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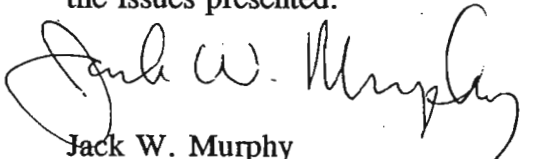
SEP 17 1996

Our Ref. No. 96-467-CC
Dean Witter World Wide
Investment Trust; Dean Witter
International SmallCap Fund
File Nos. 811-3800; 811-
7169

RESPONSE OF THE OFFICE OF CHIEF COUNSEL
DIVISION OF INVESTMENT MANAGEMENT

By letter dated September 17, 1996, you request assurance that the staff will not recommend that the Commission take enforcement action under Section 17(a) of the Investment Company Act of 1940 (the "1940 Act") against Morgan Grenfell Asset Management Ltd. ("MGAM"), Morgan Grenfell Investment Services Ltd. ("MGIS"), Dean Witter World Wide Investment Trust (the "Trust"), Dean Witter International SmallCap Fund (the Trust and the SmallCap Fund both referred to as the "Funds"),¹ or Deutsche Bank, A.G., if MGAM enters into the purchase transactions with the Funds (the "Purchase Transactions"),² as described in your letter.³

On the basis of the unusual facts and circumstances described in your letter, and the specific representations made therein, we will not recommend enforcement action to the Commission under Section 17(a).⁴ This position applies solely to the Purchase Transactions specifically identified in your letter. We take no position with respect to any other aspect of the underlying matter, including, but not limited to, the valuation of the securities that are the subject of the Purchase Transactions. You should note that any different facts or representations might require a different conclusion. Moreover, this response expresses the Division's position on enforcement action only and does not express any legal conclusions on the issues presented.


Jack W. Murphy
Associate Director (Chief Counsel)

¹ The Funds are open-end management investment companies registered under the 1940 Act.

² Your letter describes MGAM's proposed purchase of two specific securities from the Funds: Opcon AB, and Sendit AB. This response is limited to the purchase of these securities.

³ You state that MGAM is the parent of MGIS, which is the subadviser of each Fund pursuant to subadvisory agreements between MGIS and Dean Witter InterCapital, Inc., the investment adviser of each Fund. MGAM is also an indirect, wholly-owned subsidiary of Deutsche Bank, A.G.

⁴ See, e.g., Morgan Grenfell Investment Trust (pub. avail. Sept. 16, 1996).

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September 17, 1996

1940 Act/Section 17(a)

Jack W. Murphy, Esq.
Associate Director and Chief Counsel
Division of Investment Management
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

ACT ICA
SECTION 17(a)
RULE
PUBLIC AVAILABILITY 9/17/96

Re: Dean Witter World Wide Investment Trust
("World Wide Investment")
Dean Witter International SmallCap Fund
("International SmallCap")

Dear Mr. Murphy:

On behalf of the above-captioned investment companies (the "DW Funds" or "Funds"), we request the assurance of the Division of Investment Management that, based upon the facts and circumstances set forth below, it will not recommend any enforcement action to the Securities and Exchange Commission (the "Commission") pursuant to Section 17(a) of the Investment Company Act of 1940, as amended (the "Act"), against the Funds or against Morgan Grenfell Asset Management Limited ("MGAM"), Morgan Grenfell Investment Services Limited ("MGIS") or Deutsche Bank, A.G. ("Deutsche Bank"), if MGAM purchases from the Funds two securities for which a trading market currently does not

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exist. The Board and the investment adviser of each of the Funds believe that the proposed sale would be in the best interests of each Fund and its shareholders and that, under the unusual and novel circumstances presented here, a no-action position is appropriate in this matter.

I. Background

The Funds are registered under the Act as open-end, diversified, management investment companies organized under the laws of the Commonwealth of Massachusetts as business trusts. The investment objectives of the Funds are as follows:

World Wide Investment aims for total return on its assets primarily through investments in securities of domestic and foreign companies and governments.

International SmallCap aims to achieve long-term capital growth by investing primarily in securities of small non-U.S. companies.

Dean Witter InterCapital Inc. ("InterCapital") is the investment adviser of each Fund and, through its subsidiary, Dean Witter Services Company ("DWSC"), also provides the administrative services necessary for the operation of the Funds. Dean Witter Reynolds Inc. ("Dean Witter"), a sister company of InterCapital, is the primary dealer in the Funds' shares.

