that potential purchases by a portfolio represent an insignificant amount of the outstanding common stock and trading volume of any of these issuers. Therefore, Applicant argues that it is almost inconceivable that these purchases would have any significant effect on the market value of any of these securities related issuers.

8. Another possible conflict of interest is where a broker-dealer may be influenced to recommend certain investment company funds which invest in the stock of the broker-dealer or any of its affiliates. Applicant states that because of the large market capitalization of the Dow issuers and the small portion of these issuers' common stock and trading volume that are purchased by a portfolio, it is extremely unlikely that any advice offered by a broker-dealer to a customer as to which investment company to invest in would be influenced by the possibility that a portfolio is invested in the broker-dealer or a parent thereof.

9. Finally, another potential conflict of interest could occur if any investment company directed brokerage to an affiliated broker-dealer in which the company has invested to enhance the broker-dealer's profitability or to assist it during financial difficulty, even though the broker-dealer may not offer the best price and execution. To preclude this type of conflict, Applicant agrees, as a condition of this application, that no company whose stock is held in any portfolio, nor any affiliate of such a company, will act as broker or dealer for any portfolio in the purchase or sale of any security.

10. Applicant seeks relief not only with respect to the Dow Target 10 Portfolios and the Dow Target 5 Portfolios, but also with respect to Future Funds. Applicant states that without the requested class relief, exemptive relief for any Future Fund would have to be requested and obtained separately. Applicant asserts that these additional requests for exemptive relief would present no issues under the Act not already addressed in the application. Further, if Future Funds were to repeatedly seek exemptive relief with respect to the same issues, investors would receive no additional protection or benefit, and investors could be disadvantaged by increased costs from preparing the additional requests for relief. Applicant argues that class relief is appropriate in the public interest because the relief will promote competitiveness in the variable insurance products market by eliminating the need for Future Funds to file redundant exemptive applications, thereby reducing administrative expenses and maximizing efficient use of resources. Also, eliminating the delay and the expenses of repeatedly seeking exemptive relief would enhance the ability of Future Funds to effectively take advantage of business opportunities as such opportunities arise.

Applicant's Conditions

Applicant agrees that any order granting the requested relief from Section 12(d)(3) of the Act shall be subject to the following conditions:

1. The common stock is included in the Dow as of the Stock Selection Date;

2. With respect to Dow Target 10 Portfolios, the common stock represents one of the ten companies in the Dow that have the highest dividend yield as of the close of business on the Stock Selection Date;

3. With respect to Dow Target 5 Portfolios, the common stock represents one of the five companies with the lowest dollar per share stock price out of the ten companies in the Dow that have the highest dividend yield as of the close of business on the Stock Selection Date;

4. With respect to Dow Target 10 Portfolios, as of close of business on the Stock Selection Date, the value of the common stock of each securities related issuer represents approximately 10% of the value of any portfolio's total assets, but in no event more than 10.5% of the value of the portfolio's total assets;

5. With respect to Dow Target 5 Portfolios, as of close of business on the Stock Selection Date, the value of the common stock of each securities related issuer represents approximately 20% of the value of any portfolio's total assets, but in no event more than 20.5% of the value of the portfolio's total assets; and

6. No company whose stock is held in any portfolio, nor any affiliate thereof, will act as broker or dealer for any portfolio in the purchase or sale of any security for that 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 SEC, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–21091 Filed 8–13–99; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC–23936, 812–11738]

The First Commonwealth Fund, Inc.; Notice of Application

August 9, 1999.

AGENCY: Securities and Exchange Commission.

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the ''Act'') for an exemption from section 19(b) of the Act and rule 19b–1 under the Act.

SUMMARY OF APPLICATION: The First Commonwealth Fund, Inc., requests an order to permit it to make up to twelve distributions of net long-term capital gains in any one taxable year, so long as it maintains in effect a distribution plan with respect to its common stock calling for monthly distributions of a fixed percentage of its net asset value.

FILING DATES: The application was filed on August 5, 1999.

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 requests, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 2, 1999, 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 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, DC 20549–0609. Applicant, 800 Scudders Mill Road, Plainsboro, New Jersey 08536.

FOR FURTHER INFORMATION CONTACT: 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 SEC's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549–0102 (tel. 202–942–8090).

Applicant's Representations

1. The applicant is organized as a Maryland corporation and registered under the Act as a closed-end, non-

diversified management investment company. The applicant's primary investment objective is to provide high current income, primarily through investment in fixed-income securities of issuers in, or denominated in the currency of Australia, Canada, New Zealand, and the United Kingdom. The applicant's common shares are listed on the New York Stock Exchange and have consistently traded at a discount to net asset value. EquitiLink International Management Limited is the investment manager to the applicant and is registered as an investment adviser under the Investment Advisers Act of 1940.

