

(a) The common stock is included in the Dow as of the applicable Stock Selection Date;

(b) The common stock represents one of the ten companies in the Dow that have the highest dividend yields as of the applicable Stock Selection Date;

(c) As of the close of business on the business day following the applicable Stock Selection Date, the value of the common stock of each securities related issuer represents approximately 10% of the value of such Series' total assets, but in no event more than 10.5% of the value of such Series' total assets;

2. With respect to the Target 5 Series:

(a) The common stock is included in the Dow as of the applicable Stock Selection Date;

(b) The common stock represents one of the five companies with the lowest dollar per share stock price of the ten companies in the Dow that have the highest dividend yields as of the applicable Stock Selection Date;

(c) As of the close of business on the business day following the applicable Stock Selection Date, the value of the common stock of each securities related issuer represents approximately 20% of the value of such Series' total assets, but in no event more than 20.5% of the value of such Series' total assets;

3. With respect to the Global Target 15 Series:

(a) The common stock is included in the Dow, the Hang Seng Index, or the FT Index as of the applicable Stock Selection Date;

(b) The common stock represents one of the five companies with the lowest per share stock price of the ten companies on each of the Dow, the FT Index, and the Hang Seng Index, respectively, that have the highest dividend yield as of the applicable Stock Selection Date;

(c) As of the close of business on the business day following the applicable Stock Selection Date, the value of the common stock of each securities related issuer represents approximately 6.7% of the value of such Series' total assets, but in no event more than 7.5% of the value of such Series' total assets; and

4. No company whose stock is held by the Target 10 Series, Target 5 Series, or Global Target 15 Series, or any affiliate thereof, will act as a broker or dealer for any Target 10 Series, and Target 5 Series, or any Global Target 15 Series in the purchase or sale of any security for such Series' portfolio.

Conclusion

For the reasons summarized above, Applicant asserts that the order requested 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.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-14757 Filed 6-9-99; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 23857; 812-11622]

Norwest Advantage Funds, et al.; Notice of Application

June 3, 1999.

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

ACTION: Notice of an application under section 17(b) of the Investment Company Act of 1940 (the "Act") for an exemption from section 17(a) of the Act.

SUMMARY OF APPLICATION: Applicants, Norwest Advantage Funds ("NAF"), Core Trust (Delaware) ("Core Trust") (each, a "Trust"), Norwest Corporation Master Savings Trust (the "NW Plan"), Norwest Bank Minnesota, N.A. ("Norwest Bank"), and Norwest Investment Management, Inc. ("NIM") seek an order to permit an in-kind redemption of shares of the Fund by an affiliated person of the Fund.

FILING DATE: The application was filed on May 28, 1999. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on June 28, 1999, 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 Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW, Washington, DC 20549-0609; Applicants, Two Portland Square, Portland, ME 04101 and

Norwest Center, Sixth and Marquette, Minneapolis, MN 55490-1026.

FOR FURTHER INFORMATION CONTACT:

Deepak T. Pai, Senior Counsel, at (202) 942-0574 or Nadya Roytblat, Assistant Director, 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 Commission's Public Reference Branch, 450 Fifth Street, NW, Washington, DC 20549-0102 (telephone (202) 942-8090).

Applicants' Representations

1. NAF is organized as a Delaware business trust and is registered under the Act as an open-end management investment company. NAF offers shares in 39 separate series, including the Index Fund ("Fund"). As a feeder fund in a master-feeder structure, the Fund seeks to achieve its investment objective by investing all of its assets in the Index Portfolio of Core Trust ("Portfolio"). The investment objective of the Portfolio is to replicate the return of the S&P 500 Index. Core Trust is organized as a Delaware business trust and is registered under the Act as an open-end management investment company. Core Trust offers shares in 21 separate series, including the Portfolio.

2. Norwest Bank is a national bank and is a wholly-owned subsidiary of Wells Fargo & Company, a bank holding company. NIM is a wholly-owned subsidiary of Norwest Bank and is registered under the Investment Advisers Act of 1940 ("Advisers Act"). NIM serves as investment adviser to the Portfolio. The NW Plan is an employee benefit plan for affiliates of the Norwest Corporation, the parent corporation of Norwest Bank. The NW Plan owns approximately 29% of the Fund's outstanding voting securities.

