

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 28375; 812-13526]

Phoenix Equity Trust, et al.; Notice of Application

September 3, 2008

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of an application under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

Summary of Application: The requested order would permit certain registered open-end management investment companies to enter into and materially amend subadvisory agreements without shareholder approval.

Applicants: Phoenix Equity Trust, Phoenix Insight Funds Trust, Phoenix Institutional Mutual Funds, Phoenix Opportunities Trust (the “Companies”) and Phoenix Investment Counsel, Inc. (the “Advisor”)(collectively, with the Companies, “Applicants”).

Filing Dates: The application was filed on April 23, 2008, and amended on September 2, 2008.

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 September 26, 2008 and should be accompanied by proof of service on 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 reasons for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

Address: Secretary, Commission, 100 F Street, NE, Washington, DC 20549-1090. Applicants, One American Row, P.O. Box 5056, Hartford, CT 06102-5056.

For Further Information Contact: Barbara T. Heussler, Senior Counsel at (202) 551-6990, or Mary Kay Frech, Branch Chief, 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 from the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549-1520 (telephone (202) 551-5850).

Applicants' Representations:

1. The Companies are open-end management investment companies registered under the Act. The Companies, except Phoenix Insight Funds Trust, are organized as statutory trusts under Delaware law. Phoenix Insight Funds Trust is organized as a Massachusetts business trust under Massachusetts law. The Companies presently are comprised of fifty-three separate series (each, a "Fund" and collectively, the "Funds") each of which has its own investment objectives, policies, and restrictions.¹

¹ Applicants also request relief with respect to current or future series of the Companies and any other registered open-end management investment companies and their series that: (a) are advised by the Advisor or any entity controlling, controlled by or under common control with the Advisor; (b) use the management structure described in the application; and (c) comply with the terms and conditions of the application ("Future Funds," included in the term "Funds"). Any existing entity that currently intends to rely on the requested relief is named as an Applicant. If a Fund has the name of any Subadvisor (as defined below) in the Fund's name, the Fund's name will be preceded by the name of the Advisor (such as "Phoenix," which is the present identifying name the Advisor uses in conducting its business) or the name of the entity controlling, controlled by, or under common control with the Advisor that serves as the primary adviser to the Fund.

2. The Advisor, a Massachusetts corporation, is registered under the Investment Advisers Act of 1940 (“Advisers Act”) and serves as investment adviser to the Funds that use the management structure described in the application.²

3. The Companies, on behalf of the Funds, have entered into investment advisory agreements with the Advisor (the “Advisory Agreements”). Each Advisory Agreement requires approval by shareholders of the applicable Fund and by the Fund’s board of trustees (the “Board”), including a majority of the trustees who are not “interested persons,” as defined in section 2(a)(19) of the Act, of the Company or the Advisor (the “Independent Trustees”). Under the Advisory Agreements, the Advisor has primary responsibility for management of the Funds, subject to general oversight by the Board. The Advisor also evaluates, selects, and recommends to the Boards investment management organizations (“Subadvisors”) who have discretionary authority to invest all or a portion of the assets of a particular Fund pursuant to a separate subadvisory agreement with the Advisor (“Subadvisory Agreement”). Each Subadvisor is, and any future Subadvisor will be, registered under the Advisers Act. The Advisor receives management fees at annual rates based on a percentage of the applicable Fund’s average daily net assets. Each Subadvisor will be paid subadvisory fees by the Advisor out of its fees from the Funds at rates negotiated with the Subadvisor by the Advisor and approved by the Boards.

² Under a prior order, the Commission granted relief to certain applicants, including Phoenix Variable Advisors, Inc. (“PVA”), from the provisions of section 15(a) of the Act and rule 18f-2 under the Act. The Phoenix Edge Series Fund and Phoenix Variable Advisors, Inc., Investment Company Act Release Nos. 25655 (July 10, 2002)(notice) and 25693 (August 6, 2002)(order) (“Prior Order”). While Applicants are not named as applicants to the Prior Order, Applicants rely on the Prior Order due to a currently existing affiliation with the applicants to the Prior Order. However, a reorganization transaction expected to close in September, 2008 will result in the Advisor no longer being controlling, controlled by, or under common control with PVA, thus making the Prior Order inapplicable to Applicants and necessitating the current request for relief.

