

same manner as that used by each Fund to determine its net asset value.

6. Applicants state that the proposed in-kind redemptions are consistent with the policies of the Funds. Applicants also state that the proposed in-kind redemptions are consistent with the general purposes of the Act.

Applicants' Conditions

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

1. The portfolio securities distributed pursuant to a redemption in-kind (the "In-Kind Securities") will be limited to securities that are traded on a public securities market or for which quoted bid and asked prices are available.

2. The In-Kind Securities will be distributed on a pro-rata basis after excluding: (a) securities which, if distributed, would be required to be registered under the Securities Act of 1933; (b) securities issued by entities in countries which (i) restrict or prohibit the holding of securities by non-nationals other than through qualified investment vehicles, such as a fund, or (ii) permit transfers of ownership of securities to be effected only by transactions conducted on a local stock exchange; and (c) certain portfolio assets (such as forward foreign currency exchange contracts, futures and options contracts and repurchase agreements) that, although they may be liquid and marketable, must be traded through the marketplace or with the counterparty to the transaction in order to effect a change in beneficial ownership. Cash will be paid for that portion of a fund's assets represented by cash equivalents (such as certificates of deposit, commercial paper and repurchase agreements) and other assets which are not readily distributable (including receivables and prepaid expenses), net of all liabilities (including accounts payable). In addition, a Fund will distribute cash in lieu of securities held in its portfolio not amounting to round lots (or which would not amount to round lots if included in the in-kind distribution), fractional shares and accruals on such securities.

3. The In-Kind Securities will be valued in the same manner as they would be valued for purposes of computing a Fund's net asset value, which, in the case of securities traded on a public securities market for which quotations are available, is their last reported sales price on the exchange on which the securities are primarily traded or the last sales price on the national securities market, or, if the securities are not listed on an exchange or the national securities market, or if

there is no such reported price, the average of the most recent bid and asked price (or, if no such price is available, the last quoted bid price).

4. The Funds' boards, including a majority of the trustees who are not "interested persons" of a Fund as defined in section 2(a)(19) of the Act, will determine no less frequently than annually: (a) whether the In-Kind Securities, if any, have been distributed in accordance with conditions 1 and 2; (b) whether the In-Kind Securities, if any, have been valued in accordance with conditions 3; and (c) whether the distribution of any such In-Kind Securities is consistent with the policies of each affected Fund as reflected in its prospectus. In addition, the Boards will make and approve such changes as they deem necessary in the procedures for monitoring the applicants' compliance with the terms and conditions of the application.

5. The relevant Funds will maintain and preserve for a period of not less than six years from the end of the fiscal year in which the proposed in-kind redemption occurs, the first 2 years in an easily accessible place, a written record of each redemption setting forth a description of each security distributed, the identity of the Covered Shareholder, the terms of the distribution, and the information or materials upon which the valuation was made.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-31032 Filed 11-29-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 24156; 812-11756]

Putnam American Government Income Fund, et al.; Notice of Application

November 23, 1999.

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

ACTION: Notice of an application under section 17(d) of the Investment Company Act of 1940 (the "Act") and rule 17d-1 under the Act to permit certain joint transactions.

SUMMARY OF THE APPLICATION:

Applicants seek to amend a prior order that permits the operation of certain joint accounts.

APPLICANTS: Putnam American Government Income Fund, Putnam

Arizona Tax Exempt Income Fund, Putnam Asia Pacific Growth Fund, Putnam Asset Allocation Funds, Putnam Balanced Retirement Fund, Putnam California Investment Grade Municipal Trust, Putnam California Tax Exempt Income Fund, Putnam California Tax Exempt Money Market Fund, Putnam Capital Appreciation Fund, Putnam Convertible Income-Growth Trust, Putnam Convertible Opportunities and Income Trust, Putnam Diversified Equity Trust, Putnam Diversified Income Trust, Putnam Dividend Income Fund, Putnam Equity Income Fund, Putnam Europe Growth Fund, Putnam Florida Tax Exempt Income Fund, Putnam Funds Trust, The George Putnam Fund of Boston, Putnam Global Governmental Income Trust, Putnam Global Growth Fund, Putnam Global Natural Resources Fund, The Putnam Fund for Growth and Income, Putnam Growth and Income Fund II, Putnam Health Sciences Trust, Putnam High Income Convertible and Bond Fund, Putnam High Quality Bond Fund, Putnam High Yield Advantage Fund, Putnam High Yield Trust, Putnam High Yield Municipal Trust, Putnam Income Fund, Putnam U.S. Intermediate Government Income Trust, Putnam International Growth Fund, Putnam Investment Funds, Putnam Investment Grade Municipal Trust, Putnam Investment Grade Municipal Trust II, Putnam Investment Grade Municipal Trust III, Putnam Investors Fund, Putnam Managed High Yield Trust, Putnam Managed Municipal Income Trust, Putnam Massachusetts Tax Exempt Income Fund, Putnam Master Income Trust, Putnam Master Intermediate Income Trust, Putnam Michigan Tax Exempt Income Fund, Putnam Minnesota Tax Exempt Income Fund, Putnam Money Market Fund, Putnam Municipal Income Fund, Putnam Municipal Opportunities Trust, Putnam New Jersey Tax Exempt Income Fund, Putnam New Opportunities Fund, Putnam New York Investment Grade Municipal Trust, Putnam New York Tax Exempt Income Fund, Putnam New York Tax Exempt Money Market Fund, Putnam New York Tax Exempt Opportunities Fund, Putnam Ohio Tax Exempt Income Fund, Putnam OTC & Emerging Growth Fund, Putnam Pennsylvania Tax Exempt Income Fund, Putnam Preferred Income Fund, Putnam Premier Income Trust, Putnam Strategic Income Fund, Putnam Tax Exempt Income Fund, Putnam Tax Exempt Money Market Fund, Putnam Tax-Free Health Care Fund, Putnam Tax-Free Income Trust, Putnam Tax Managed Funds Trust, Putnam U.S. Government

