the date of a determination of the Board, the first two years in an easily accessible place, a record of the determination and the basis and information upon which the determination was made. This record will be subject at all times to examination by the Commission and its staff.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–13956 Filed 5–26–98; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23192; 812–10596]

Stein Roe Income Trust, et al.; Notice of Application

May 19, 1998.

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

ACTION: Notice of application for an order under section 17(d) of the Investment Company Act of 1940 (the ''Act'') and rule 17d–1.

SUMMARY OF THE APPLICATION: Applicants request an order to permit certain registered investment companies to deposit uninvested cash balances in a joint account to be used to enter into short-term investments.

APPLICANTS: Stein Roe Income Trust, Stein Roe Investment Trust, Stein Roe Municipal Trust, Stein Roe Institutional Trust, Stein Roe Advisor Trust, Stein Roe Trust, SR&F Base Trust (each a ''Trust,'' and collectively, the ''Trusts''), and Stein Roe & Farnham Incorporated (the ''Adviser'').

FILING DATES: The application was filed on March 26, 1997 and amended on August 5, 1997 and April 17, 1998.

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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on June 15, 1998, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, c/o Cameron S. Avery, Bell, Boyd & Lloyd, Three First National Plaza, Suite 3300, Chicago, IL 60602.

FOR FURTHER INFORMATION CONTACT: Michael W. Mundt, Staff Attorney, at (202) 942–0578, or Nadya B. Roytblat, Assistant Director, at (202) 942–0564 (Office of Investment Company Regulation, Division of Investment Management).

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, NW., Washington, DC 20549 (tel. 202–942–8090).

Applicant's Representations

1. Each Trust, other than SR&F Base Trust (''Base Trust''), is organized as a business trust under the laws of Massachusetts. Base Trust is organized as a common law trust under the laws of Massachusetts. Each Trust is registered under the Act as an open-end management investment company and has, or intends to have, multiple series (''Funds''). Base Trust was organized so that its various series could serve as master funds in a master-feeder structure. Currently, each series of Stein Roe Advisor Trust, Stein Roe Institutional Trust, Stein Roe Trust, Stein Roe Investment Trust (other than Stein Roe Emerging Markets Fund and Stein Roe Capital Opportunities Fund), Stein Roe Municipal Money Market Fund (a series of Stein Roe Municipal Trust), and Stein Roe High Yield Fund (a series of Stein Roe Income Trust) operate as feeder funds.

2. The Adviser, a wholly-owned indirect subsidiary of Liberty Financial Companies, Inc., is registered as an investment adviser under the Investment Advisers Act of 1940 and provides investment advisory services to the respective series of the Base Trust and to each of the Funds that are not feeder funds. The Adviser also provides administrative, accounting and bookkeeping services to certain of the Funds. The Adviser has discretion to purchase and sell securities for each Fund in accordance with that Fund's investment objectives, policies and restrictions.

3. Applicants request that any relief granted pursuant to the application also apply to any other registered open-end management investment company and series thereof for which the Adviser may serve as investment adviser in the future (''Future Funds''). Any Future Fund relying on the requested relief will do so only in compliance with the terms and conditions of the application.

4. The assets of the Funds are held by State Street Bank and Trust Company (''State Street''). On each trading day, some or all of the Funds generally have uninvested cash balances in their accounts. Each Fund is authorized to invest its uninvested cash assets in repurchase agreements and certain short-term money market instruments. Currently, such cash balance of each Fund is used on an individual basis to invest in short-term instruments, including individual issues of commercial paper or United States Government agency paper. Applicants assert that these separate purchases result in certain inefficiencies that limit a Fund's return on its cash balances. In addition, the assets of some Funds are too small or become available too late on a given day to be invested effectively on an individual basis.

