

Issued in Washington, DC, on this 8th day of November 2006.

**Vincent K. Snowbarger,**

*Interim Director, Pension Benefit Guaranty Corporation.*

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## OFFICE OF PERSONNEL MANAGEMENT

### Proposed Collection; Comment Request for Review of a Revised Information Collection: RI 20-63, RI 20-116, RI 20-117

**AGENCY:** Office of Personnel  
Management.

**ACTION:** Notice.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13, May 22, 1995), this notice announces that the Office of Personnel Management (OPM) intends to submit to the Office of Management and Budget (OMB) a request for review of a revised information collection. RI 20-63, Survivor Annuity Election for a Spouse, is used by annuitants to elect a reduced annuity with a survivor annuity for their spouse. RI 20-116 is a cover letter for RI 20-63 giving information about the cost to elect less than the maximum survivor annuity. This letter may be used to decline to elect. RI 20-117 is a cover letter for RI 20-63 giving information about the cost to elect the maximum survivor annuity. This letter may be used to ask for more information or to decline to elect.

RI 20-117 is accompanied by RI 20-63A, Information on Electing a Survivor Annuity for Your Spouse, or RI 20-63B, Information on Electing a Survivor Annuity for Your Spouse When You Are Providing a Former Spouse Annuity. Both booklets explain the election. RI 20-63A is for annuitants who do not have a former spouse who is entitled to survivor annuity benefit; RI 20-63B is for those who do have a former spouse who is entitled to a benefit. These booklets do not require OMB clearance. They have been included because they provide the annuitant additional information.

Comments are particularly invited on: Whether this collection of information is necessary for the proper performance of functions of the Office of Personnel Management, and whether it will have practical utility, whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; and ways in which we can minimize the burden of the collection of information

on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

Approximately 2,400 RI 20-63 forms are returned each year electing survivor annuities and 200 annuitants return the cover letter to ask for information about the cost to elect less than the maximum survivor annuity or to refuse to provide any survivor benefit. It is estimated to take approximately 45 minutes to complete the form with a burden of 1,800 hours and 10 minutes to complete the letter, which gives a burden of 34 hours. The total burden for RI 20-63 is 1,834 hours.

For copies of this proposal, contact Mary Beth Smith-Toomey on (202) 606-8358, FAX (202) 418-3251 or via e-mail to [MaryBeth.Smith-Toomey@opm.gov](mailto:MaryBeth.Smith-Toomey@opm.gov). Please include a mailing address with your request.

**DATES:** Comments on this proposal should be received within 60 calendar days from the date of this publication.

**ADDRESSES:** Send or deliver comments to—Pamela S. Israel, Chief, Operations Support Group, Center for Retirement and Insurance Services, U.S. Office of Personnel Management, 1900 E Street, NW., Room 3349, Washington, DC 20415-3540.

*For Information Regarding Administrative Coordination—Contact:* Cyrus S. Benson, Team Leader, Publications Team, RIS Support Services/Support Group; (202) 606-0623.

U.S. Office of Personnel Management.

**Dan G. Blair,**

*Deputy Director.*

[FR Doc. 06-9196 Filed 11-14-06; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27550; 812-13145]

### Old Mutual Advisor Funds II, *et al.*; Notice of Application

November 8, 2006.

**AGENCY:** Securities and Exchange Commission (“Commission”).

**ACTION:** Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from section 15(a) of the Act and rule 18f-2 under the Act, as well as certain disclosure requirements.

*Summary of Application:* Applicants request an order that would permit them to enter into and materially amend sub-

advisory agreements without shareholder approval and would grant relief from certain disclosure requirements.

