

fractional shares, and accruals on such securities.

Applicant's Legal Analysis

1. Section 17(a)(2) of the Act makes it unlawful for an affiliated person of a registered investment company or an affiliated person of such a person, acting as principal, to knowingly purchase from such registered investment company any security or other property (except securities of which the seller is the issuer). Section 2(a)(3)(A) of the Act defines "affiliated person" to include any person owning 5% or more of the outstanding voting securities of such other person. The Pension Trust owns beneficially and of record in excess of 5% of each Fund's shares and, thus, is an affiliated person of each Fund. To the extent that a Proposed In-Kind Redemption would be considered to involve the purchase of portfolio securities (of which the applicable Fund is not the issuer) by the Pension Trust, the Proposed In-Kind Redemption would be prohibited by section 17(a)(2).

2. Section 17(b) provides that the SEC shall exempt proposed transactions from the restrictions of section 17(a) if evidence establishes that: (a) The terms of the proposed transaction are reasonable and fair and do not involve overreaching; (b) the proposed transaction is consistent with the policy of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

3. Applicant submits that the terms of each Proposed In-Kind Redemption meet the standards set forth in section 17(b). Applicant believes that the terms of each Proposed In-Kind Redemption do not involve overreaching on the part of any person and are reasonable and fair to the affected Fund, its shareholders, and the Pension Trust because the portfolio securities to be distributed will be valued according to an objective, verifiable standard. Similarly, each Proposed In-Kind Redemption is consistent with the investment policies of the Trust and the applicable Fund, as set forth in the Funds' Prospectus, which expressly discloses each Fund's ability to redeem shares in kind. Finally, applicant believes that the Proposed In-Kind Redemptions are consistent with the general purposes of the Act to protect security holders of investment companies from discrimination among holders of securities issued by such companies and from self-dealing on the part of investment company affiliates to the detriment of other security holders. Applicants assert that neither the Adviser nor the Pension Trust has any

opportunity to select the portfolio securities to be distributed to the Pension Trust. In addition, applicants state that the Pension Trust would receive the same "in kind" distribution of portfolio securities and cash on the same basis as any other shareholder wishing to redeem shares valued in excess of \$250,000 in any 90-day period. Thus, the Pension Trust would not receive any advantage not available to any other shareholder requesting a comparable redemption.

Applicant's Conditions

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

1. The portfolio securities of each Fund distributed to the Pension Trust 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 prices are available.

2. The In-Kind Securities will be distributed by each Fund on a *pro rata* basis after excluding: (a) Securities that, if distributed, would be required to be registered under the Securities Act; (b) securities issued by entities in countries that (i) restrict or prohibit the holding of securities by non-nationals other than through qualified investment vehicles such as the 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 each Fund's assets represented by cash equivalents (such as certificates of deposit, commercial paper, and repurchase agreements) and other assets that are not readily distributable (including receivables and prepaid expenses), net of all liabilities (including accounts payable). In addition, each Fund will distribute cash in lieu of any securities held in the Fund's portfolio not amounting to round lots (or that 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 distributed to the Pension Trust will be valued in the same manner as they would be valued for purposes of computing each 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 trade price on the exchange on which the securities are principally traded, or, if there is no such reported price, is the last quoted bid price.

4. Each Fund will maintain and preserve for a period of not less than six years from the end of the fiscal year in which the applicable Proposed In-Kind Redemption by the Pension Trust occurred, the first two years in an easily accessible place, a written record of such redemption setting forth a description of each security distributed, the terms of the distribution, and the information or materials upon which the valuation was made.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-10923 Filed 5-1-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21919; 811-5287]

Pound Sterling Performance Portfolio L.P.; Notice of Application

April 26, 1996.

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

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Pound Sterling Performance Portfolio L.P.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on July 14, 1995, and an amendment thereto on April 17, 1996.

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 May 21, 1996, and should be accompanied by proof of service on the 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 540 Fifth Street, N.W., Washington, D.C. 20549.

Applicant, 388 Greenwich Street, New York, New York 10013.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or Robert A. Robertson, 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 SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end, non-diversified management investment company that was organized as a limited partnership under the laws of the State of Delaware. On August 17, 1987, applicant registered as an investment company under the Act. On that same date, applicant filed a registration statement on Form N-1A under section 8(b) of the Act and the Securities Act of 1933. The registration statement became effective on November 9, 1988 and the initial public offering commenced shortly thereafter.

2. On January 7, 1992, in light of applicant's small asset size and the unlikelihood of achieving efficiencies of economy the individual general partners of applicant, including the individual general partners who are not interested persons, unanimously approved a Plan of Dissolution, Liquidation and Termination (the "Plan"). The Plan providing for the dissolution of applicant, the liquidation of applicant's assets and the distribution of all the proceeds of such liquidation, which were in cash form, less an amount provided for debts and liabilities of applicant, to the shareholders of applicant.

3. On or about March 26, 1992, proxy materials were mailed to the shareholders and filed with the SEC. The shareholders of applicant approved the Plan on April 30, 1992.

4. As of April 30, 1992, there were 342,269,038 shares of partnership interest of applicant outstanding, having a net asset value of \$3,306,328.56 and a per share net asset value of \$9.66. As of May 1, 1992, assets were distributed to the shareholders and accordingly there are no shares of partnership interest or any other class of securities outstanding.

5. In connection with its liquidation, applicant incurred expenses of approximately \$63,922.63, which were borne by applicant's adviser and administrator. The expenses consisted of accounting, printing, administrative and certain legal expenses.

6. As of the filing date of this application, applicant had no shareholders, liabilities, or assets. Applicant is not a party to any litigation or administrative proceeding.

7. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs.

8. Applicant intends to terminate its existence under the laws of the State of Delaware.

For the SEC, by the Division of Investment Management, under delegated authority.
Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-10927 Filed 5-1-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21918; 811-8980]

Schwab Advantage Trust; Notice of Application

April 26, 1996.

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

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

APPLICANT: Schwab Advantage Trust.

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on March 8, 1996, and amended on April 18, 1996.

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 May 21, 1996, and should be accompanied by proof of service on the 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 may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 101 Montgomery Street, San Francisco, California 94104, Attention: David H. Lui, Esq.

FOR FURTHER INFORMATION CONTACT: Diane L. Titus, Paralegal Specialist, at (202) 942-0584, or Alison E. Baur,

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 SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is an open-end management investment company organized as a Massachusetts business trust. Applicant has three portfolios: Schwab Value Advantage Tax-Free Money Fund, Schwab Value Advantage California Tax-Free Money Fund, and Schwab Value Advantage New York Tax-Free Money Fund. On February 21, 1995, applicant registered under the Act and filed a registration statement under the Act and the Securities Act of 1933 on Form N-1A. Applicant's registration statement was never declared effective, and applicant never issued or sold any securities.

2. At a regularly scheduled meeting of applicant's Board of Trustees, it was determined that it was advisable and in the best interests of applicant to withdraw its registration statement with the SEC, cease to be registered as an investment company and terminate its existence as a Massachusetts business trust.

3. Applicant has no shareholders, liabilities or assets. Applicant is not a party to any litigation or administrative proceeding.

4. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding-up of its affairs. Applicant has filed a Notice of Termination with the Secretary of State of The Commonwealth of Massachusetts.

For the SEC, by the Division of Investment Management, under delegated authority.
Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-10928 Filed 5-1-96; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21917; 811-5288]

Yen Performance Portfolio L.P.; Notice of Application

April 26, 1996.

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

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