Income Trust, Putnam Utilities Growth and Income Fund, Putnam Variable Trust, Putnam Vista Fund, Putnam Voyager Fund and Putnam Voyager Fund II, each on its own behalf and on behalf of its series (collectively, the "Funds"), Putnam Investment Management, Inc. (the "Adviser"), Putnam Mutual Funds Corp., and Putnam Fiduciary Trust Company.¹

FILING DATES: The application was filed on August 18, 1999. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is reflected in this notice.

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 17, 1999 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Applicants, c/o Brian D. McCabe, Esq., Ropes & Gray, One International Place, Boston, Massachusetts 02110-2624.

FOR FURTHER INFORMATION CONTACT: Emerson S. Davis, Sr., Senior Counsel, at (202) 942-0714, or George J. Zornada, 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 from the Commission's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. On October 5, 1992, the Commission issued an order (the "Original Order") to applicants under section 17(d) of the Act and rule 17d-1 under the Act.² The Original Order permits applicants to operate joint accounts ("Joint Accounts") that invest in repurchase agreements and short-term money market instruments, as specified in the Original Order ("Short-Term Investments"), that have overnight, over-the-weekend, or over-the-holiday maturities.

2. Applicants seek to amend the Original Order to permit the Joint Accounts to invest in Short-Term Investments that have maturities or remaining maturities of 60 days or less. Applicants state that the board of trustees of each Fund has determined that permitting the Joint Accounts to invest in Short-Term Investments with maturities or remaining maturities of 60 days or less is in the best interests of each Fund and its shareholders. Applicants also state that any such investments will be consistent with each Fund's investment policies and restrictions.

3. Applicants represent that any repurchase agreements entered into through the Joint Accounts will comply with the terms of Investment Company Release Act No. 13005 (Feb. 2, 1983), as modified by the staff's positions relating to repurchase agreements as set forth in Investment Company Institute (pub. avail. June 15, 1999). The Funds will not enter into "hold-in-custody" repurchase agreements, in which the counterparty or one of its affiliated persons may have possession of, or control over, the collateral subject to the agreement, except in instances when cash is received very late in the business day or would otherwise be unavailable for investment.

4. Applicants acknowledge that they have a continuing obligation to monitor the Commission's and the staff's published statements on repurchase agreements entered into by registered management investment companies, and represent that the repurchase agreement transactions entered into through a Joint Account will comply with future positions of the Commission and its staff to the extent that such positions set forth different or additional requirements regarding repurchase agreements entered into by management investment companies. In the event that the Commission or the staff sets forth guidelines with respect to

other Short-Term Investments purchased by registered management investment companies, all such investments made through the Joint Accounts will comply with those guidelines.

5. Applicants therefore request an order under rule 17d-1 under the Act amending the Original Order under section 17(d) of the Act and rule 17d-1 under the Act.

Applicants' Conditions

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

1. Applicants will comply with all conditions of the Original Order other than that part of condition 4 restricting a Joint Account to investing in Short-Term Investments with overnight, over-the-holiday, or over-the-weekend maturities.

2. All repurchase agreements held through a Joint Account will be "collateralized fully" (as defined in rule 2a-7 under the Act) and will have a remaining maturity of 60 days or less, and all Short-Term Investments held through a Joint Account will have a remaining maturity of 60 days or less, each as calculated in accordance with rule 2a-7 under the Act.