*Applicants:* Old Mutual Advisor Funds II (“OMAF II”) on behalf of Old Mutual Cash Reserves Fund, Old Mutual Columbus Circle Technology and Communications Fund, Old Mutual Growth Fund, Old Mutual Large Cap Growth Concentrated Fund, Old Mutual Large Cap Growth Fund, Old Mutual Select Growth Fund, Old Mutual Small Cap Fund and Old Mutual Strategic Small Company Fund (together, the “OMAF II Funds”), Old Mutual Insurance Series Fund (“OMISF”, and each of OMAF II and OMISF, a “Trust”) on behalf of Old Mutual Columbus Circle Technology and Communications Portfolio, Old Mutual Growth II Portfolio, Old Mutual Large Cap Growth Concentrated Portfolio, Old Mutual Large Cap Growth Portfolio and Old Mutual Small Cap Portfolio (together, the “OMISF Funds”, and together with the OMAF II Funds, the “Funds”), and Old Mutual Capital, Inc. (“Old Mutual Capital”).

*Filing Dates:* The application was filed on January 3, 2005, and amended on June 27, 2005, August 18, 2005, June 21, 2006, and November 3, 2006.

*Hearing or Notification of Hearing:* An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on December 4, 2006, and should be accompanied by proof of service on the applicants, 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 may request notification of a hearing by writing to the Commission’s Secretary.

**ADDRESSES:** Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090. Applicants, Andra C. Ozols, Old Mutual Capital, 4643 South Ulster Street, Suite 600, Denver, Colorado 80237.

**FOR FURTHER INFORMATION CONTACT:** Laura J. Riegel, Senior Counsel, at (202) 551-6873, or Nadya B. Roytblat, Assistant Director, at (202) 551-6821 (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 Commission's Public Reference Desk, 100 F Street, NE., Washington, DC 20549-0102 (tel. 202-551-5850).

### Applicants' Representations

1. Each Trust is organized as a Delaware statutory trust and is registered under the Act as an open-end management investment company. Each Fund has its own investment objective, policies, and restrictions. Old Mutual Capital is registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act") and serves as investment adviser to the Funds.<sup>1</sup> Each Trust, on behalf of its Funds, has entered into separate investment management agreements with Old Mutual Capital (each a "Management Agreement" and collectively, the "Management Agreements"). The Management Agreements have been approved by the respective Trust's board of trustees (each, a "Board"), including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act, of the respective Trust or of Old Mutual Capital ("Independent Trustees"), as well as by each applicable Fund's shareholders.<sup>2</sup>

2. Under the terms of the Management Agreements, Old Mutual Capital has primary responsibility for management of the Funds, subject to Board oversight. The Management Agreements also provide that Old Mutual Capital may select and contract with one or more investment advisers ("Sub-Advisers") to exercise day-to-day investment discretion over all or a portion of the assets of the Funds (each such agreement, a "Sub-Advisory Agreement" and collectively, the "Sub-Advisory Agreements"). Old Mutual Capital monitors and evaluates the Sub-

Advisers and recommends to the Board their hiring, termination, and replacement. All Sub-Advisory Agreements have been approved by the respective Trust's Board, including a majority of the Independent Trustees. Each Sub-Adviser is, and any future Sub-Adviser will be, an investment adviser that is registered under the Advisers Act. Old Mutual Capital compensates or will compensate each Sub-Adviser out of the management fees it receives from each Fund under the respective Management Agreement.

3. Applicants request relief to permit Old Mutual Capital, subject to Board approval, to enter into and materially amend Sub-Advisory Agreements without shareholder approval. The requested relief will not extend to any Sub-Adviser that is an affiliated person, as defined in section 2(a)(3) of the Act, of a Fund or of Old Mutual Capital, other than by reason of serving as a Sub-Adviser to one or more Funds ("Affiliated Sub-Adviser").<sup>3</sup>

4. Applicants also request an exemption from the various disclosure provisions described below that may require the Funds to disclose fees paid by Old Mutual Capital to the Sub-Advisers. An exemption is requested to permit a Fund to disclose (as both a dollar amount and as a percentage of its net assets): (a) The aggregate fees paid to Old Mutual Capital and any Affiliated Sub-Advisers, and (b) the aggregate fees paid to Sub-Advisers other than Affiliated Sub-Advisers (collectively, "Aggregate Fee Disclosure"). If a Fund employs an Affiliated Sub-Adviser, the Fund will provide separate disclosure of any fees paid to the Affiliated Sub-Adviser.

