

restrictions of section 12(d)(1) of the Act, except as permitted by an exemptive order that permits registered investment companies to invest in an Investee Fund beyond the limits in section 12(d)(1), subject to certain terms and conditions, including that the registered investment company enter into a Purchasing Fund Agreement with the Investee Fund regarding the terms of the investment.

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

**Florence E. Harmon,**

*Deputy Secretary.*

[FR Doc. 07-529 Filed 2-6-07; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27694; 812-13339]

### Van Eck Associates Corporation, et al.; Notice of Application

January 31, 2007.

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

**ACTION:** Notice of an application to amend a prior order under section 6(c) of the Investment Company Act of 1940 ("Act") to grant exemptions from sections 2(a)(32), 5(a)(1), 22(d), 22(e), and 24(d) of the Act and rule 22c-1 under the Act, under section 12(d)(1)(j) of the 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 granting an exemption from sections 17(a)(1) and (a)(2) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to amend a prior order that permits: (a) Open-end management investment companies that include series based on certain domestic equity securities indices to issue shares ("Shares") that can be redeemed only in large aggregations ("Creation Units"); (b) secondary market transactions in Shares to occur at negotiated prices; (c) dealers to sell Shares to purchasers in the secondary market unaccompanied by a prospectus when prospectus delivery is not required by the Securities Act of 1933 ("Securities Act"); (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of Creation Units; and (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the series to acquire Shares ("Prior

Order").<sup>1</sup> Applicants seek to amend the Prior Order in order to offer two new series (each series, an "Additional Fund," and together, the "Additional Funds") and future series ("Future Foreign Funds," and together with the Additional Funds, the "Foreign Funds") based on foreign equity securities indices. In addition, the order would delete a condition related to future relief in the Prior Order.

**APPLICANTS:** Van Eck Associates Corporation ("Adviser"), Market Vectors ETF Trust ("Trust"), and Van Eck Securities Corporation ("Distributor").

**FILING DATES:** The application was filed on November 1, 2006, and amended on January 25, 2007.

#### HEARING OR NOTIFICATION OF HEARING:

An order granting the requested relief 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 February 26, 2007, 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 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, 99 Park Avenue, 8th Floor, New York, NY 10016.

#### FOR FURTHER INFORMATION CONTACT:

Christine Y. Greenlees, Senior Counsel, at (202) 551-6879, 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 at the Commission's Public Reference Branch, 100 F Street NE., Washington DC 20549-0102 (tel. 202-551-5850).

#### Applicants' Representations

1. The Trust is an open-end management investment company registered under the Act and organized as a Delaware statutory trust. The Trust is organized as a series fund with multiple series. The Adviser, an

investment adviser registered under the Investment Advisers Act of 1940 ("Advisers Act"), will serve as investment adviser to each Foreign Fund. In the future, the Adviser may enter into sub-advisory agreements with other investment advisers to act as "sub-advisers" with respect to particular Foreign Funds. Any sub-adviser will be registered under the Advisers Act. The Distributor, a broker-dealer registered under the Securities Exchange Act of 1934 (the "Exchange Act"), is expected to serve as the principal underwriter and distributor of each Foreign Fund's Creation Units.

2. The Trust is currently permitted to offer several series based on domestic equity securities indices in reliance on the Prior Order ("Funds"). Applicants seek to amend the Prior Order to permit the Trust to offer the two Additional Funds and Future Foreign Funds, each of which, except as described in the application, would operate in a manner identical to the Funds.

3. The Additional Funds will invest in portfolios of securities consisting predominantly of the component securities of the Ardour Global Alternative Energy Index (Extra Liquid) and the Ardour Global Alternative Energy Index (Composite) (each, an "Underlying Index" and together, the "Underlying Indexes"). The Underlying Indexes are rules based, capitalization weighted, float adjusted indices that include companies principally engaged in at least one of the following five industry segments: Alternative energy resources, distributed generation, environmental technologies, energy efficiency and/or enabling technologies. Currently, the Ardour Global Alternative Energy Index (Composite) is comprised of over 200 individual stocks that are traded on a North American, European or Asian stock exchange. The Ardour Global Alternative Energy Index (Extra Liquid) is comprised of thirty stocks that are selected from the Ardour Global Alternative Energy Index (Composite) that have achieved the highest average daily trading volumes for the prior three months. No entity that creates, compiles, sponsors, or maintains an Underlying Index is or will be an affiliated person, as defined in section 2(a)(3) of the Act, or an affiliated person of an affiliated person, of the Trust, the Adviser, the Distributor, promoter, or any sub-adviser to a Foreign Fund.

4. Applicants state that all discussions contained in the application for the Prior Order are equally applicable to the Foreign Funds, except as specifically noted by applicants (as summarized in this notice). Applicants assert that the

<sup>1</sup> Van Eck Associates Corporation, et al., Investment Company Act Release Nos. 27283 (April 7, 2006) (notice) and 27311 (May 2, 2006) (order).

Foreign Funds will operate in a manner substantially similar to the existing Funds and will comply with all of the terms, provisions and conditions of the Prior Order, as amended by the present application. Applicants believe that the requested relief continues to meet the necessary exemptive standards.