2. On June 10, 1999, the applicant's board of directors (the ''Board''), including a majority of the directors who are not ''interested persons'' as defined in section 2(a)(19) of the Act, adopted a distribution plan (''Monthly Distribution Plan'') that calls for regular monthly distributions at a monthly cash distribution rate (''Monthly Cash Distribution Rate'') set once a year by the Board. Among other things, the Board considered empirical evidence that, in some cases, market discounts to net asset value have narrowed upon adoption of similar distribution policies by other closed-end funds. The Board has set the annualized Monthly Cash Distribution Rate for the period March 1999, through February 2000, at 7.75 cents per share. If, for any taxable year, the total distributions required by its Monthly Distribution Plan exceed the applicant's annual net investment income and net realized capital gains, the excess will generally be treated as a return of capital (up to the amount of the stockholders's adjusted tax basis in his share).

3. The applicant requests relief to permit it, so long as it maintains in effect the Monthly Distribution Plan, to make up to twelve distributions of long-term capital gains in any one taxable year.

Applicant's Legal Analysis

1. Section 19(b) of the Act provides that a registered investment company may not, in contravention of such rules, regulations, or orders as the SEC may prescribe, distribute long-term capital gains more often than once every twelve months. Rule 19b–1(a) under the Act permits a registered investment company, with respect to any one taxable year, to make one capital gains distribution, as defined in Section 852(b)(3)(c) of the Internal Revenue Code of 1986, as amended (the ''Code''). Rule 19b–1(a) also permits a supplemental distribution to be made pursuant to Section 855 of the Code not exceeding 10% of the total amount distributed for the year. Rule 19b–1(f) permits one additional long-term capital gains distribution to be made to avoid the excise tax under Section 4982 of the Code.

2. The applicant asserts that rule 19b–1, by limiting the number of net long-term capital gains distributions the applicant may make with respect to any one year, would prohibit the applicant from including available net long-term capital gains in certain of its fixed monthly distributions. As a result, the applicant states that it could be required to fund these monthly distributions with returns of capital (to the extent net investment income and net realized short-term capital gains are insufficient to cover a monthly distribution). The applicant further asserts that, in order to distribute all of its long-term capital gains within the limits in rule 19b–1, the applicant may be required to make total distributions in excess of the annual amount called for by the Monthly Distribution Plan or retain and pay taxes on the excess amount. The applicant asserts that the application of rule 19b–1 to the applicant's Monthly Distribution Plan may create pressure to limit the realization of long-term capital gains based on considerations unrelated to investment goals.

3. The applicant submits that the concerns underlying section 19(b) and rule 19b–1 are not present in the applicant's situation. One of the concerns leading to the adoption of section 19(b) and rule 19b–1 was that shareholders might be unable to distinguish between frequent distributions of capital gains and dividends from investment income. The applicant states that its Monthly Distribution Plan has been described in the applicant's periodic communications to its shareholders. The applicant states that, in accordance with rule 19a–1 under the Act, a separate statement showing the source of the distribution will accompany each distribution (or the confirmation of the reinvestment thereof under the applicant's dividend reinvestment plan). In addition, a statement showing the amount and source of each monthly distribution during the year will be included with the applicant's IRS Form 1099–DIV report sent to each shareholder who received distributions during the year (including shareholders who have sold shares during the year).

4. Another concern underlying section 19(b) and rule 19b–1 is that frequent capital gains distributions could improperly influence distribution practices including, in particular, the practice of urging an investor to purchase shares of a fund on the basis of an upcoming dividend (''selling the dividend''), when the dividend results in an immediate corresponding reduction in net asset value and is, in effect, a return of the investor's capital. The applicant submits that this concern does not arise with regard to closed-end management investment companies, such as the applicant, that do not continuously distribute their shares. The applicant also states that the condition to the requested relief would further assure that the concern about selling the dividend would not arise in connection with a rights offering by the applicant.

5. The applicant further states that any offering of transferable rights will comply with all relevant Commission and staff guidelines. In determining compliance with these guidelines, the Board will consider, among other things, the brokerage commissions that would be paid in connection with the offering. Any such offering by applicant of transferable rights will also comply with any applicable NASD rules regarding the fairness of compensation.

6. The applicant states that increased administrative costs are a concern underlying section 19(b) and rule 19b+1. The applicant asserts that this concern is not present because the applicant will continue to make monthly distributions regardless of whether long-term capital gains are included in any particular distribution.

7. Section 6(c) of the Act provides that the Commission may exempt any person or transaction from any provision of the Act or any rule under the Act to the extent that such exemption is necessary or 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 reasons stated above, the applicant believes that the requested relief satisfies this standard.

Applicant's Condition

The applicant agrees that the order granting the requested relief will terminate upon the effective date of a registration statement under the Securities Act of 1933 for any future public offering by the applicant of its common shares other than:

(i) a rights offering with respect to holders of the applicant's common stock, in which (a) shares are issued only within the 15-day period immediately following the record date of a monthly dividend, (b) the prospectus for such rights offering makes it clear that shareholders exercising rights will not be entitled to receive such dividend, and (c) the

applicant has not engaged in more than one rights offering during any given calendar year; or

(ii) an offering in connection with a merger, consolidation, acquisition, spin-off or reorganization of the applicant; unless the applicant has received from the staff of the Commission written assurance that the order will remain in effect.

