

ADDRESSES: Send or deliver comments to—

Lorraine E. Dettman, Chief, Operations Support Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3349, Washington, DC 20415

and
Joseph Lackey, OPM Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, NW, Room 10235, Washington, DC 20503.

FOR INFORMATION REGARDING

ADMINISTRATIVE COORDINATION CONTACT: Mary Beth Smith-Toomey, Management Services Division, (202) 606-0623.

Office of Personnel Management.

James B. King,

Director.

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SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22782; 812-10506]

FundManager Portfolios; Notice of Application

August 7, 1997.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

SUMMARY OF APPLICATION: Applicant requests an order under section 12(d)(1)(J) of the Act that would permit a fund of funds relying on section 12(d)(1)(F) to offer its shares to the public with a sales load that exceeds the 1.5% limit of section 12(d)(1)(F)(ii).

FILING DATE: The application was filed on January 21, 1997, and amendments to the application were filed on April 24, 1997, and June 23, 1997. Applicant has agreed to file an additional amendment, the substance of which is incorporated in this notice, during the notice period.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 2, 1997, and should be accompanied by proof of service on applicant, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, One Beacon Street, Boston, Massachusetts 02108.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942-0574, or Mercer E. Bullard, 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 at the SEC's Public Reference Branch, 450 Fifth Street, N.W., Washington, D.C. 20549 (tel. 202-942-8090).

Applicant

FundManager Portfolios (the "Trust"), on behalf of its current series, the FundManager Aggressive Growth Portfolio, FundManager Growth Portfolio, FundManager Growth with Income Portfolio, FundManager Bond Portfolio and FundManager Managed Total Return Portfolio (the "Current Portfolios"), and any series of the Trust created in the future (together with the Current Portfolios, the "Portfolios").

Applicant's Representations

1. The Trust is a registered, open-end management investment company organized in 1995 as a Delaware business trust. The Trust currently consists of five diversified series with differing investment objectives.¹ Prior to February, 1995, the Current Portfolios were series of the Republic Funds, which is also an open-end management investment company. Prior to April, 1987, the Current Portfolios were series of two separate investment companies, FundVest and FundTrust Tax Free Trust. The Current Portfolios have been in existence either as series of the Trust, the Republic Funds, or their predecessors for more than 10 years (except for the Managed Total Return Portfolio which was established in 1988) and have operated pursuant to section 12(d)(1)(F) of the Act since their

¹ The Current Portfolios presently invest in shares of open-end investment companies. Applicant expects to add an additional series, the International Portfolio, which will invest in shares of registered closed-end investment companies and unit investment trusts as well as shares of registered open-end investment companies. As of the date of applicant's last amended application, the shares of this Portfolio were not being offered to the public.

inception. Freedom Capital Management Corporation (the "Adviser"), through its M.D. Hirsch Division, acts as investment adviser to the Trust. For the fiscal year ended September 30, 1996, each of the Current Portfolios paid the Adviser a fee at the annual rate of 0.50% of net assets.

2. Each Portfolio will be designed to provide investors with a practical, cost-efficient means of investing in a diversified pool of investment companies' securities. Each Portfolio will invest in shares of other registered investment companies or series thereof (the "Underlying Funds"). Each Portfolio will seek to achieve its investment objective by investing in approximately ten to fifteen Underlying Funds, although it may invest up to 25% of its total assets in any one Underlying Fund. Each of the Underlying Funds will be unaffiliated with the Portfolios and will be registered as an investment company.

3. Each Portfolio will invest in both load and no-load Underlying Funds. With respect to load funds, a Portfolio will purchase such shares pursuant to (a) letters of intent, permitting the Portfolio to pay reduced sales charges by aggregating its intended purchase over time; (b) rights of accumulation, permitting the Portfolio to pay reduced sales charges as it purchases additional shares of an Underlying Fund; and (c) the right to pay reduced sales charges by aggregating its purchases of several Underlying Funds within a family of Underlying Funds. Utilizing these techniques, the majority of the Underlying Fund shares purchased by the Current Portfolios during the past two years have been purchased without any sales load.

4. Each of the Current Portfolios offers two classes of shares, the Financial Adviser Class shares and the No-Load Class shares, except for the Managed Total Return Portfolio, which offers only Financial Adviser Class shares. Currently, no sales or service charge is imposed on the No-Load Class shares. The only sales or service charges imposed on the Financial Adviser Class shares are (1) distribution fees pursuant to rule 12b-1 under the Act of up to .50% and (2) fees to service organizations of up to .25% for administrative services provided to Financial Adviser Class shareholders. Applicant requests relief from the sales load restriction of section 12(d)(1)(F)(ii) to permit each Portfolio to offer its shares with a sales load in excess of 1.5%. Applicant will comply with all other provisions of section 12(d)(1)(F).

