
Rule 17a–3(a)(16) identifies the records required to be made by broker-dealers that operate internal broker-dealer systems. Those records are to be used in monitoring compliance with the Commission’s financial responsibility program and antifraud and antimanipulative rules, as well as other rules and regulations of the Commission and the self-regulatory organizations. It is estimated that approximately 105 active broker-dealer respondents registered with the Commission incur an average aggregate burden of 2,835 hours per year (105 respondents multiplied by 27 burden hours per respondent equals 2,835 total burden hours) to comply with this rule.1

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency’s estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Thomas Bayer, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE, Washington, DC 20549, or send an email to: PRA_Mailbox@sec.gov.

Dated: July 15, 2013.

Kevin M. O’Neill,
Deputy Secretary.

[FR Doc. 2013–17314 Filed 7–18–13; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION
[Investment Company Act Release No. 30599; 812–14110]

Grosvenor Alternative Funds Master Trust, et al.; Notice of Application

July 15, 2013.

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from section 15(a) of the Act and rule 18f–2 under the Act, as well as from certain disclosure requirements.

SUMMARY: Summary of Application: Applicants request an order that would permit them to enter into and materially amend subadvisory agreements without shareholder approval and would grant relief from certain disclosure requirements.


DATES: Filing Dates: The application was filed on January 8, 2013, and amended on May 10, 2013.

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 August 9, 2013 and should be accompanied by proof of service on the 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.


FOR FURTHER INFORMATION CONTACT: Courtney S. Thornton, Senior Counsel, at (202) 551–6812, or David P. Bartels, Branch Chief, at (202) 551–6821 (Division of Investment Management, Exemptive Applications Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or for an applicant using the Company name box, at http://www.sec.gov/search/search.htm or by calling (202) 551–8090.

Applicants’ Representations

1. The Master Trust1 and the GAF Trust (collectively with the Master Trust, “Trusts”) will be registered under the Act as open-end management investment companies organized as Delaware statutory trusts.2 Each Trust will offer one or more series (each a “Fund” and collectively the “Funds”), each of which has or will have its own distinct investment objectives, policies and restrictions.3 The Initial Adviser, an Illinois limited partnership, is registered as an investment adviser under the Investment Advisers Act of 1940 (”Advisers Act”). The Initial Adviser will serve as investment adviser to each Fund pursuant to an investment advisory agreement (“Advisory Agreement”) with the respective Fund.4

1 Applicants state that each series of the Master Trust is a master fund (“Master Fund”) in a master-fund structure pursuant to section 12(d)(3)(E) of the Act. Certain Funds (as defined below), as well as any future Fund and any other investment company or series thereof that is advised by the Initial Adviser (as defined below), may invest substantially all their assets in the Master Fund (each a “Feeder Fund”). No Feeder Fund will engage any subadviser other than through approving the applicable Master Fund’s subadviser, if any.

2 Applicants also request relief with respect to any future Fund as well as any other existing or future registered open-end management investment company or series thereof that is advised by the Initial Adviser or any entity controlling, controlled by, or under common control with the Initial Adviser or its successors, the Initial Adviser (as defined below), the Manager of Managers Structure (”Manager of Managers Structure”) described in the application; and (c) complies with the terms and conditions of the application (together with any Funds that currently use the Manager of Managers Structure, each a “Subadvised Fund” and collectively, the “Subadvised Funds”). The only existing registered open-end management investment companies that currently intend to rely on the requested order are named as applicants. For purposes of the requested order, “successor” is limited to an entity or entities that result from a reorganization into another jurisdiction or a change in the type of business organization. If the name of any Subadvised Fund contains the name of a Subadvised Fund (as defined below), the name of the Adviser will precede the name of the Subadviser.

3 The initial and current Fund of the Master Trust is Grosvenor Alternative Strategies Master Fund. The initial and current Fund of the GAF Trust is Grosvenor Alternative Strategies Fund.

4 Applicants state that, under a master-feeder operating structure, the initial Fund in the GAF Trust is a Feeder Fund that pursues its investment objective by investing all of its investable assets in a corresponding series of the Master Trust having identical investment objectives to those of the
Each Advisory Agreement will be approved by the relevant Trust’s board of trustees (the “Board”), including a majority of the trustees who are not “interested persons,” as defined in section 2(a)(19) of the Act, of the Trust or the Adviser (“Independent Trustees”) and by the shareholders of the relevant Fund in the manner required by sections 15(a) and 15(c) of the Act and rule 18f–2 under the Act.

