

received by the SEC by 5:30 p.m. on August 21, 1995, 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 NW., Washington, D.C. 20549. Applicant, 733 Third Avenue, New York, New York 10017.

**FOR FURTHER INFORMATION CONTACT:** Deepak T. Pai, Staff Attorney, at (202) 942-0574, 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 at the SEC's Public Reference Branch.

#### Applicants' Representations

1. SunAmerica Trust, a registered open-end management investment company, has fourteen series Funds. Shares of SunAmerica Trust are issued only in connection with investments in variable annuity contracts issued by Anchor National Life Insurance Company ("Anchor National"). Anchor National is a wholly owned subsidiary of Sun Life Insurance Company of America, a wholly owned subsidiary of SunAmerica Inc. SunAmerica Asset Management Corp. ("SAAMCo"), an indirect wholly owned subsidiary of Anchor National, serves as investment adviser for all the Funds of SunAmerica Trust. All of the Funds of SunAmerica Trust, except the High-Yield Bond Portfolio and the Cash Management Portfolio, have a subadviser which is not an affiliated person or an affiliated person of SAAMCo.

2. Anchor Fund, a registered open-end management investment company, has seven series Funds. Shares of the Anchor Fund are issued in connection with investments in variable annuity contracts issued by Anchor National. Capital Research and Management Company serves as the investment adviser to the Anchor Fund. Anchor Investment Adviser, Inc., an indirect wholly owned subsidiary of Anchor National and an affiliate of SAAMCo and SunAmerica Capital Services, Inc. ("SACS"), is the Anchor Fund's business manager.

3. Anchor Trust, a registered open-end management investment company, has twelve series funds. Shares of Anchor Trust are issued only in connection with investments in variable annuity and variable life insurance contracts issued by Anchor National, Phoenix Mutual, First SunAmerica Life Insurance Company and Presidential Life Insurance Company. First SunAmerica Life Insurance Company is an indirect wholly-owned subsidiary of SunAmerica Inc. SAAMCo serves as investment adviser, and Wellington Management Company serves as subadviser, to all the Funds of Anchor Trust.

4. SunAmerica Equity Funds and SunAmerica Income Funds are registered open-end management investment companies. SunAmerica Equity Funds has six series Funds and SunAmerica Income Funds has five series Funds. SunAmerica Money Market funds, Inc., a registered open-end management investment company, has one series fund. Shares of these Retail Funds are offered to the public. SACS acts as distributor to the Retail Funds and is an indirect wholly owned subsidiary of Anchor National and an affiliate of SAAMCo. SAAMCo is the investment adviser for all Funds comprising the Retail Funds. GSAM International and American International Group Asset Management, Inc. ("AIGAM") serve as subadvisers for certain portions of the Global Balanced fund series of SunAmerica Equity Funds. In addition, AIGAM has subcontracted with its affiliate, AIGAM International Limited, to provide the Global Balanced Fund with asset allocation and subadvisory services in respect to European securities markets. Each of AIGAM and AIGAM's affiliated companies is an indirect wholly owned subsidiary of American International Group, Inc., an international insurance organization.

5. National Union Fire Insurance Company of Pittsburgh, PA ("National Union") is a wholly-owned subsidiary of American International Group, Inc. Neither National Union nor any affiliated person thereof is an affiliated person of SAAMCo, Anchor Investment Adviser, Inc., Anchor National, or any officer, trustee, director or employee of any applicant. Neither National Union nor any affiliated person thereof owns 5% or more of the shares of any Fund.

6. Applicants request that a Fund be permitted to (a) Purchase Insurance Coverage from National Union or any other insurance company who may be an affiliated person of an affiliated person of such Fund solely because the affiliated person is a subadviser to the

fund and (b) settle any claims that may arise in connection with such Insurance Coverage. Applicants further request relief for any other registered investment company, or series thereof, which in the future is advised by SAAMCo, or an entity in control of, controlled by, or under common control with SAAMCo, or whose shares are distributed by SACS, or an entity in control of, controlled by, or under common control with SACS, and which is a member of the SunAmerica "[g]roup of investment companies" as defined in rule 11a-3(a)(5) under the Act. At present, the only existing Fund that may rely on the requested relief is the Global Balanced Fund because of the relationship between AIGAM and National Union.

7. Applicants also request that Anchor Fund be named as a joint insured on a fidelity bond with the other Funds.

8. All of the Funds (except Anchor Fund) are currently joint insureds under one fidelity bond and one D&O/E&O policy in order to obtain the maximum coverage for the lowest possible cost. One of the methods of negotiating coverage and premiums is to solicit quotations from as many different insurance companies as possible. Applicants believe that there are only five major carriers of fidelity bond coverage, including National Union, with a combined capacity of over \$100 million, and that there are several other carriers that provide excess rather than primary coverage. National Union is one of the highest rated of these companies and applicants believe that National Union accounts for a significant amount of this capacity. Given the limited universe of insurance companies that provide fidelity bond coverage, applicants believe that it is not in the best interests of the Funds or their shareholders to preclude the funds from purchasing Insurance Coverage from an insurance company such as National Union merely because of its affiliation with the subadviser to one or more of the Funds.

9. Applicants state that no person who is potentially in a position to control or influence SAAMCo or the Funds' decisions with respect to Insurance Coverage will have a relationship with any affiliated insurance company from which coverage will be purchased or with which settlements will be negotiated. Pursuant to the conditions set forth below, in addition to the findings to be made by the trustees of each Fund at the time of purchasing Insurance Coverage, rule 17g-1 requires that the trustees of each Fund who are not interested persons of the Fund (the "disinterested