Applicant's Legal Analysis

1. Section 12(d)(1)(A) of the Act provides that no registered investment company may acquire securities of another investment company if such securities represent more than 3% of the acquired company's outstanding voting stock, more than 5% of the acquiring company's total assets, or if such securities, together with the securities of any other acquired investment companies, represent more than 10% of the acquiring company's total assets.

2. Section 12(d)(1)(F) of the Act provides that section 12(d)(1) does not apply to securities purchased or otherwise acquired by a registered investment company if immediately after the purchase or acquisition not more than 3% of the total outstanding stock of the acquired company is owned by the acquiring company and its affiliated persons and the acquiring company does not impose a sales load on its shares of more than 1.5%. In addition, no acquired company may be obligated to honor any acquiring company's redemption request in excess of 1% of the acquired company's securities during any period of less than 30 days. The acquiring company also must vote its acquired company shares either in accordance with instructions from the acquiring company's shareholders or in the same proportion as all other shareholders of the acquired company.

3. Section 12(d)(1)(J) provides that the SEC may exempt any series of transactions from any provision of section 12(d)(1) of the Act if and to the extent that such exemption is consistent with the public interest and the protection of investors. Applicant believes that the requested relief meets the standards set forth in section 12(d)(1)(J).

4. Applicant asserts that section 12(d)(1) is intended to mitigate or eliminate actual or potential abuses that might arise when one investment company acquires shares of another investment company, including the excessive layering of sales charges. Applicant believes that its proposal does not present any danger of excessive sales loads. If a Portfolio determines to invest in shares of an Underlying Fund that bears sales charges or service fees, applicant states that the aggregate sales charges or service fees will not exceed the limits set forth in rule 2830(d) of the Conduct Rules of the National Association of Securities Dealers ("NASD"). Applicant believes that it is appropriate to apply the limits on sales charges and service fees by the NASD's rules to the proposed arrangement in

place of the sales load limitation in section 12(d)(1)(F). Further, as discussed above, applicant states that the Portfolios intend to structure their purchases of Underlying Funds so as to purchase most, if not all, of the Underlying Funds without incurring sales charges.

5. Applicant states that each Portfolio provides investors with the opportunity to participate in a professionally selected, diversified portfolio of investment company shares in one package and at one sales load. Applicant contends that, for many smaller investors, a packaged product may be less expensive than direct acquisition and maintenance of a comparable portfolio. Applicant submits that the convenience (such as ease of acquisition and sale), diversification, professional management, and selection of securities justify any administrative costs associated with creating such a Portfolio. Applicant also submits that Underlying Funds will benefit from the additional economies of scale resulting from the sale of a large number of shares to a Portfolio, because each Portfolio will be carried on the books as a single shareholder account.

Applicant's Conditions

Applicant agrees that the order granting the requested relief will be subject to the following conditions:

1. Any sales charges or service fees charged with respect to a class of shares of a Portfolio, when aggregated with any sales charges or service fees paid by the Portfolio with respect to securities of the Underlying Funds held by the Portfolio, will not exceed the limits set forth in rule 2830(d) of the NASD's Conduct Rules.

2. Each Portfolio will comply with section 12(d)(1)(F) in all respects except for sales load limitation of section 12(d)(1)(F)(ii).

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application to Withdraw From Listing and Registration; (Grove Property Trust, Common Stock, \$.01 Par Value) File No. 1-13080

August 7, 1997.

Grove Property Trust ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the Boston Stock Exchange, Inc. ("BSE" or "Exchange").

The reasons cited in the application for withdrawing the Security from listing and registration include the following:

According to the Company, the Security is also listed on the American Stock Exchange, Inc. ("Amex") effective May 23, 1997.

The Company has complied with the requirements of the BSE by filing with the Exchange a certified copy of preambles and resolutions adopted by the Company's Board of Directors authorizing the withdrawal of its Security from listing on the BSE and by setting forth in detail to the Exchange the reasons for such proposed withdrawal, and the facts in support thereof.

In making the decision to withdraw its Security from listing on the BSE, the Company considered the direct and indirect costs and expenses associated with maintaining the dual listing of its Security on the BSE and the Amex. The Company does not see any particular advantage in the dual trading of its securities and believes that dual listing may fragment the market for its securities.

Any interested person may, on or before August 28, 1997, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.