2. Under the terms of the Advisory Agreements, the Adviser, subject to the oversight of the Board, will furnish a continuous investment program for each Fund. The Adviser periodically reviews investment policies and strategies of each Fund and, based on the need of a particular Fund, may recommend changes to the investment policies and strategies of the Fund for consideration by its Board. For its services to each Fund, the Adviser will receive an investment advisory fee from that Fund as specified in the applicable Advisory Agreement based on the average daily net asset value of that Fund. The terms of the Advisory Agreements also permit the Adviser, subject to the approval of the relevant Board, including a majority of the Independent Trustees and the shareholders of the applicable Subadvised Funds (if required by applicable law), to delegate portfolio management responsibilities of all or a portion of the assets of the Subadvised Fund to one or more subadvisers (“Subadvisers”). The Adviser intends to enter into subadvisory agreements (“Subadvisory Agreements”) with various Subadvisers to provide investment advisory services to various Subadvised Funds. Each Subadviser will be an investment adviser as defined in section 2(a)(18) of the Act and registered with the Commission as an “investment adviser” under the Advisers Act. The Adviser will evaluate, allocate assets to and oversee the Subadvisers, and will make recommendations about their hiring, termination and replacement to the Board, at all times subject to the authority of the Board. The Adviser will compensate each Subadviser out of the fee paid to the Adviser under the relevant Advisory Agreement, or the Subadvised Fund will be responsible for paying subadvisory fees directly to the Subadviser.5

3. The Subadvised Funds will inform shareholders of the hiring of a new Subadviser pursuant to the following procedures ("Modified Notice and Access Procedures"): (a) within 90 days after a new Subadviser is hired for any Subadvised Fund, that Subadvised Fund will send its shareholders 6 either a Multi-Manager Notice or a Multi-Manager Notice and Multi-Manager Information Statement; 7 and (b) the Subadvised Fund will make the Multi-Manager Information Statement available on the Web site identified in the Multi-Manager Notice no later than when the Multi-Manager Notice (or Multi-Manager Notice and Multi-Manager Information Statement) is first sent to shareholders, and will maintain it on that Web site for at least 90 days.

4. Applicants request an order to permit the Adviser, subject to Board approval, to select Subadvisers to manage all or a portion of the assets of a Subadvised Fund pursuant to a Subadvisory Agreement and to materially amend Subadvisory Agreements without obtaining shareholder approval. The requested relief will not extend to any Subadviser that is an affiliated person, as defined in section 2(a)(9) of the Act, of a Feeder Fund or a Subadvised Fund or the Adviser, other than by reason of serving as a Subadviser to a Subadvised Funds ("Affiliated Subadviser").

5. Applicants also request an order exempting the Subadvised Funds from certain disclosure provisions described below that may require the Applicants to disclose fees paid by the Adviser or a Subadvised Fund to each Subadviser. Applicants seek an order to permit each Subadvised Fund to disclose (as a dollar amount and a percentage of each Subadvised Fund’s net assets) only: (a) the aggregate fees paid to the Adviser and any Affiliated Subadvisers; and (b) the aggregate fees paid to Subadvisers other than Affiliated Subadvisers (collectively, the “Aggregate Fee Disclosure”). A Subadvised Fund that employs an Affiliated Subadviser will provide separate disclosure of any fees paid to the Affiliated Subadviser.

Applicants’ Legal Analysis

1. Section 15(a) of the Act provides, in relevant part, that it is unlawful for any person to act as an investment adviser to a registered investment company except pursuant to a written contract that has been approved by the vote of a majority of the company’s outstanding voting securities. Rule 18f–2 under the Act provides that each series or class of stock in a series investment company affected by a matter must approve that matter if the Act requires shareholder approval.

2. Form N–1A is the registration statement used by open-end investment companies. Item 19(a)(3) of Form N–1A requires disclosure of the method and amount of the investment adviser’s compensation.

3. Rule 20a–1 under the Act requires proxies solicited with respect to an investment company to comply with Schedule 14A under the Exchange Act. Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A, taken together, require a proxy statement for a shareholder meeting at which the advisory contract will be voted upon to include the “rate of compensation of the investment adviser,” the “aggregate amount of the investment adviser’s fees,” a description of the “terms of the contract to be acted upon,” and, if a change in the advisory fee is proposed, the existing and proposed fees and the difference between the two fees.