### Applicants' Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except under a written contract that has been approved by the vote of a majority of the company's outstanding voting securities. Rule 18f-2 under the Act provides that each series or class of stock in a series company affected by a matter must approve such matter if the Act requires shareholder approval.

2. Form N-1A is the registration statement used by open-end investment companies. Item 14(a)(3) of Form N-1A requires disclosure of the method and amount of the investment adviser's compensation.

3. Rule 20a-1 under the Act requires proxies solicited with respect to an investment company to comply with Schedule 14A under the Securities Exchange Act of 1934 ("Exchange Act"). Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A, taken together, require a proxy statement for a shareholder meeting at which the advisory contract will be voted upon to include the "rate of compensation of the investment adviser," the "aggregate amount of the investment adviser's fees," a description of the "terms of the contract to be acted upon," and, if a change in the advisory fee is proposed, the existing and proposed fees and the difference between the two fees.

4. Form N-SAR is the semi-annual report filed with the Commission by registered investment companies. Item 48 of Form N-SAR requires investment companies to disclose the rate schedule for fees paid to their investment advisers, including the sub-advisers.

5. Regulation S-X sets forth the requirements for financial statements required to be included as part of investment company registration statements and shareholder reports filed with the Commission. Sections 6-07(2)(a), (b), and (c) of Regulation S-X require that investment companies include in their financial statements information about investment advisory fees.

6. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or transactions from any provisions of the Act, or from any rule thereunder, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants state that the requested relief meets this standard for the reasons discussed below.

7. Applicants assert that by investing in a Fund, shareholders, in effect, will hire Old Mutual Capital to manage the Fund's assets by using its investment adviser selection and monitoring process. Applicants assert that investors will purchase Fund shares to gain access to Old Mutual Capital's expertise in these areas. Applicants believe that permitting Old Mutual Capital to hire Sub-Advisers without incurring the unnecessary delay and expense of obtaining shareholder approval of each Sub-Advisory Agreement is appropriate in the interests of the Funds' shareholders and will allow each Fund to potentially operate more efficiently. Applicants note that the Management Agreements will remain subject to the

<sup>1</sup> Applicants also request relief with respect to future series of the Trusts and any other existing or future registered open-end management investment company or series thereof that: (a) Is advised by Old Mutual Capital or any entity controlling, controlled by, or under common control with Old Mutual Capital; (b) uses the multi-manager structure described in the application; and (c) complies with the terms and conditions of the application (included in the term "Funds"). The Trusts are the only existing registered open-end management investment companies that currently intend to rely on the requested order. If the name of any Fund contains the name of a Sub-Adviser (as defined below), the name of Old Mutual Capital or the name of the entity controlling, controlled by, or under common control with Old Mutual Capital that serves as the primary investment adviser to the Fund will precede the name of the Sub-Adviser.

<sup>2</sup> The term "shareholders" includes variable life insurance policy and variable annuity contract owners that are unitholders of any separate account for which an OMISF Fund serves as a funding medium.

<sup>3</sup> Currently, two OMAF II Funds and one OMISF Fund each employ an Affiliated Sub-Adviser.

shareholder approval requirements of section 15(a) and rule 18f-2.

8. Applicants assert that many Sub-Advisers charge their customers for advisory services according to a "posted" rate schedule. Applicants state that while Sub-Advisers are willing to negotiate fees that are lower than those posted on the schedule, they are reluctant to do so where the fees are disclosed to other prospective and existing customers. Applicants submit that the requested relief will encourage potential Sub-Advisers to negotiate lower subadvisory fees with Old Mutual Capital, the benefits of which may be passed on to the Funds' shareholders.

#### Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Before a Fund may rely on the requested order, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund's outstanding voting securities, as defined in the Act, or, in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the initial shareholder(s) before offering shares of that Fund to the public.

2. The prospectus for each Fund will disclose the existence, substance and effect of any order granted pursuant to the application. In addition, each Fund will hold itself out to the public as employing the manager of managers structure described in the application. The prospectus will prominently disclose that Old Mutual Capital has ultimate responsibility, subject to oversight by the Board, to oversee the Sub-Advisers and recommend their hire, termination and replacement.