3. Short-Term Investments held in a Joint Account generally will not be sold prior to maturity unless: (a) The Adviser believes the investment no longer presents minimal credit risk; (b) the investment no longer satisfies the investment criteria of all Funds participating in the investment because of a credit downgrading or otherwise; or (c) in the case of a repurchase agreement, the counterparty defaults. The Adviser may, however, sell any Short-Term Investment (or any fractional portion thereof) on behalf of some or all of the Funds prior to the maturity of the investment if the cost of such transactions will be borne solely by the selling Funds and the transaction will not adversely affect other Funds participating in that Joint Account. In no case would an early termination by less than all participating Funds be permitted if it would reduce the principal amount or yield received by other Funds in a particular Joint Account or otherwise adversely affect the other participating Funds. Each Fund participating in a Joint Account will be deemed to have consented to such sale and partition of the investments in the Joint Account.

4. Short-Term Investments held through a Joint Account with a remaining maturity of more than seven days, as calculated pursuant to rule 2a-

¹ Applicants also seek relief for all registered open-end management investment companies and their series that are advised in the future by the Adviser or an entity controlling, controlled by, or under common control with the Adviser ("Future Companies"). Applicants state that all investment companies that currently intend to rely on the requested relief are included as applicants and that any Future Company will comply with the terms and conditions contained in the application.

² Investment Company Act Release Nos. 18932 (Sept. 8, 1992) (notice) and 18998 (Oct. 5, 1992) (order).

7 under the Act, will be considered illiquid and subject to the restriction that no open-end Fund may invest more than 15%, or in the case of a money market Fund, more than 10%, (or such other percentage as set forth by the Commission from time to time) of its net assets in illiquid securities, if the Adviser cannot sell the instrument, or the funds' fractional interest in such instrument, pursuant to the preceding condition.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-31034 Filed 11-29-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42159; File No. SR-Amex-99-46]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 by the American Stock Exchange LLC Relating to the Listing and Trading of Biotech HOLDERS

November 19, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 28, 1999, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The proposal was amended on November 1, 1999.³ The Commission is

publishing this notice to solicit comments on the proposed rule change and Amendment No. 1 from interested persons and to grant accelerated approval to the proposed rule change, as amended.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to trade Biotechnology HOLDERS ("Biotech HOLDERS"), a trust issued receipt. The text of the proposed rule change is available at the Office of the Secretary, Amex, and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Amex proposes to list for trading, pursuant to Rules 1200 *et seq.*, trust issued receipts that are intended to provide investors with a flexible, cost-effective way of purchasing, holding and transferring the securities of one or more specified companies. Trust issued receipts are unleveraged instruments, and therefore do not possess many of the attributes of stock index options.

Except for the composition of basket of securities deposited in the trust, the proposed Biotech HOLDERS are structurally identical to the Internet HOLDERS trust issued receipts previously approved for listing and trading on the Exchange.⁴ The newly proposed trust issued receipts will evidence beneficial ownership of the specific deposited securities represented by the receipts. The Exchange believes that the level risk and sale of trust/issue receipts is almost identical to the risk involved in the purchase or sale of the common stocks represented by the receipt. Under this proposal the Exchange anticipates listing trust issued receipts on one or more groups of securities. The Exchange notes that it will be required to submit a proposal, pursuant to Section 19(b) of the Exchange Act, before it lists a trust issued receipt on a new group of securities.

(a) Description of Trust Issued Receipts

The Exchange expects that this issuance of trust issued receipts will represent 20 companies involved in various segments of the biotechnology industry. The proposed companies and their specific share amounts for each round-lot of 100 trust issued receipts are set forth in the chart below and were determined as of October 25, 1999, so that the initial weightings of each underlying security included in the trust approximated the relative market capitalizations of the specified companies, subject to a maximum weight of 20%, as of that date. Because these weightings are a function of market prices, they are expected to change substantially over time, including during the period between the date of this proposed rule change and the date the trust issued receipts are issued to the public.

Name of company	Symbol	Share amounts	Initial weighting (percent)	Primary trading market
Amgen Inc	AMGN	20	19.58	Nasdaq.
Genetech, Inc	DNA	11	18.62	NYSE.
Biogen, Inc	BGEN	13	11.61	Nasdaq
Immunex Corporation	IMNX	13	9.87	Nasdaq.
PE Corp-PE Biosystems Group	PEB	8	6.33	NYSE.
Chiron Corporation	CHIR	18	5.77	Nasdaq.
MedImmune, Inc	MEDI	4	5.10	Nasdaq.
Genzyme Corporation	GENZ	9	4.20	Nasdaq.
BioChem Pharma Inc	BCHE	9	2.55	Nasdaq.
Millennium Pharmaceuticals, Inc	MLNM	3	2.81	Nasdaq.
Affymetric, Inc	AFFX	2	2.36	Nasdaq.
QLT Photo Therapeutics Inc	QLTI	2	2.01	Nasdaq.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Scott Van Hatten, Legal Counsel, Derivative Securities, Exchange to Nancy Sanow,

Senior Special Counsel, Division of Market Regulation, Commission dated November 1, 1999 ("Amendment No. 1").

⁴ Securities Exchange Act Release No. 41892 (September 21, 1999), 64 FR 52559 (September 29, 1999).