5. Applicants propose to deposit all or a portion of their uninvested cash balances into a single joint account (''Joint Account'') to enter into one or more short-term investment transactions, including repurchase agreements ''collateralized fully'' as defined in rule 2a–7 under the Act and other short-term money market instruments that constitute ''eligible securities'' as defined in rule 2a–7 under the Act. All counterparties to repurchase agreements entered into through the Joint Account are expected to be banks and broker-dealers. Repurchase agreements will be entered into on a ''hold-in-custody'' basis (i.e., repurchase agreements where the counterparty or one of its affiliated persons may have possession of, or control over, the collateral subject of the agreement) only where cash is received very late in the business day and otherwise would be unavailable for investment. Purchases of short-term money market instruments will be made from dealers in the open market or directly from issuers and will include investments in various taxable and tax-exempt short-term money market instruments with overnight, over-the-weekend or over-the-holiday maturities.

6. Any repurchase agreements entered into through the Joint Accounts will comply with the terms of Investment Company Act Release No. 13005 (February 2, 1983) and interpretations of the staff of the SEC. Applicants acknowledge that they have a continuing obligation to monitor the SEC's published statements on repurchase agreements and represent that the repurchase agreement transactions entered into through a Joint Account will comply with future

positions of the SEC to the extent that such positions set forth different or additional requirements regarding repurchase agreements. In the event that the SEC sets forth guidelines with respect to other short-term investments, all such investments made through any Joint Account will comply with those guidelines.

7. The proposed Joint Account would not be distinguishable from any other account maintained by State Street or a Fund, except that monies from multiple Funds would be deposited on a commingled basis. The sole function of the Joint Account would be to provide a convenient means of aggregating what otherwise would be two or more daily transactions for each Fund necessary to manage its respective daily uninvested cash balance. Each Fund will participate in the Joint Account and in any given investment made by the Joint Account on the same voluntary basis as every other participant in the Joint Account and in conformity with that Fund's investment objectives, policies and restrictions. If a tax-exempt money market fund contributes cash to the Joint Account, the cash will only be invested in securities that qualify for purchase by a tax-exempt money market fund under rule 2a–7 as it may be amended from time to time. Participants will not be required either to invest a minimum amount or to maintain a minimum balance in the Joint Account. Each participant will retain the sole ownership rights to any of its assets invested in the Joint Account, including income payable on the invested assets.

8. The applicants anticipate that, under certain circumstances, the Joint Account may invest in more than one repurchase agreement or short-term money market instrument on a given day and that, under such circumstances, each participant in the Joint Account would not necessarily have its cash invested in every repurchase agreement entered into and/or short-term money market instrument purchased through the Joint Account. Such a situation could occur for a variety of reasons, including a Fund's investment restrictions, the unavailability of a Fund's cash until after repurchase agreements have been negotiated on a given day, or a Fund's determination to invest its cash individually. The Adviser believes that no conflict of interest or potential for favoring one Fund over another arises merely as a result of the fact that the participating Funds may not always be allocated a pro rata portion of every investment made through the Joint Account.

9. The Adviser will have no monetary participation in the Joint Account, but will be responsible for investing assets in the Joint Account, establishing accounting and control procedures, and fairly allocating investment opportunities among the Funds. The recordkeeping system for the proposed Joint Account will be substantively identical to that which would be used if several joint accounts were established, with each investing in only a specific type of instrument. Among other recordkeeping and accounting control mechanisms, the Adviser will document each participant's pro rata portion of each joint investment, including investment amounts and the proportionate income to be received by each participant.

Applicant's Legal Analysis

1. Section 17(d) of the Act and rule 17d–1 under the Act prohibit an affiliated person of a registered investment company, or an affiliated person of such person, from participating in any joint enterprise or other joint arrangement in which such investment company is a participant, without an SEC order. Rule 17d–1 provides that in passing upon such applications, the SEC may consider the extent to which an entity's participation in a joint arrangement or enterprise is on a basis different or less advantageous than that of other participants.