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

[FR Doc. 99–21089 Filed 8–13–99; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Released No. 23937; 812–11590]

WNC Housing Tax Credit Fund VI, L.P., Series 7 and 8, and WNC & Associates, Inc.; Notice of Application

August 9, 1999.

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

ACTION: Notice of an application for an order under sections 6(c) and 6(e) of the Investment Company Act of 1940 (the ''Act'') granting relief from all provisions of the Act, except sections 37 through 53 of the Act and the rules and regulations under those sections.

APPLICANTS: WNC Housing Tax Credit Fund VI, L.P., Series 7 and WNC Housing Tax Credit Fund VI, L.P., Series 8 (each a ''Series,'' and collectively, the ''Fund''), and WNC & Associates, Inc. (the ''General Partner'').

SUMMARY OF APPLICATION: Applicants request an order to permit each Series to invest in limited partnerships that engage in the ownership and operation of apartment complexes for low and moderate income persons.

FILING DATES: The application was filed on April 22, 1999. Applicants have agreed to file an amendment to the application, the substance of which is reflected in this notice, during the notice period.

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 September 2, 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 SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street N.W., Washington, D.C. 20549–0609. Applicants, 3158 Redhill Avenue, Suite 120, Costa Mesa, California 92626–3416.

FOR FURTHER INFORMATION CONTACT: Bruce R. MacNeil, Staff Attorney, at (202) 942–0634, or Michael W. Mundt, 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, 450 Fifth Street, N.W., Washington, D.C. 20549–0102 (tel. no. 202–942–8090).

Applicants' Representations

1. Each Series was formed in 1997 as a California limited partnership. Each Series will operate as a ''two-tier'' partnership, i.e., each Series will invest as a limited partner in other limited partnerships (''Local Limited Partnerships''). The Local Limited Partnerships in turn will engage in the ownership and operation of apartment complexes expected to be qualified for low income housing tax credit under the Internal Revenue Code of 1986, as amended.

2. The objectives of each Series are (a) to provide current tax benefits primarily in the form of low income housing credits which investors may use to offset their Federal income tax liabilities, (b) to preserve and protect capital, and (c) to provide cash distributions from sale or refinancing transactions.

3. On April 16, 1999, the Fund filed a registration statement under the Securities Act of 1933, pursuant to which the Fund intends to offer publicly, in two series of offerings, 25,000 units of limited partnership interest (''Units'') at $1,000 per unit. The minimum investment will be five units for most investors, although employees of the General Partner and its affiliates and/or investors in syndications previously sponsored by the General Partner may purchase a minimum of two Units. Purchasers of the Units will become limited partners (''Limited Partners'') of the Series offering the Units.

4. A Series will not accept any subscriptions for Units until the requested exemptive order is granted or the Series receives an opinion of counsel that it is exempt from registration under the Act. Subscriptions for Units must be approved by the General Partner. Such approval will be conditioned upon representations as to suitability of the investment for each subscriber. The suitability standards provide, among other things, that investment in a Series is suitable only for an investor who either (a) as a net worth (exclusive of home, furnishings, and automobiles), of at least $35,000 and an annual gross income of at least $35,000, or (b) irrespective of annual income, has a net worth (exclusive of home, furnishings, and automobiles) of at least $75,000. Units will be sold only to investors who meet these suitability standards, or such more restrictive suitability standards as may be established by certain states for purchasers of Units within their respective jurisdictions. In addition, transfers of Units will be permitted only if the transferee meets the same suitability standards as had been imposed on the transferor Limited Partner.

5. Although a Series' direct control over the management of each apartment complex will be limited, the Series' ownership of interests in Local Limited Partnerships will, in an economic sense, be tantamount to direct ownership of the apartment complexes themselves. A Series normally will acquire at least a 90% interest in profits, losses, and tax credits of the Local Limited Partnerships. However, in certain cases, the Series may acquire a lesser interest in such partnerships. From 95% to 100% of the proceeds from a sale or refinancing of an apartment complex normally will be paid to the Series until it has received a full return of the capital invested in the Local Limited Partnership (which may be reduced by any cash flow distributions previously received). A Series also will receive a share of any remaining sale or refinancing proceeds, which may range from 10% to 50%.

6. Each Series will have certain voting rights with respect to each Local Limited Partnership. The voting rights will include the right to dismiss and replace the local general partnership on the basis of performance, to approve or disapprove a sale or refinancing of the apartment complex owned by such Local Limited Partnership, to approve or disapprove the dissolution of the Local Limited Partnership, and to approve or disapprove amendments to the Local Limited Partnership agreement materially and adversely affecting the Series' investment.