

MEMORANDUM

July 1, 2004

TO: File No. S7-12-04

FROM: Sanjay Lamba
Office of Disclosure Regulation
Division of Investment Management

RE: Disclosure Regarding Portfolio Managers of Registered Management
Investment Companies – Release No. IC-26383

On June 23, 2004, Paul G. Cellupica, Assistant Director of the Division of Investment Management, Christopher P. Kaiser, Branch Chief in the Division of Investment Management, and Sanjay Lamba, staff attorney in the Division of Investment Management participated in a telephone call with Heidi J. Walter and Rick Knox of Janus Capital Management LLC (“Janus”) to discuss certain comments made by Janus in its comment letter dated May 20, 2004. In particular, the staff and representatives of Janus discussed issues relating to funds that use stochastic portfolio theory to determine investment decisions for their portfolios. Ms. Walter and Mr. Knox stated that day-to-day management for such funds is based on objective mathematical formulas rather than subjective, portfolio management decision-making by any individual. They also reiterated the suggestion in their comment letter that such funds be excluded from having to provide portfolio manager disclosure.