2. The Funds, by participating in the Joint Account, and the Adviser, by managing the Joint Account, could be deemed to be ''joint participants'' in a ''transaction'' within the meaning of section 17(d) of the Act. In addition, the proposed Joint Account could be deemed to be a ''joint enterprise or other joint arrangement'' within the meaning of rule 17d–1 under the Act.

3. Applicants assert that participants in the Joint Account could save significant amounts in yearly transaction fees by reducing the total number of transactions, thereby increasing the rate of return on investments. Because the Joint Account could invest larger amounts than the individual Funds, the rate of return for investments in the Joint Account may also be higher than could be negotiated by the Funds individually. The existence of a Joint Account could increase the number of dealers willing to enter into investment transactions with the participants, enhancing flexibility in the management of cash balances and reducing the possibility that any participant would have an uninvested cash balance overnight. The use of a single Joint Account could result in savings of the costs of establishing and maintaining several different accounts. By reducing the number of trade tickets that each repurchase agreement and/or short-term money market instrument counterparty has to write, the Joint Account also could simplify transactions and reduce opportunity for errors.

4. Applicants submit that the participation by the respective Funds in the Joint Account would be consistent with the provisions, policies and purposes of the Act, and would be on a basis that is no different from or less advantageous than that of other participating Funds. Although the Adviser might gain some benefit through administrative convenience and possible reduction in clerical costs, the participating Funds and their shareholders will be the primary beneficiaries of the Joint Account because the Joint Account is likely to permit a greater return on short-term investments.

Applicants' Conditions

Applicants will comply with the following as conditions to any order granted by the SEC:

1. A separate Joint Account will be established with State Street. Each Fund will be permitted to deposit its uninvested net cash balances into the Joint Account on a daily basis. The Joint Account will not be distinguishable from any other accounts maintained by the participants except that monies will be deposited in the Joint Account on a commingled basis. The Joint Account will not have a separate existence and will not have any indicia of a separate legal entity. The sole function of the Joint Account will be to provide a convenient way of aggregating individual transactions which would otherwise require daily management by the Adviser of uninvested cash balances.

2. Cash in the Joint Account will be invested by the Adviser in one or more (a) repurchase agreements ''Collateralized Fully'' as defined in rule 2a–7 under the Act, and/or (b) short-term money market instruments that constitute ''Eligible Securities'' (as defined in rule 2a–7 under the Act) with overnight, over-the-weekend or over-the-holiday maturities. Any repurchase agreements will have a remaining maturity of 60 days or less and other short-term investments will have a remaining maturity of 90 days or less, each as calculated in accordance with rule 2a–7 under the Act.

3. All investments held by the Joint Account will be valued on an amortized cost basis to the extent permitted by applicable SEC releases, rules or orders.

4. Each participating Fund valuing its net assets in reliance upon rule 2a–7

under the Act will use the average maturity of the instrument(s) in the Joint Account in which such Fund has an interest (determined on a dollar weighted basis) for the purpose of computing the Fund's average portfolio maturity with respect to the portion of its assets held in the Joint Account for that day.

5. In order to ensure that there will be no opportunity for one participant to use any part of a balance of the Joint Account credited to another participant, no participant will be allowed to create a negative balance in the Joint Account for any reason, although each Fund will be permitted to draw down its entire balance at any time. Each Fund's decision to invest in the Joint Account will be solely at its option, and no Fund will be obligated either to invest in the Joint Account or to maintain any minimum balance in the Joint Account. In addition, each Fund will retain the sole rights of ownership to any of its assets invested in the Joint Account, including interest payable on such assets in the Joint Account.

6. Not every participant in the Joint Account will necessarily have its cash invested in every short-term investment entered into through the Joint Account. However, to the extent that a participant's cash is applied to a particular short-term investment made through the Joint Account, the participant will participate in and own a proportionate share of such short-term investment, and any income earned or accrued thereon, based upon the percentage of such investment purchased with monies contributed by the participant.