4. Regulation S–X sets forth the requirements for financial statements required to be included as part of a registered investment company’s registration statement and shareholder...
Sec. 6. Independent legal counsel, as defined in rule 0–1(a)(6) under the Act, will review the Subadvisory Agreements and any such history of the Subadvisers. Applicants note that the Investment Advisory Agreements and any Subadvisory Agreement with an Affiliated Subadviser (if any) will continue to be subject to the shareholder approval requirements of section 15(a) of the Act and rule 18f–2 under the Act.

Applicants assert that the requested disclosure relief would benefit shareholders of the Subadvised Funds because it would improve the Adviser’s ability to negotiate the fees paid to Subadvisers. Applicants state that the Adviser may be able to negotiate rates that are below a Subadviser’s “posted” amounts, if the Adviser is not required to disclose the Subadvisers’ fees to the public. Applicants submit that the requested relief will encourage Subadvisers to negotiate lower subadvisory fees with the Adviser if the lower fees are not required to be made public.

Applicants’ Conditions

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

1. Before a Subadvised Fund may rely on the requested order, the operation of the Subadvised Fund in the manner described in the application will be approved by a majority of the Subadvised Fund’s outstanding voting securities as defined in the Act, which in the case of a Master Fund will include voting instructions provided by shareholders of the Feeder Funds investing in such Master Fund or other voting arrangements that comply with section 12(d)(1)(E)(iii)(aa) of the Act, or, in the case of a Subadvised Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the initial shareholder before such Subadvised Fund’s shares are offered to the public.

2. The prospectus for each Subadvised Fund, and in the case of a Master Fund relying on the requested relief, the prospectus for each Feeder Fund investing in such Master Fund, will disclose the existence, substance, and effect of any order granted pursuant to the application. In addition, each Subadvised Fund (and any such Feeder Fund) will hold itself out to the public as employing a Manager of Managers Structure. The prospectus will prominently disclose that the Adviser has the ultimate responsibility, subject to oversight by the Board, to oversee the Subadvisers and recommend their hiring, termination, and replacement.

3. Subadvised Funds will inform shareholders, and if the Subadvised Fund is a Master Fund, shareholders of any Feeder Funds, of the hiring of a new Subadviser within 90 days after the hiring of the new Subadviser pursuant to the Modified Notice and Access Procedures.

4. The Adviser will not enter into a Subadvisory Agreement with any Affiliated Subadviser without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Subadvised Fund, which in the case of a Master Fund will include voting instructions provided by shareholders of the Feeder Fund investing in such Master Fund or other voting arrangements that comply with Section 12(d)(1)(E)(iii)(aa) of the Act.

5. At all times, at least a majority of the Board will be Independent Trustees, and the nomination of new or additional Independent Trustees will be placed within the discretion of the then-existing Independent Trustees.

6. Independent legal counsel, as defined in rule 0–1(a)(6) under the Act, will be engaged by the Independent Trustees. The selection of such counsel will be within the discretion of the then-existing Independent Trustees.

7. Whenever a Subadviser change is proposed for a Subadvised Fund with an Affiliated Subadviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that the change is in the best interests of the Subadvised Fund and its shareholders, and if the Subadvised Series is a Master Fund, the best interests of any applicable Feeder Funds and their respective shareholders, and does not involve a conflict of interest from which the Adviser or the Affiliated Subadviser derives an inappropriate advantage.

8. Whenever a Subadviser is hired or terminated, the Adviser will provide the Board with information showing the expected impact on the profitability of the Adviser.

9. The Adviser will provide general management services to each Subadvised Fund, including overall supervisory responsibility for the general management and investment of the Subadvised Fund’s assets and, subject to review and approval of the Board, will: (a) Set the Subadvised Fund’s overall investment strategies; (b) evaluate, select and recommend Subadvisers to manage all or a portion of the Subadvised Fund’s assets; (c) allocate and, when appropriate, reallocate the Subadvised Fund’s assets among Subadvisers; (d) monitor and evaluate the Subadvisers’ performance; and (e) implement procedures reasonably designed to ensure that Subadvisers comply with the Subadvised Fund’s investment objective, policies and restrictions.

