. The existing Portfolios currently offer multiple classes of shares in accordance with existing exemptive orders.¹ Under those orders, shares are offered subject to either a front-end sales charge in accordance with the applicable provisions of rule 22d-1 under the Act and a distribution plan adopted in accordance with rule 12b-1 under the Act or a CDSC and a rule 12b-1 plan. Applicants request an order amending and superseding their prior orders to permit them to offer unlimited classes of shares in accordance with a "Multiple Class System."

3. Under this system, each class of shares of a Portfolio would be identical in all respects to any other class of shares of that Portfolio except: (1) Each class would have different class designations; (2) each class may have a

different sales charge; (3) each class would bear the expense of any payments made under a rule 12b-1 plan and/or shareholder services plan (collectively, the "Plans"), if any, entered into with respect to such class; (4) each class could bear certain other expenses directly attributable only to that class described in condition one, below ("Class Expenses"); (5) only the holders of a class of shares would be entitled to vote on matters pertaining to a Plan, related agreements, or other matters relating to such class; and (6) exchange privileges could vary among the classes.

4. With respect to each class, a Company (on behalf of a Portfolio) could enter into one or more rule 12b-1 plan agreements and/or shareholder services plan agreements ("Plan Agreements") concerning the provision of certain services to shareholders of a particular class by the Adviser, the Distributor, other groups, organizations or institutions.

5. The gross income of each Portfolio will be allocated to each class based upon the relative daily net assets of the class. Expenses of a company that cannot be attributed directly to any one Portfolio ("Company Expenses") will be allocated to each Portfolio based on the relative daily net assets of those Portfolios. Expenses attributable to a particular Portfolio, but not a particular class of shares ("Portfolio Expenses"), will be allocated to each class based upon the relative daily net assets of the class. Class Expenses will be charged directly to the net assets of the particular class and will be borne on a pro rata basis by the outstanding shares of such class. Accordingly, the net income and net asset value per share of (and dividends and other distributions payable to) each class may differ from other classes in the same Portfolio.

6. The shares of different classes of a Portfolio will have different exchange privileges. Applicants anticipate that shares of each class of a Portfolio will be exchangeable for shares of the corresponding class of one or more other Portfolios. Such exchanges will be based on the respective net asset values of the shares being exchanged. All exchange privileges will comply with rule 11a-3 under the Act.

B. The CDSC

1. Applicants also request an exemption to allow the Portfolios to impose a CDSC on redemptions of certain classes of shares ("CDSC Shares") and to waive or reduce the CDSC on redemptions under certain circumstances. The sum of any initial sales charge, asset-based sales charge,

and CDSC imposed on shares of a class will not exceed the maximum sales charge provided for in Article III, Section 26(d) of the Rules of Fair Practice of the National Association of Securities Dealers, Inc.

2. A Portfolio's CDSC may be imposed at a constant or declining rate over a specified period of years ("CDSC Period"). No CDSC would be imposed on any redemption of CDSC Shares representing reinvestment of dividends or other distributions. As presently contemplated, no CDSC would be imposed on any redemption of CDSC Shares that were purchased more than six years prior to the redemption.

3. The amount of the CDSC would be the lesser of the amount representing a specified percentage of the net asset value of the CDSC Shares at the time of purchase or the amount representing such percentage of the net asset value at the time of redemption. As a result, no CDSC would be imposed on amounts representing an increase in the value of the shareholder's account resulting from capital appreciation above the amount paid for CDSC Shares purchased in the CDSC Period. In determining the applicability and rate of any CDSC, it would be assumed that a redemption is made first of shares representing reinvestment of dividends and capital gain distributions, next of shares held by the shareholder for a period equal to or greater than the CDSC Period, and finally of other shares held by the shareholder for the longest period of time. This would result in a charge, if any, imposed at the lowest possible rate.

4. Applicants request relief to permit each Portfolio to waive or reduce the CDSC under certain circumstances. Any waiver or reduction will comply with the conditions contained in paragraphs (a) through (d) of rule 22d-1.

5. Applicants also request the ability to provide a credit for any CDSC paid in connection with a redemption of Shares followed by a reinvestment effected within a specified period not exceeding 365 days of the redemption. If an investor redeems CDSC Shares and pays a CDSC, then subsequently reinvests all of his redemption proceeds in CDSC Shares of the same or a different Fund within 365 days, the investor will be credited for the full amount of the CDSC paid. If the investor chooses instead to invest less than the full amount of the redemption proceeds, the investor will be credited a pro rata amount of the CDSC. The credit will be paid by the principal underwriter.

Applicants' Legal Analysis

1. Applicants request an exemption under section 6(c) of the Act from

¹ G.T. Global Growth Series, Investment Company Act Release No. 19022 (Feb. 4, 1994) (notice) and 20101 (Mar. 1, 1994) (order); and G.T. Global Growth Series, Investment Company Act Release No. 18961 (Sept. 17, 1992) (notice) and 19022 (Oct. 14, 1992) (order).