MGIS is the subadviser of each Fund pursuant to subadvisory agreements between InterCapital and MGIS approved in accordance with Section 15(c) of the Act. Under the terms of each agreement, MGIS provides discretionary investment management services to each Fund for assets of the Fund invested outside the United States.

MGIS is registered as an investment adviser with the Commission and is regulated by the Investment Management Regulatory Organization Limited ("IMRO"), a self-regulatory organization under the UK Financial Services Act of 1986.

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MGIS serves as investment adviser for U.S. corporate and public employee benefit plans, investment companies, endowments and foundations with assets under management of approximately \$14 billion at June 30, 1996.

MGIS is a wholly-owned subsidiary of MGAM. Other money management subsidiaries of MGAM manage assets of foreign investment companies and other client accounts. MGAM is an indirect wholly-owned subsidiary of Deutsche Bank.

Deutsche Bank is an international banking and financial services organization. It is the largest bank in Germany and the 24th largest bank worldwide with branch offices in more than 50 countries.

The principal business office of MGIS and of MGAM is 20 Finsbury Circus, London, England. The principal business office of Deutsche Bank is Taunusanlage 12, Frankfurt am Main, Germany.

On November 23, 1995 World Wide Investment and International SmallCap each purchased shares of Opcon AB, a Swedish company, through Fiba Nordic Securities ("Fiba Nordic"), a London-based brokerage firm. International SmallCap purchased 370 shares, for a total investment of \$327,419. World Wide Investment purchased 190 shares, for a total investment of \$168,134.

On June 13, 1996 World Wide Investment and International SmallCap each purchased shares of Sendit AB, also a Swedish company, through Fiba Nordic. International SmallCap purchased 33,810 shares, for a total investment of \$432,736. World Wide Investment purchased 8,650 shares, for a total investment of \$110,712.

The net assets of International SmallCap on September 9, 1996 were \$139 million. The value at which Opcon securities is carried on the books of the Fund represented 0.23% of the Fund's net assets at that date and the carrying value of the Sendit securities represented 0.31%. The net assets of World Wide Investment on that date were \$499 million. The value at which the Opcon securities

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is carried on the books of the Fund represented 0.03% of the Fund's net assets and the carrying value of the Sendit securities represented 0.02%. From the date of purchase of Opcon and Sendit until the present time the securities have been valued at the foreign currency original cost, translated into U.S. dollars at current exchange rates, in accordance with procedures established by the Boards of the Funds based on recommendations of the MGIS portfolio managers.

During the first week of September, MGIS informed InterCapital that trading in three of the European investment funds managed by MGAM had been suspended, that Deutsche Bank was investigating irregularities in relation to certain unlisted securities purchased for the portfolios of those funds, that Deutsche Bank had agreed to purchase some of those securities from those funds, that all unlisted securities held by those funds were being investigated, that Opcon and Sendit were two of the unlisted securities being investigated by Deutsche Bank, that these securities had not yet been listed on an exchange, that there were no current buyers for the securities willing to pay an amount equal to or greater than the Funds' cost, that the pricing of these two securities could not be validated on a timely basis, and that therefore the securities were among those purchased from the European funds by Deutsche Bank. At the same time, the international press was beginning to carry reports of "problems" at Morgan Grenfell, involving "unquoted" and unlisted securities, into which category Opcon and Sendit fell.

InterCapital and the Funds' Boards considered the foregoing matters and concluded that it would be in the best interests of each Fund and its shareholders to dispose of the Opcon and Sendit securities immediately. MGAM offered to buy the securities at their carrying price on the books of the DW Funds on August 30, 1996 (i.e., at cost) and the Boards determined to accept the offer provided that the purchase price also included interest from the date of the Funds' investment to the date of purchase by MGAM. MGAM agreed that the purchase price would include the payment of interest which would be calculated at the average repo rates in effect at the Bank of New York for that period. Such

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interest amounts to approximately \$6,000 in the aggregate for the two Funds on the proposed purchases of Sendit and \$20,000 in the aggregate on the proposed purchases of Opcon.