7. The Adviser will administer the investment of cash balances in and operations of the Joint Account as part of its general duties under its existing or any future investment advisory contracts will the Funds and the Adviser will not collect any additional or separate fees from any Fund for advising the Joint Account.

8. The administration of the Joint Account will be within the fidelity bond coverage required by section 17(g) of the Act and rule 17g–1 thereunder.

9. The Board of Trustees of each Trust that has Funds and/or Future Funds participating in the Joint Account will adopt procedures pursuant to which the Joint Account will operate, which will be reasonably designed to provide that the requirements of this application will be met. The Board of Trustees of each Trust that has Funds and/or Future Funds participating in the Joint Account will make and approve such changes as each deems necessary to ensure that such procedures are followed. In addition, each of such Board of Trustees will determine, no less frequently than annually, that the Joint Account has been operated in accordance with the proposed procedures and will permit continued participation by those Funds in the Joint Account only if it determines that there is a reasonable likelihood that the Fund and its shareholders will benefit from the Joint Account.

10. Any short-term investments made through the Joint Account will satisfy the investment criteria of all participants in that investment.

11. The Adviser and State Street will maintain records documenting, for any given day, each participant's aggregate investment in the Joint Account and its pro rata share of each investment made through the Joint Account. The records will be maintained in conformity with section 31 of the Act and the rules and regulations thereunder.

12. Short-term investments held in the Joint Account generally will not be sold prior to maturity unless: (a) The Adviser believes the investment no longer presents minimal credit risks; (b) the investment no longer satisfies the investment criteria of all participants in the investment because of 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 participants prior to the maturity of the investment if the cost of such transactions will be borne solely by the selling participants and the transactions will not adversely affect other participants participating in the Joint Account. In no case would an early termination by less than all participants be permitted if it would reduce the principal amount or yield received by other participants in the Joint Account or otherwise adversely affect the other participants. Each participant in the Joint Account will be deemed to have consented to such sale and partition of the investments in the Joint Account.

13. Short-term investments held through the Joint Account with a remaining maturity of more than seven days, as calculated pursuant to rule 2a–7 under the Act, would be considered illiquid and would be subject to the restriction that a Fund may not invest more than 15% or, in the case of a money market fund, more than 10% (or, in either such case, such other percentage as set forth by the SEC from time to time) of its net assets in illiquid securities, if the Adviser cannot sell the instruments, or the Fund's fractional interest in such instrument, pursuant to the preceding condition.

14. Future Funds will be permitted to participate in the Joint Account arrangement only on the same terms and conditions as the Funds have set forth herein.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98–13959 Filed 5–26–98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Rel No. IC–23194; 812–11114]

UBS Investor Portfolios Trust, et al.; Notice of Application

May 20, 1998.

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

ACTION: Notice of application under section 6(c) of the Investment Company Act of 1940 (the ''Act'') for an exemption from section 15(a) of the Act.

SUMMARY OF APPLICATION: Applicants seek an order to permit the implementation, without prior shareholder approval, of new investment advisory and sub-advisory agreements (''New Advisory Agreements'') in connection with the merger of Union Bank of Switzerland (''UBS'') and Swiss Bank Corporation (''SBC''). The order would cover a period of up to 150 days following the later of: (i) date on which the transactions contemplated by the merger agreement are consummated (the ''Closing Date''), or (ii) the date upon which the requested order is issued (but in no event later than December 31, 1998) (the ''Interim Period''). The order also would permit UBS-New York Branch (''UBS–NY Branch''), UBS Asset Management (New York) Inc. (''UBSAM–NY''), and UBS International Investment London Limited (UBSII) (collectively, the ''Advisers''), following shareholder approval, to receive all fees earned under the New Advisory Agreements during the Interim Period.

Applicants: UBS Investor Portfolios Trust (''UBS Investor Portfolios''), UBS, UBSAM–NY, and UBSIL.

Filing Dates: The application was filed on April 20, 1998. Applicants have agreed to file an amendment during the notice period, the substance of which is included in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a