

the public as employing the 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 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 unless such agreement, including the compensation to be paid thereunder, has been approved by the shareholders of the applicable Subadvised Fund.

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

6. Independent Legal Counsel, as defined in rule 0-1(a)(6) under the Act, will be engaged to represent the Independent Directors. The selection of such counsel will be within the discretion of the then-existing Independent Directors.

7. Whenever a subadviser change is proposed for a Subadvised Fund with an Affiliated Subadviser, the Board, including a majority of the Independent Directors, 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 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 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.

10. 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: (i) Set the Subadvised Fund's overall investment strategies; (ii) evaluate, select, and recommend

Subadvisers to manage all or a portion of the Subadvised Fund's assets; (iii) allocate and, when appropriate, reallocate the Subadvised Fund's assets among Subadvisers; (iv) monitor and evaluate the Subadvisers' performance; and (v) implement procedures reasonably designed to ensure that Subadvisers comply with the Subadvised Fund's investment objective, policies and restrictions.

11. No Director or officer of a Subadvised Fund or director, manager 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 Subadviser except for (i) ownership of interests in the Adviser or any entity that controls, is controlled by or is under common control with the Adviser; or (ii) 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 Subadviser or an entity that controls, is controlled by or is under common control with a Subadviser.

12. Each Subadvised Fund will disclose in its registration statement the Aggregate Fee Disclosure.

13. 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.

14. Any new Subadvisory Agreement or any changes to an Investment Advisory Agreement or to a Subadvisory Agreement that directly or indirectly results in an increase in the aggregate advisory rate charged to 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.

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-02916 Filed 2-11-15; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74221; File No. SR-BOX-2015-11]

### Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule on the BOX Market LLC Options Facility

February 6, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 30, 2015, BOX Options Exchange LLC (the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the Fee Schedule on the BOX Market LLC ("BOX") options facility. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet Web site at <http://boxexchange.com>.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

The Exchange proposes to amend the Fee Schedule for trading on BOX. Specifically, the Exchange proposes to

amend the BOX Volume Rebate ("BVR") in Section I.B.2 of the Fee Schedule (Auction Transactions).

Under the current BVR, the Exchange offers a tiered per contract rebate for all PIP Orders and COPIP Orders of 250 contracts and under. PIP and COPIP executions of 250 contracts and under are awarded a per contract rebate

according to the Participant's Monthly Average Daily Volume ("ADV") in PIP and COPIP transactions. Each Participant's monthly ADV is based on PIP and COPIP quantity submitted and calculated at the end of each month.<sup>5</sup>

The current per contract rebate for Participants in PIP and COPIP Transactions under the BVR is:

Monthly ADV in PIP and COPIP transactions	Per contract rebate (all account types)	
	PIP	COPIP
100,001 contracts and greater .....	(\$0.17)	(\$0.08)
40,001 contracts to 100,000 contracts .....	(0.14)	(0.06)
20,001 contracts to 40,000 contracts .....	(0.07)	(0.04)
1 contract to 20,000 contracts .....	(0.00)	(0.00)

The Exchange proposes to adjust the BVR contract threshold and now offer the tiered per contract rebate for all PIP Orders and COPIP Orders of 100 contracts and under. The quantity

submitted will remain based on a Participant's monthly ADV as calculated at the end of each month.

Additionally, the Exchange proposes to lower the rebates associated with

each volume tier. The new BVR set forth in Section I.B.2 of the BOX Fee Schedule will be as follows:

Monthly ADV in PIP and COPIP transactions	Per contract rebate (all account types)	
	PIP	COPIP
100,001 contracts and greater .....	(\$0.14)	(\$0.06)
40,001 contracts to 100,000 contracts .....	(0.11)	(0.04)
20,001 contracts to 40,000 contracts .....	(0.04)	(0.02)
1 contract to 20,000 contracts .....	(0.00)	(0.00)

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,<sup>6</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes the proposed amendments to the BVR in Section I.B.2 are reasonable, equitable and non-discriminatory. The BVR was adopted to attract Public Customer order flow to the Exchange by offering these Participants incentives to submit their PIP and COPIP Orders to the Exchange. Other Exchange [sic] employ similar incentive programs.<sup>7</sup> The Exchange believes it is reasonable and appropriate to continue to provide incentives for

Public Customers, which will result in greater liquidity and ultimately benefit all Participants trading on the Exchange. The Exchange believes providing a rebate to Participants that reach a certain volume threshold is equitable and non-discriminatory as the rebate will apply to all Participants uniformly.