3. Wells Fargo has determined to combine a number of existing employee benefit plans, including the NW Plan into a single plan ("New Plan"). The New Plan will not offer the Fund as an investment option for plan participants and will instead offer an index investment option in an index collective trust fund ("CTF") managed by Barclays Global Investors, N.A., which is not affiliated with any participant in the Transaction. The New Plan would redeem in-kind its interest in the Fund and ultimately reinvest the proceeds of the redemption in the CTF ("Transaction"). The Transaction is expected to take place on or about June 30, 1999.

4. The Fund's prospectus and statement of additional information

provide that, under certain circumstances, the Fund may satisfy a request for redemption in-kind with portfolio securities. The Transaction will be completed only if each Trust's board of trustees ("Board"), including the trustees who are not "interested persons" as that term is defined in Section 2(a)(19) of the Act ("Independent Trustees") approves the redemption in-kind.

Applicants' Legal Analysis

1. Section 17(a)(2) of the Act generally prohibits an affiliated person of a registered investment company or an affiliated person of such person, acting as principal, from knowingly purchasing any security or other property (except securities of which the seller is the issuer) from the company. Section 2(a)(3) of the Act defines "affiliated person" of another person to include, among others, any person owning 5% or more of the outstanding voting securities of the other person and any person controlling, controlled by or under common control with the other person. Under section 2(a)(9) of the Act, a person that owns beneficially more than 25% of the voting securities of a company is presumed to control the company.

2. Applicants state that Norwest Bank, as the record holder on behalf of the NW Plan of 29% of the outstanding voting securities of the Fund, would be an affiliated person of the Fund. Applicants also state that because the Fund holds greater than 5% of the outstanding voting securities of the Portfolio, the Fund would be an affiliated person of the Portfolio, and Norwest Bank, through its subsidiary, NIM, could be viewed as an affiliated person of an affiliated person of the Portfolio. Applicants state that to the extent that an in-kind redemption could be viewed as involving the sale of portfolio securities from the Fund to the NW Plan, section 17a(a)(2) may prohibit the Transaction.

3. Section 17(b) of the Act provides that, notwithstanding section 17(a) of the Act, the Commission shall exempt a proposed transaction from section 17(a) of the Act 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.

4. Applicants submit that the terms of the Transaction meet the standards set forth in section 17(b) of the Act. Applicants contend that the potential

conflicts of interest posed by an in-kind redemption are that the portfolio securities redeemed would be selected or priced in a way that would be unfair to either the redeeming fund or the remaining shareholders. Applicants state that the redemption in-kind will not involve any choice as to the securities to be distributed. Applicants also submit that the portfolio securities to be distributed in-kind will be valued in the same manner as they would be valued for purposes of determining the Fund's net asset value.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. The Fund will distribute to the NW Plan pursuant to an in-kind redemption a pro rata share of each portfolio security held by the Portfolio ("In-Kind Securities"), provided that the Fund may distribute cash (i) in lieu of odd lot securities, fractional shares and accruals on such securities, and (ii) as proceeds from the liquidation of S&P 500 Index futures contracts held by the Portfolio.

2. The In-Kind Securities distributed to the NW Plan will be valued in the same manner as they would be valued for purposes of computing the Fund's net asset value.

3. The Fund will maintain and preserve for a period of not less than six years from the end of the fiscal year in which the proposed in-kind redemption occurs, the first two years in an easily accessible place, a written record of the redemption setting forth a description of each security distributed in-kind, the terms of the in-kind distribution and the information or materials upon which the valuation was made.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-14680 Filed 6-9-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41472; File No. SR-Amex-99-14]

Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change by the American Stock Exchange LLC Relating to a Reduction in the Morgan Stanley High Technology Index Value

June 2, 1999.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934

("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 13, 1999, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Amex proposes to split the Morgan Stanley High Technology Index ("Index") to one-third its current value.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Amex included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Amex has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose, of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to split the Morgan Stanley High Tech Index to one-third its current value and temporarily increase its position and exercise limits to three times their current levels as discussed more fully below. Position and exercise limits will revert to their applicable limits at the expiration of the furthest LEAP expiration month as established on the date of the split.

Morgan Stanley High Tech Index: On September 26, 1995, the Commission approved the Exchange's request to permit options trading on the Index.³ Initially, the aggregate value of the stocks contained in the Index was reduced by a divisor to establish an index benchmark value of 200. The Index's current value, as of the close on April 7, 1999, taken from Bloomberg Financial Markets Commodities News

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 36283 (Sept. 26, 1995), 60 FR 51825 (Oct. 3, 1995).