

with information about the profitability of the Advisor on a per-Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Subadvisor during the applicable quarter.

9. Whenever a Subadvisor is hired or terminated, the Advisor will provide the Board with information showing the expected impact on the profitability of the Advisor.

10. The Advisor will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of the Fund's assets and, subject to review and approval of the Board, will (i) Set each Fund's overall investment strategies; (ii) evaluate, select and recommend Subadvisors to manage all or part of a Fund's assets; (iii) when appropriate, allocate and reallocate a Fund's assets among multiple Subadvisors; (iv) monitor and evaluate the performance of Subadvisors; and (v) implement procedures reasonably designed to ensure that the Subadvisors comply with each Fund's investment objective, policies and restrictions.

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

12. Each 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.

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

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68131; File No. SR-CBOE-2012-101]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fees Schedule

November 1, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 25, 2012, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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 Exchange. 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 Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, and at the Commission.

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.

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

1. Purpose

The Exchange proposes to amend its marketing fee. The marketing fee is assessed on certain transactions of

Market-Makers, Designated Primary Market-Makers ("DPMs") and e-DPMs.³ The funds collected via this marketing fee are then put into pools controlled by DPMs and Preferred Market-Makers ("PMMs").⁴ The DPM or PMM controlling a certain pool of funds can then determine the order flow provider(s) to which the funds should be directed in order to encourage such order flow provider(s) to send orders to the Exchange. On each order, an order flow provider that receives marketing fee funds can designate the PMM to which the funds generated from the order sent by the order flow provider should be allocated (a "Preferred order").

Currently, Footnote 6 to the Exchange Fees Schedule, which relates to the marketing fee, states that a PMM will only be given access to the marketing fee funds generated from a Preferred order if the PMM has an appointment in the class in which the Preferred order is received and executed. However, CBOE recently learned that other options exchanges allow a PMM (or similar positions) to have access to the marketing fee funds generated from a Preferred order (or similar order type) regardless of whether the PMM has an appointment in the class in which the Preferred order is received and executed. As such, the Exchange decided to examine permitting this activity on CBOE.⁵

Permitting a PMM to access marketing fee funds generated from a Preferred order, regardless of whether the order is for a class in which the PMM has an appointment, may allow PMMs to encourage greater order flow to be sent to the Exchange. A PMM could be able to amass a greater pool of funds with which to use to incent order flow providers to send order flow to the Exchange. This increased order flow would benefit all market participants on the Exchange. Indeed, a PMM would likely often not even be the direct beneficiary of the increased order flow, since the PMM would not trade with that order (as the PMM is not appointed in that class). The market participants

³ See CBOE Fees Schedule, table entitled "Marketing Fee" and Footnote 6 for more details regarding the marketing fee.

⁴ See CBOE Rule 8.13 for details of the PMM program.

⁵ See NASDAQ OMX Phlx, LLC ("Phlx") Pricing Schedule, section on Payment for Order Flow Fees, and NYSE Amex Options Fee Schedule, Footnote 10, and also International Securities Exchange, LLC ("ISE") Schedule of Fees, Section IV(D), none of which contain requirements that a PMM (or similar position) have an appointment in the class in which a Preferred order (or similar order type) is received and executed in order to have access to the marketing fee funds generated from that Preferred order.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

who can trade with that order would be the direct beneficiaries. Allowing a PMM to access marketing fee funds generated from a Preferred order, regardless of whether the order is for a class in which the PMM has an appointment, would provide a PMM with an incentive to encourage the routing of order flow into classes in which the PMM otherwise would not (classes in which the PMM is not appointed and quoting). Further, this will also provide PMMs with more flexibility to change their appointments, as they will not have to be concerned with whether or not they have made arrangements to pay for order flow in a specific class prior to changing appointments.

Therefore, the Exchange proposes to eliminate the requirement that a PMM will only be given access to the marketing fee funds generated from a Preferred order if the PMM has an appointment in the class in which the Preferred order is received and executed. The Exchange proposes to amend the relevant sentence in Footnote 6 to simply state that a PMM will be given access to the marketing fee funds generated from a Preferred order. The purpose of this change is to encourage the direction of increased order flow to the Exchange, allow PMMs more flexibility to change classes to which they are appointed, and place the Exchange on even competitive footing with other exchanges.

The proposed change is to take effect on November 1, 2012.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁶ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁷ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest. By removing a requirement that other exchanges do not possess, CBOE puts its PMMs on an even footing with PMMs (or similar positions) on other exchanges. This evening of the playing field removes an impediment to and perfects the mechanism for a free and

open market and a national market system.