The Exchange believes it is reasonable, equitable and non-discriminatory to restrict the BVR to PIP and COPIP Orders of 100 contracts and under. The BVR is intended to incentivize Participants to direct Customer order flow to the Exchange, which is typically comprised of small order sizes. The Exchange has found that orders of more than 100 contracts are typically larger institutional orders. Further, these larger orders are encouraged to use the Facilitation and Solicitation Auction mechanisms.<sup>8</sup> The Exchange believes restricting the BVR to PIP and COPIP Orders of 100 contracts

and under is equitable and non-discriminatory as this will apply to all Participants uniformly.

The Exchange believes that lowering the rebates associated with each volume tier is reasonable and competitive when compared to rebate structures at other exchanges.<sup>9</sup> Once the volume threshold is met, the Exchange will continue [sic] pay the rebates on applicable PIP and COPIP Orders. The Exchange also believes the proposed rebates are equitable and not unfairly discriminatory because Participants are eligible to receive a rebate provided they meet both the volume and order type requirements. The Exchange believes that applying the rebate to PIP and COPIP Orders will continue to provide these Participants with an added incentive to transact a greater number of Public Customer Orders on the Exchange to the benefit of all market participants.

<sup>5</sup> For purposes of calculating monthly ADV, BOX will count as a half day any day that the market closes early for a holiday observance.

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>7</sup> See Section B of the Phlx Pricing Schedule entitled "Customer Rebate Program" and CBOE's Volume Incentive Program (VIP). CBOE's Volume Incentive Program ("VIP") pays certain tiered

rebates to Trading Permit Holders for electronically executed multiply-listed option orders which include AIM orders. Note that these exchanges base these rebate programs on the percentage of total national Public Customer volume traded on their respective exchanges, which the Exchange is not proposing to do.

<sup>8</sup> The Facilitation [sic] Auction and Solicitation Auction were designed to give market participants mechanisms for large block orders. See Securities Exchange Act Release No. 65387 (September 23, 2011), 76 FR 60569 (September 29, 2011) (Order Approving Proposed Rule Change of SR-BX-2011-034).

<sup>9</sup> See *supra*, note 7.

Finally, the Exchange believes that it is equitable and not unfairly discriminatory to continue to provide a higher rebate for PIP Orders than COPIP Orders. The rebate is intended to incentivize Participants to submit PIP and COPIP Orders to the Exchange and the Exchange believes that COPIP Orders do not need the same level of incentivization. The Exchange believes the lower COPIP rebate will still provide greater liquidity and trading opportunities for all market participants.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed fee changes are reasonably designed to enhance competition in BOX transactions, particularly auction transactions.

The proposed rule change modifies the contract threshold and tiered rebates awarded to Participants based on their monthly ADV in PIP and COPIP. BOX notes that its market model and fees are generally intended to benefit retail customers by providing incentives for Participants to submit their customer order flow to BOX, and to the PIP and COPIP in particular. The Exchange does not believe that the proposed fee change burdens competition and will instead help promote competition by continuing to providing [sic] incentives for market participants to submit customer order flow to BOX and thus, create a greater opportunity for retail customers to receive additional price improvement.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were either solicited or received.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act<sup>10</sup> and Rule 19b-4(f)(2) thereunder,<sup>11</sup> because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if

it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BOX-2015-11 on the subject line.

#### *Paper Comments*

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-BOX-2015-11. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BOX-

2015-11, and should be submitted on or before March 5, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-02894 Filed 2-18-15; 8:45 am]

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-74222; File No. SR-NYSE-2015-05]

### **Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Include Internet Protocol Network Connections and Fiber Cross Connects Between a User's Cabinet and Non-User's Equipment as Co-Location Services**

February 6, 2015.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on January 26, 2015, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend its rules to provide that the co-location services offered by the Exchange include 1 Gigabit ("Gb") and 10 Gb Internet Protocol ("IP") network connections in the Exchange's data center and fiber cross connects ("cross connects") between a Users' [sic] cabinet and non-User's equipment. In addition, the proposed rule change reflects changes to the Exchange's Price List related to these co-location services. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

<sup>12</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>11</sup> 17 CFR 240.19b-4(f)(2).