10. No Trustee or officer of a Subadvised Fund or of a Feeder Fund that invests in a Subadvised Fund that is a Master Fund, or director or officer of the Adviser, will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such person) any interest in a Subadvised Fund except for (a) ownership of interests in the Adviser or any entity that controls, is controlled by or is under common control with the Adviser; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of any publicly traded company that is either a Subadvised or an entity that controls, is controlled by or is under common control with a Subadviser.

11. Each Subadvised Fund and any Feeder Fund that invests in a Subadvised Fund will disclose in its registration statement the Aggregate Fee Disclosure.

12. In the event the Commission adopts a rule under the Act providing
substantially similar relief to that in the order requested in the application, the requested order will expire on the effective date of that rule.
13. The Adviser will provide the Board, no less frequently than quarterly, with information about the profitability of the Adviser on a per Subadvised Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Subadviser during the applicable quarter.
14. For Subadvised Funds that pay fees to a Subadviser directly from Fund assets, any changes to a Subadvisory Agreement that would result in an increase in the total management and advisory fees payable by a Subadvised Fund will be required to be approved by the shareholders of the Subadvised Fund.

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

Kevin M. O’Neill,

Deputy Secretary.

SECURITIES AND EXCHANGE COMMISSION


Dodd-Frank Investor Advisory Committee

AGENCY: Securities and Exchange Commission.

ACTION: Notice of Meeting of Securities and Exchange Commission Dodd-Frank Investor Advisory Committee.

SUMMARY: The Securities and Exchange Commission Investor Advisory Committee, established pursuant to Section 911 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, is providing notice that it will hold a public meeting on Thursday, July 25, 2013, in Multi-Purpose Room LL–006 at the Commission’s headquarters, 100 F Street NE., Washington, DC 20549. The meeting will begin at 10:00 a.m. (EDT) and end at 4:00 p.m. and will be open to the public, except during portions of the meeting reserved for meetings of the Committee’s subcommittees. The meeting will be webcast on the Commission’s Web site at www.sec.gov. Persons needing special accommodations to take part because of a disability should notify the contact person listed below. The public is invited to submit written statements to the Committee. The agenda for the meeting includes approval of minutes, Investor as Owner Subcommittee recommendation regarding data tagging, Investor as Owner Subcommittee recommendation regarding the use of universal proxy ballots, and subcommittee reports.

DATES: Written statements should be received on or before July 25, 2013.

ADDRESSES: Written statements may be submitted by any of the following methods:

Electronic Statements

■ Use the Commission’s Internet submission form (http://www.sec.gov/rules/other.shtml); or

■ Send an email message to rules-comments@sec.gov. Please include File No. 265–28 on the subject line; or

Paper Statements

■ Send paper statements in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File No. 265–28. This file number should be included on the subject line if email is used. To help us process and review your statement more efficiently, please use only one method.

Statements also will be available for Web site viewing and printing in the Commission’s Public Reference Room, 100 F Street NE., Room 1580, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All statements received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.


Dated: July 15, 2013.

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2013–17303 Filed 7–18–13; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing of Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, Relating to Complex Orders

July 15, 2013.

I. Introduction

On March 28, 2013, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) filed with the Securities and Exchange Commission (the “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)1 and Rule 19b–4 thereunder,2 a proposed rule change to amend its rules governing the trading of complex orders on the Exchange to adopt a new order type called “leg orders.” On April 11, 2013, the Exchange filed Amendment No. 1 to the proposal. The proposed rule change, as modified by Amendment No. 1, was published for comment in the Federal Register on April 17, 2013.3 The Commission received no comment letters regarding the proposed rule change, as modified by Amendment No. 1. On June 26, 2013, the Exchange filed Amendment No. 2 to the proposal.4 The Commission is publishing this notice to solicit comments on Amendment No. 2 from interested persons and is approving the proposed rule change, as modified by Amendment Nos. 1 and 2, on an accelerated basis.

II. Description

A. Leg Orders

CBOE proposes to adopt CBOE Rule 6.53C(c)(iv) relating to the generation and execution of leg orders. A leg order would be a limit order on the CBOE electronic book (“EBook”) that represents one leg of a non-contingent complex order resting on the complex order book (“COB”). If the ratio of that leg to the other legs of the complex order is equal to or can be reduced to one (e.g., 1:1, 1:2, or 1:3). A leg order


2 See infra Section II.B for a description of Amendment No. 2.

3 See proposed CBOE Rule 6.53(c). See also Notice, 78 FR 22928, n. 4 for an explanation of conforming ratios as applied to the generation of leg orders.