ability to invest in potentially advantageous securities.

5. Applicants state that expenses incurred by the BP have remained relatively high, and a large portion of the BP's expenses is fixed. Applicants represent that the lack of substantial assets in the BP results in high operating expenses that are borne by the Contract owners. The BP's 1994 actual expenses of 1.56% of average total net assets were higher than expenses of 1.03% of average total net assets for the AAP. Applicants contend that in comparing the expenses of the BP and AAP, the asset base of the BP and the increasing asset base of the AAP is a relevant consideration. Applicants assert that the increase in total assets of the AAP resulting from the substitution should result in a lessening of its overall expenses.

6. Applicants state that the AAP offers Contract owners investments compatible with the objectives of Contract owners investing in the BP. Applicants state that management of PaineWebber Life, in consultation with Mitchell Hutchins, studied the investment objectives, policies and restrictions of each of the Remaining Portfolios to form an opinion as to which of the Remaining Portfolios appeared most closely identified with the investment intent of a Contract owner invested in the BP. It was concluded that a Contract owner who had Contract values invested in the BP was primarily interested in a Portfolios with an objective of a stable return while preserving capital. The investment objective of the AAP is to seek a high total return with low volatility, and the recent revision of the investment policies of the BP led to the conclusion that the AAP most closely suits the investment intent of the Contract owner who now has Contract values invested in the BP.

Applicants' Conclusion

For the reasons discussed above, applicants submit that the proposed substitution of shares of the AAP for shares of the BP is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

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[Rel. No IC–21562; File No. 812–9794]

Stagecoach Funds, Inc., et al.; Notice of Application

December 1, 1995.

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

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (''Act'').

APPLICANTS: Stagecoach Funds, Inc. (''Stagecoach Funds''), Stagecoach Inc., Stagecoach Trust, Overland Express Funds, Inc. (''Overland''), Life & Annuity Trust (''Annuity Trust''), Master Investment Portfolio (''MIP''), Master Investment Trust (''MIT''), Managed Series Investment Trust (''MSIT'') (collectively, the ''Companies''), Wells Fargo Bank, N.A. (''Wells Fargo''), and The Nikko Building Co., Ltd. (''Nikko Building'').

RELEVANT ACT SECTIONS: Order requested under section 6(c) for an exemption from section 15(f)(1)(A).

SUMMARY OF APPLICATION: Applicants request an exemption from section 15(f)(1)(A) to permit Wells Fargo and Nikko Building to sell their interests in Wells Fargo Nikko Investment Advisors (''WFNIA''), the sub-adviser to certain of the series offered by the Companies, to Barclays Bank PLC (''Barclays''). Without the requested exemption, the Companies would have to reconstitute their boards of directors to meet the 75 percent non-interested director requirement of section 15(f)(1)(A) in order to comply with the safe harbor provisions of section 15(f).

FILING DATES: The application was filed on October 4, 1995, and amended on December 1, 1995.

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 December 22, 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 may request notification of a hearing writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street NW., Washington, DC 20549. Applicants: Companies, 111 Center Street, Little Rock, Arkansas 72201; Wells Fargo, 420 Montgomery Street, San Francisco, California 94105; Nikko Building, 3–1 Marunouchi, 3-Chrome, Chiyoda-Ku, Tokyo 100, Japan.

FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Counsel, at (202) 942–0583, 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 from the SEC's Public Reference Branch.

Applicants' Representations

1. The Companies are open-end management investment companies registered under the Act, each of which currently offers several series.[1] Wells Fargo, a wholly-owned subsidiary of Wells Fargo & Co., currently serves as investment adviser to each series of the Companies (including the master portfolios in which feeder funds invest, but not the feeder funds themselves).

2. WFNIA is a California general partnership owned 50 percent by Wells Fargo Investment Advisors (''WF Advisors''), a wholly-owned subsidiary of Wells Fargo, and 50 percent by The Nikko Building U.S.A., Inc., a wholly-owned subsidiary of Nikko Building. WFNIA currently serves as sub-adviser to 15 of the 40 active series (the ''Sub-Advised Series'') offered by the Companies. As of June 30, 1995, the Sub-Advised Series had approximately $3 billion in assets under management, which represented less than 27% of the aggregate assets under management in all active series of the Companies, and approximately 1.6% of the approximately $183 billion in assets that WFNIA had under management.

3. On June 21, 1995, Wells Fargo, Nikko Building, and certain of their affiliates entered into a purchase and assumption agreement (the ''Agreement'') with Barclays to sell their interests in WFNIA for an aggregate price of approximately $443 million, subject to various adjustments at the time of closing (the ''Transaction''). As part of the purchase price, the Agreement also provides for Barclays to make monthly payments to Wells Fargo and its affiliated sellers of .15 percent of the aggregate value of the interests held by retail shareholders of Stagecoach Trust in the LifePath Master Portfolios

[1] Certain series of Stagecoach Inc., Stagecoach Trust and Overland are feeder funds in a master/feeder structure and currently invest substantially all of their assets in corresponding master portfolios of MIP, MIT or MSIT.