

SECURITIES AND EXCHANGE COMMISSION

[Release No. IC- 27809; 812-13356]

SSgA Funds Management, Inc., et al.; Notice of Application

April 30, 2007

Agency: Securities and Exchange Commission (“Commission”)

Action: Notice of application to amend a prior order under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from sections 2(a)(32), 5(a)(1), 22(d), 22(e) and 24(d) of the Act and rule 22c-1 under the Act, and under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and (a)(2) of the Act.

Summary of Application: Applicants request an order to amend a prior order that permits: (a) open-end management investment companies, whose series are based on certain equity securities indices, to issue shares of limited redeemability; (b) secondary market transactions in the shares of the series to occur at negotiated prices; (c) dealers to sell shares to purchasers in the secondary market unaccompanied by a prospectus when prospectus delivery is not required by the Securities Act of 1933 (“Securities Act”); (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of aggregations of the series’ shares; and (e) under certain circumstances, the series that track certain foreign equity securities indices to pay redemption proceeds more than seven days after the tender of shares (the “Prior Order”).¹ Applicants seek to amend the Prior Order in order to offer additional series based on certain fixed income securities indices (the “New

¹ State Street Bank and Trust Company, et al., Investment Company Act Release No. 24666 (Sept. 24, 2000), superseding The Select Sector SPDR Trust, Investment Company Act Release No. 23534 (Nov. 13, 1998), as amended by SSgA Funds Management, Inc., et al., Investment Company Act Release No. 27543 (Nov. 1, 2006).

Funds”). In addition, the order would delete a condition related to future relief in the Prior Order.

Applicants: SSgA Funds Management, Inc. (“Adviser”), State Street Global Markets LLC (“Distributor”), streetTRACKS® Series Trust, and streetTRACKS® Index Shares Funds (each, a “Trust” and together, the “Trusts”).

Filing Dates: The application was filed on January 5, 2007 and amended on April 23, 2007.

Hearing or Notification of Hearing: An order granting the requested relief 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 May 24, 2007, 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, U.S. Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090. Applicants: Scott M. Zoltowski, Esq., State Street Global Advisors, One Lincoln Street, Boston Massachusetts 02111; Vincent Manzi, State Street Global Markets LLC, One Lincoln Street, Boston, Massachusetts 02111; and W. John McGuire, Esq., Morgan, Lewis & Bockius LLP, 1111 Pennsylvania Avenue, NW, Washington, DC 20004.

For Further Information Contact: Emerson S. Davis, Sr., Senior Counsel, at (202) 551-6868, or Mary Kay Frech, Branch Chief, at (202) 551-6821 (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, 100 F Street, NE, Washington, DC 20549-0102 (tel. 202-551-5850).

Applicants' Representations:

1. Each Trust is an open-end management investment company registered under the Act and organized as a Massachusetts business trust. The Trusts are organized as series funds with multiple series. The Adviser, an investment adviser registered under the Investment Advisers Act of 1940, will serve as investment adviser to the New Funds. The Adviser may retain sub-advisers ("Sub-Advisers") to manage the assets of a New Fund. Any Sub-Adviser will be registered under the Advisers Act. The Distributor, a broker-dealer registered under the Securities Exchange Act of 1934 ("Exchange Act"), will serve as the principal underwriter of the New Funds' shares.

2. Each Trust is currently permitted to offer series based on equity securities indices in reliance on the Prior Order. Applicants seek to amend the Prior Order to permit the Trusts to offer the New Funds that, except as described in the application, would operate in a manner identical to the existing series of the Trusts that are subject to the Prior Order.

3. The New Funds will invest in portfolios of securities generally consisting of the component securities of the Lehman Brothers 1-3 Year U.S. Treasury Index, Lehman Brothers Intermediate U.S. Treasury Index, Lehman Brothers Long U.S. Treasury Index, Lehman Brothers U.S. Aggregate Index, Lehman Brothers 1-3 Year U.S. Corporate Investment Grade Index, Lehman Brothers U.S. Intermediate Corporate Grade Index, and Lehman Brothers U.S. Long Corporate Investment Grade Index (the "Underlying Indexes"). No entity that creates, compiles, sponsors, or maintains an Underlying Index is or will be an affiliated person, as

defined in section 2(a)(3) of the Act, or an affiliated person of an affiliated person, of the Trusts, the Adviser, any Sub-Adviser, the Distributor, or a promoter of a New Fund.