II. Analysis

Section 17(a) of the 1940 Act prohibits, among other things, 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 from such registered investment company. Accordingly, Section 17(a) would proscribe the proposed transaction, which involves a purchase of securities from each Fund by an affiliated person of an affiliated person of the Fund, acting as principal. We understand that as a general matter, the Staff will not entertain no-action requests under Section 17(a). However, the Staff has granted no-action relief under Section 17(a) in situations which were considered to present "very unusual or novel circumstances"¹ or where the dollar amounts involved were deemed to be de minimis.²

Consistent with positions previously taken by the Staff, no-action relief is appropriate in this situation in view of the unusual and novel circumstances presented and the business urgency they create. The publicity surrounding

^{1/} See, Massachusetts Investors Trust, SEC No-Action Letter (Dec. 8, 1992). See, also, Liquid Green Trust, SEC No-Action Letter (Dec. 19, 1991) (Staff granted no-action request under Sections 17(a) and 17(d) to permit the purchase by an adviser of defaulted commercial paper held by the fund); PaineWebber Managed Investments Trust, SEC No-Action Letter (Aug. 4, 1994) (Staff granted no-action request to permit purchase by an investment adviser of inverse floaters for which there were "no reliable and meaningful market quotations").

^{2/} National Aviation & Technology Corporation, SEC No-Action Letter (May 28, 1983); Nelson Fund, SEC No-Action letter (Dec. 15, 1995).

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the "problems" involving MGAM has increased in amount and frequency. The press reports raised the issue whether there was mismanagement at MGAM and referred to the investigations by IMRO and Deutsche Bank, the purchase of portfolio securities from the European funds by Deutsche Bank, the suspension of two portfolio managers, and alleged "irregularities" in the purchase and pricing of unlisted portfolio securities. The press also reported fears of investors that they are in danger of losing money on investments managed by MGAM, notwithstanding Deutsche Bank's purchases of portfolio securities, and that the European funds were experiencing significant redemptions.

Whatever the outcome of the investigations and the extent of any alleged mismanagement at MGAM, the Funds' Boards and investment adviser are concerned that the mere holding by the Funds of the two securities which are questioned in any way could give rise to broker and investor concerns quite disproportionate to the relative importance of the securities in the Funds' portfolios and might lead to redemptions to the detriment of those shareholders and the Funds as a whole. Removing the two securities from the Funds' portfolios would eliminate any problems in this regard.

In the time that would be required for the Funds and MGAM to file, and for the Commission to act upon, an exemptive application under Section 17(b), the adverse publicity surrounding MGAM could influence shareholders of the Funds to redeem shares at such a rate that efforts to achieve the Funds' objectives would be impaired, thereby harming the Funds' remaining shareholders.

The proposed purchases by MGAM of the Opcon and Sendit shares from the Funds are clearly in the best interests of each Fund and its shareholders, and the terms of the proposed purchases, including the consideration to be paid to each Fund, are reasonable and fair and do not involve overreaching on the part of any of the parties. As mentioned earlier, MGAM has informed the DW Funds that there are no current buyers for the securities willing to pay an amount equal to or greater than the DW Funds' cost. MGAM has also advised the DW Funds that no information has yet

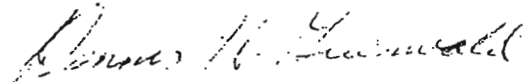
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come to light in the course of the continuing investigation to the present which would currently justify an upward adjustment in the August 30, 1996 valuation at cost and, accordingly, the proposed purchase price is at least a fair price and perhaps an advantageous price for the DW Funds. For the reasons mentioned earlier, the DW Funds' Boards believe the purchase transactions should be effected and that the proposed purchase price is a fair price. In the absence of such purchases, and in light of recent events, the DW Funds would have to consider whether the securities should be marked down until such time, presently indeterminate, as a trading market might develop. If the offer to purchase the securities were delayed or prohibited, the present uncertainty of the timing of a possible future sale and the possibility that the securities might have to be marked down in value can only be viewed as harmful to each Fund and its shareholders.

In conclusion, we believe that because the proposed transaction is fair and reasonable and in the best interests of each Fund and its shareholders, and because business exigencies and the potentially adverse effects of delay militate against undertaking a lengthy exemptive process, it is appropriate for the Staff to take the no-action position requested. We understand that the Staff is not taking any position on any other aspects of the underlying matter.

If you have any questions or wish additional information, please contact the undersigned at the direct dial number shown on this letterhead, or Stuart Strauss at his direct dial number, (212) 626-0842.

Very truly yours,



Dennis H. Greenwald