4. The Advisor monitors and evaluates the Subadvisors and recommends to the Boards whether Subadvisory Agreements should be renewed, modified, or terminated. Advisor assesses the continued ability of the Subadvisor to meet the Fund's investment objective. The Advisor monitors possible replacement Subadvisors for a Fund so that any transition can be recommended to the Board and, if approved, can be effected on a timely basis should a Subadvisor change be warranted.

5. Applicants request an order to permit the Advisor, subject to Board approval, to enter into and materially amend Subadvisory Agreements without shareholder approval. The applicants will not enter into a Subadvisory Agreement with any Subadvisor that is an affiliated person, as defined in section 2(a)(3) of the Act, of the Companies or the Advisor, other than by reason of serving as Subadvisor to one or more Funds ("Affiliated Subadvisor"), unless that agreement, including the compensation to be paid thereunder, has been separately approved by the shareholders of each Fund for which the Affiliated Subadvisor will act as an investment 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 pursuant to 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. 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 provision of the Act, or from any rule thereunder, if and to the extent that such exemption is

necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act. Applicants believe that their requested relief meets this standard.

3. Applicants state that the Funds' shareholders rely on the Advisor to select the Subadvisors best suited to achieve a Fund's investment objectives. Applicants assert that, from the perspective of the investor, the role of the Subadvisors is comparable to that of individual portfolio managers employed by traditional investment advisory firms. Applicants contend that requiring shareholder approval of Subadvisory Agreements would impose costs and unnecessary delays on the Funds and may preclude the Advisor from acting promptly in a manner considered advisable by the Board. Applicants also note that the Advisory Agreement will remain subject to the shareholder approval requirements in section 15(a) of the Act and rule 18f-2 under the Act.

Applicants' Conditions:

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

1. The Advisor will not enter into a Subadvisory Agreement with any Affiliated Subadvisor without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

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

3. When a Subadvisor change is proposed for a Fund with an Affiliated Subadvisor, the Fund's Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that the change is in the best interests of the Fund and its

shareholders and does not involve a conflict of interest from which the Advisor or the Affiliated Subadvisor derives an inappropriate advantage.

4. 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 6 below, by the initial shareholder(s) before offering shares of that Fund to the public.

5. The Advisor will provide general management services to the Companies and their Funds, including overall supervisory responsibility for the general management and investment of each Fund's assets, and, subject to review and approval by the Boards, will (i) set the Fund's overall investment strategies; (ii) evaluate, select and recommend Subadvisors to manage all or part of a Fund's assets; (iii) allocate and, when appropriate, reallocate a Fund's assets among multiple Subadvisors; (iv) monitor and evaluate the performance of Subadvisors; and (v) implement procedures reasonably designed to ensure that the Subadvisors comply with the relevant Fund's investment objective, policies and restrictions.

6. Each Fund relying on the requested order will disclose in its prospectus 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 management structure described in the application. The prospectus will prominently disclose that the Advisor has ultimate responsibility (subject to oversight by the Boards) to oversee the Subadvisors and recommend their hiring, termination and replacement.

7. No trustee or officer of a Company or officer or director of the Advisor will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by

that trustee, director or officer) any interest in a Subadvisor except for (i) ownership of interests in the Advisor or any entity that controls, is controlled by, or is under common control with the Advisor; or (ii) 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 Subadvisor or an entity that controls, is controlled by or is under common control with a Subadvisor.

8. Within 90 days of the hiring of any new Subadvisor, shareholders of the Fund will be furnished all information about the new Subadvisor that would be included in a proxy statement, including any change in shareholder disclosure caused by the addition of the new Subadvisor. To meet this condition, the Funds will provide shareholders with an information statement meeting the requirements of Regulation 14C, Schedule 14C, and Item 22 of Schedule 14A under the Securities Exchange Act of 1934.

9. 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.

Florence E. Harmon
Acting Secretary