4. The investment objective of each New Fund will be to provide investment results that correspond generally to the price and yield performance of the relevant Underlying Index. The Adviser may fully replicate a New Fund's relevant Underlying Index or use a representative sampling strategy where the New Fund will seek to hold a representative sample of the component securities of the Underlying Index. Each New Fund generally will invest at least 80% or 90% of its total assets, as disclosed in the relevant prospectus, in the securities that comprise the relevant Underlying Index, but at times may invest up to 20% of its total assets in certain futures, options, and swap contracts, cash and cash equivalents, as well as securities not included in its Underlying Index which the Adviser believes will help the New Fund track the Underlying Index. At all times, a New Fund will hold, in the aggregate, at least 80% of its total assets in component securities and investments that have economic characteristics that are substantially identical to the economic characteristics of the component securities of its Underlying Index. Applicants expect that each New Fund will have a tracking error relative to the performance of its respective Underlying Index of less than 5 percent.

5. Applicants state that a New Fund will comply with the federal securities laws in accepting a deposit of a portfolio of securities designated by the Adviser to correspond generally to the price and yield of the New Fund's Underlying Index ("Deposit Securities")² and satisfying

² Applicants state that a cash-in-lieu amount will replace any "to-be-announced" ("TBA") transaction that is listed as a Deposit Security of any New Fund. A TBA transaction is a method of trading mortgage-backed securities where the buyer and seller agree upon general trade parameters such as agency, settlement date, par amount and price. The actual pools delivered generally are determined two days prior to the settlement date. The amount of substituted cash in the case of TBA transactions will be equivalent to the value of the TBA transaction listed as a Deposit Security.

redemptions with portfolio securities of the New Fund (“Fund Securities”), including that the Deposit Securities and Fund Securities are sold in transactions that would be exempt from registration under the Securities Act.³

6. Applicants state that the New Funds will operate in a manner identical to the operation of the existing series of the Trusts in the Prior Order, except as specifically noted by applicants (and summarized in this notice), and will comply with all of the terms, provisions and conditions of the Prior Order, as amended by the present application. Applicants believe that the requested relief continues to meet the necessary exemptive standards.

Future Relief:

7. Applicants also seek to amend the Prior Order to modify the terms under which the Trusts may offer additional series in the future based on other securities indices (“Future Funds”). The Prior Order is currently subject to a condition that does not permit applicants to register the shares of any Future Fund by means of filing a post-effective amendment to a Trust's registration statement or by any other means, unless applicants have requested and received with respect to such Future Fund, either exemptive relief from the Commission or a no-action letter from the Division of Investment Management of the Commission, or if the Future Fund could be listed on a national securities exchange ("Exchange") without the need for a filing pursuant to rule 19b-4 under the Exchange Act.

³ In accepting Deposit Securities and satisfying redemptions with Fund Securities that are restricted securities eligible for resale pursuant to rule 144A under the Securities Act, New Funds will comply with the conditions of rule 144A, including in satisfying redemptions with such rule 144A eligible restricted Fund Securities. The prospectus for a New Fund will also state that an authorized participant that is not a "Qualified Institutional Buyer," as defined in rule 144A under the Securities Act, will not be able to receive, as part of a redemption, restricted securities eligible for resale under rule 144A.

8. The order would amend the Prior Order to delete this condition. Any Future Funds will (a) be advised by the Adviser or an entity controlled by or under common control with the Adviser; (b) track Underlying Indices that are created, compiled, sponsored or maintained by an entity that is not an affiliated person, as defined in section 2(a)(3) of the Act, or an affiliated person of an affiliated person, of the Adviser, the Distributor, the Trusts or any Sub-Adviser or promoter of a Future Fund, and (c) comply with the respective terms and conditions of the Prior Order, as amended by the present application.

9. Applicants believe that the modification of the future relief available under the Prior Order would be consistent with sections 6(c) and 17(b) of the Act and that granting the requested relief will facilitate the timely creation of Future Funds and the commencement of secondary market trading of such Future Funds by removing the need to seek additional exemptive relief. Applicants submit that the terms and conditions of the Prior Order have been appropriate for the existing series of the Trusts and would remain appropriate for Future Funds. Applicants also submit that tying exemptive relief under the Act to the ability of a Future Fund to be listed on an Exchange without the need for a rule 19b-4 filing under the Exchange Act is not necessary to meet the standards under sections 6(c) and 17(b) of the Act.

Applicants' Condition:

Applicants agree that any amended order granting the requested relief will be subject to the same conditions as those imposed by the Prior Order, except for condition 1 to the Prior Order, which will be deleted.

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

Florence E. Harmon
Deputy Secretary