3. At all times, at least a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees, will be at the discretion of the then-existing Independent Trustees.

4. Old Mutual Capital will not enter into a Sub-Advisory Agreement with any Affiliated Sub-Adviser, without such agreement, including compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. When a Sub-Adviser change is proposed for a Fund with an Affiliated Sub-Adviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that such change is in the best interests of the Fund and its shareholders and does not involve a

conflict of interest from which Old Mutual Capital or the Affiliated Sub-Adviser derives an inappropriate advantage.

6. Within 90 days of the hiring of any new Sub-Adviser, Old Mutual Capital will furnish the shareholders of the affected Fund all information about the new Sub-Adviser that would be contained in a proxy statement, except as modified by the order to permit Aggregate Fee Disclosure. This information will include Aggregate Fee Disclosure and any change in such disclosure caused by the addition of the new Sub-Adviser. To meet this condition, Old Mutual Capital will provide shareholders of the affected Fund with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Exchange Act, except as modified by the order to permit Aggregate Fee Disclosure.

7. Old Mutual Capital will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of the Fund's assets, and, subject to review and approval by the Board, will: (a) Set the Fund's overall investment strategies; (b) evaluate, select, and recommend Sub-Advisers to manage all or a part of the Fund's assets; (c) when appropriate, allocate and reallocate the Fund's assets among multiple Sub-Advisers; (d) monitor and evaluate the performance of the Sub-Advisers; and (e) implement procedures reasonably designed to ensure that the Sub-Advisers comply with the Fund's investment objective, policies and restrictions.

8. No trustee or officer of a Fund or director or officer of Old Mutual Capital will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such person) any interest in a Sub-Adviser, except for: (a) Ownership of interests in Old Mutual Capital or any entity that controls, is controlled by, or is under common control with Old Mutual Capital; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly traded company that is either a Sub-Adviser or an entity that controls, is controlled by, or is under common control with a Sub-Adviser.

9. Independent legal counsel, as defined in rule 0-1(a)(6) under the Act, will be engaged to represent the Independent Trustees. The selection of such counsel will be within the discretion of the then-existing Independent Trustees.

10. Old Mutual Capital will provide the Board, no less frequently than

quarterly, with information about the profitability of Old Mutual Capital on a per-Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Sub-Adviser during the applicable quarter.

11. Whenever a Sub-Adviser is hired or terminated, Old Mutual Capital will provide the Board with information showing the expected impact on Old Mutual Capital's profitability.

12. Each Fund will disclose in its registration statement the Aggregate Fee Disclosure.

13. The requested order will expire on the effective date of rule 15a-5 under the Act, if adopted.

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

**Nancy M. Morris,**

*Secretary.*

[FR Doc. E6-19238 Filed 11-14-06; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-27548; 812-12869]

### Putnam Diversified Income Trust, et al.; Notice of Application

November 7, 2006.

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

**ACTION:** Notice of application for an order under section 12(d)(1)(f) of the Investment Company Act of 1940 ("Act") for an exemption from sections 12(d)(1)(A) and (B) of the Act, and under sections 6(c) and 17(b) of the Act for an exemption from section 17(a) of the Act.

*Summary of Application:* The order would permit certain registered open-end and closed-end management investment companies to acquire shares of other registered open-end management investment companies that are within the same group of investment companies and to invest in other securities and financial instruments.

*Applicants:* Putnam Diversified Income Trust ("DIT"), Putnam High Income Securities Fund ("HIS"), Putnam High Yield Advantage Fund ("HYA"), Putnam High Yield Trust ("HYT"), Putnam Income Fund ("PIF"), Putnam Managed High Yield Trust ("MHYT"), Putnam Master Intermediate Income Trust ("MIT"), Putnam Premier Income Trust ("PIT"), Putnam Funds Trust ("PFT"), and Putnam Variable Trust ("PVT" and together with the above named entities, the "Putnam Funds"), Putnam Investment