

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2674; October 30, 2007

In the Matter of :
:
Franklin Portfolio Associates, LLC :
One Boston Place, 29th Floor :
Boston, MA 02108 :
:
The Hirtle Callaghan Trust :
Five Tower Bridge, 300 Barr Harbor Drive :
Suite 500, West Conshohocken, PA 19428 :
:
(803-184) :
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ORDER UNDER SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940
GRANTING AN EXEMPTION FROM SECTION 205 OF THE ADVISERS ACT AND
ADVISERS ACT RULE 205-1

Franklin Portfolio Associates, LLC (“Franklin”) and The Hirtle Callaghan Trust (“Trust”) filed an application on July 7, 2005, and amendments and restatements thereto on August 3, 2006 and October 1, 2007, for an order under section 206A of the Investment Advisers Act of 1940 (“Act”). The order would grant an exemption from section 205 of the Act and from rule 205-1 under the Act to permit Franklin to charge a performance based fee on the performance of that portion of a Trust portfolio managed by Franklin (“Franklin Account”). The order also would permit the applicants to compute the performance-related portion of the fee using changes in the Franklin Account’s gross asset value rather than net asset value.

On October 3, 2007, a notice of the filing of the application was issued (Investment Advisers Act Release No. 2668). The notice gave interested persons an opportunity to request a hearing and stated that an order granting the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application and amendments thereto, that the proposed fee arrangement is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly,

IT IS ORDERED, under section 206A of the Act, that the exemption from section 205 of the Act and rule 205-1 under the Act requested by Franklin and the Trust (File No. 803-184) is granted, effective immediately, subject to the conditions contained in the application, as amended.

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

Florence E. Harmon
Deputy Secretary