#### *Section 22(e) of the Act*

5. Applicants also seek to amend the Prior Order to add relief from section 22(e) of the Act. Section 22(e) generally prohibits a registered investment company from suspending the right of redemption or postponing the date of payment of redemption proceeds for more than seven days after the tender of a security for redemption. The principal reason for the requested exemption is that settlement of redemptions for the Foreign Funds is contingent not only on the settlement cycle of the United States market, but also on currently practicable delivery cycles in local markets for underlying foreign securities held by the Foreign Funds. Applicants state that local market delivery cycles for transferring certain foreign securities to investors redeeming Creation Units, together with local market holiday schedules, will under certain circumstances require a delivery process in excess of seven calendar days for the Foreign Funds. Applicants request relief under section 6(c) from section 22(e) in such circumstances to allow the Foreign Funds to pay redemption proceeds up to 12 calendar days after the tender of a Creation Unit for redemption. At all other times and except as disclosed in the relevant prospectus and/or statement of additional information ("SAI"), applicants expect that each Foreign Fund will be able to deliver redemption proceeds within seven days.<sup>2</sup> With respect to Future Foreign Funds, applicants seek the same relief from section 22(e) only to the extent that circumstances similar to those described in the application exist.

6. Applicants state that section 22(e) was designed to prevent unreasonable, undisclosed and unforeseen delays in the payment of redemption proceeds. Applicants assert that the requested relief will not lead to the problems that section 22(e) was designed to prevent. Applicants state that the SAI will disclose those local holidays (over the period of at least one year following the date of the SAI), if any, that are

expected to prevent the delivery of redemption proceeds in seven calendar days, and the maximum number of days needed to deliver the proceeds for the relevant Foreign Fund.

#### **Future Relief**

7. Applicants also seek to amend the Prior Order to modify the terms under which the Trust may offer additional series in the future based on other equity securities indices ("Future Funds"). The Prior Order is currently subject to a condition that does not permit relief for Future Funds unless applicants request and receive with respect to such Future Fund, either exemptive relief from the Commission or a no-action letter from the Division of Investment Management of the Commission, or the Future Fund could be listed on a national securities exchange ("Exchange") without the need for a filing pursuant to rule 19b-4 under the Exchange Act.

8. The order would amend the Prior Order to delete this condition. Any Future Funds will: (a) Be advised by the Adviser or an entity controlled by or under common control with the Adviser; (b) track underlying equity securities indices that are created, compiled, sponsored or maintained by an entity that is not an affiliated person, as defined in section 2(a)(3) of the Act, or an affiliated person of an affiliated person, of the Adviser, the Distributor, the Trust or any subadviser or promoter of a Future Fund; and (c) comply with the respective terms and conditions of the Prior Order, as amended by the present application.

9. Applicants believe that the modification of the future relief available under the Prior Order would be consistent with sections 6(c) and 17(b) of the Act and that granting the requested relief will facilitate the timely creation of Future Funds and the commencement of secondary market trading of such Future Funds by removing the need to seek additional exemptive relief. Applicants submit that the terms and conditions of the Prior Order have been appropriate for the existing Funds and would remain appropriate for Future Funds. Applicants also submit that tying exemptive relief under the Act to the ability of a Future Fund to be listed on an Exchange without the need for a rule 19b-4 filing under the Exchange Act is not necessary to meet the standards under sections 6(c) and 17(b) of the Act.

#### **Applicants' Condition**

Applicants agree that any amended order granting the requested relief will be subject to the same conditions as

those imposed by the Prior Order, except for condition 1 to the Prior Order, which will be deleted.

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

**Florence E. Harmon,**

*Deputy Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-55182; File No. SR-Amex-2006-19]

### **Self-Regulatory Organizations; American Stock Exchange LLC; Order Approving Proposed Rule Change and Amendment Nos. 1, 2, and 3 Thereto Relating to the Listing and Trading of Options on the Nuveen Municipal Fund Index**

January 26, 2007.

#### **I. Introduction**

On February 17, 2006, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade options on the Price-Return Nuveen Municipal Closed-End Fund Index ("NMUNP") ("the Nuveen Municipal Fund Index" or "Index"). On July 12, 2006, the Exchange filed Amendment No. 1 to the proposed rule change. On September 19, 2006, the Exchange filed Amendment No. 2 to the proposed rule change. On November 13, 2006, the Exchange filed Amendment No. 3 to the proposed rule change. The proposed rule change was published for comment in the **Federal Register** on December 6, 2006.<sup>3</sup> The Commission received no comments regarding the proposal. This order approves the proposed rule change.

#### **II. Description of the Proposal**

The Exchange seeks to list and trade cash-settled, European-style index options on the Price-Return Nuveen Municipal Fund Index. Options on the Index will be the first index options based on an index of closed-end funds, and are intended for the use of investors desiring to achieve exposure to a broad section of the national tax-free

<sup>2</sup> Rule 15c6-1 under the Exchange Act requires that most securities transactions be settled within three business days of the trade. Applicants acknowledge that no relief obtained from the requirements of section 22(e) will affect any obligations applicants may have under rule 15c6-1.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 54813 (November 22, 2006), 71 FR 70801.