The Exchange also believes that permitting a PMM to access marketing fee funds generated from a Preferred order, regardless of whether the order is for a class in which the PMM has an appointment, is consistent with Section 6(b)(4) of the Act,⁸ which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities. The proposed change is reasonable because it will allow PMMs greater access to marketing fee funds. The proposed change is equitable and not unfairly discriminatory because it is designed to allow PMMs to encourage greater order flow to be sent to the Exchange. A PMM could be able to amass a greater pool of funds with which to use to incent order flow providers to send order flow to the Exchange. This increased order flow would benefit all market participants on the Exchange. Further, allowing a PMM to access marketing fee funds generated from a Preferred order, regardless of whether the order is for a class in which the PMM has an appointment, would provide a PMM with an incentive to encourage the routing of order flow into classes in which the PMM otherwise would not (classes in which the PMM is not appointed and quoting).

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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)⁹ of the Act and paragraph (f) of Rule 19b-4¹⁰ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is

necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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. Please include File Number SR-CBOE-2012-101 on the subject line.

Paper Comments

- Send paper comments 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 Number SR-CBOE-2012-101. 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 the 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-CBOE-2012-101 and should be submitted on or before November 29, 2012.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78f(b)(4).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68146; File No. SR-NYSE-2012-59]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Transaction Fees on the New York Block Exchange

November 2, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that, on November 1, 2012, the 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 Exchange. NYSE has designated the proposed rule change as "establishing or changing a due, fee or other charge" under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon receipt of this filing by 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 proposes certain changes to the transaction fees within its Price List for its facility, the New York Block ExchangeSM ("NYBX"). The text of the proposed rule change is available on the Exchange's Web site at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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 self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

The Exchange is proposing to reduce certain transaction fees within its Price List for NYBX transactions and that such reductions become operative on November 1, 2012.

NYBX is the electronic facility of the Exchange that provides for the continuous matching and execution of all non-displayed NYBX orders with the aggregate of liquidity in the NYBX facility, the Exchange's Display Book[®] ("DBK") as provided in NYSE Rule 1600, and considers the protected quotations of all automated trading centers for securities listed on the Exchange.⁵

The Exchange currently offers a per share charge of \$0.0030 for the execution of all orders entered into NYBX regardless of whether the order executes in NYBX, DBK, or in another market center, such as NYSE Arca,⁶ NASDAQ, and BATS BZX. The Exchange proposes to reduce the transaction fee for orders entered into NYBX as follows:

1. The Exchange proposes to reduce the per share charge from \$0.0030 to \$0.0005 for all orders executing in NYBX.
2. The Exchange proposes to reduce the per share charge from \$0.0030 to \$0.0005 for all executions of Midpoint Pegging Orders⁷ entered into NYBX,

⁵ See NYSE Rule 1600. NYBX is a joint venture between the Exchange and BIDS Holdings L.P. ("BIDS"). Under the governance structure approved by the Commission, the Exchange and BIDS each own a 50% economic interest in New York Block Exchange LLC, the entity that owns and operates NYBX. In addition, the Exchange, through its wholly-owned subsidiary NYSE Market, Inc., owns less than 10% of the aggregate limited partnership interest in BIDS. See Securities Exchange Act Release No. 59281 (January 22, 2009), 74 FR 5014 (January 28, 2009) (SR-NYSE-2008-120); see also Securities Exchange Act Release No. 61257 (December 30, 2009), 75 FR 500 (January 5, 2010) (SR-NYSE-2009-116).

⁶ Other NYSE affiliated market centers operate independently of NYBX and offer distinct pricing.

⁷ An NYBX "Midpoint Pegging Order" is a limit order with an instruction to execute it at the midpoint of the National Best Bid and Best Offer ("NBBO"). The Midpoint Pegging Order will not

whether such orders execute occur in NYBX, in DBK, or on another market center.

3. The Exchange proposes to reduce the per share charge from \$0.0030 to \$0.0025 for all orders executing in DBK other than Midpoint Pegging Orders entered into NYBX.

All other executions of orders entered into NYBX will maintain a per share charge of \$0.0030.

The Exchange believes that the proposed reduction of charges for NYBX orders executing in NYBX and DBK and executions of Midpoint Pegging Orders entered into NYBX, as specified, will reduce transaction costs for and potentially offer additional block trading liquidity to NYBX participants. In addition, the scope of the reduction generally aligns with costs associated with NYBX's routing orders to other market centers to access more favorable prices. When an NYBX order executes outside of NYBX, the market center on which the order executes charges NYBX, with the per share charge being as high as \$0.0030.⁸ As a result, to cover NYBX's cost, NYBX orders executed outside of NYBX are currently charged, and will continue to be charged, a per share charge of \$0.0030. When two orders are matched in NYBX, NYBX does not incur a fee from another market, and therefore, the Exchange believes it is appropriate to reduce the per share charge from \$0.0030 to \$0.0005.

The Exchange believes that the lower per share charge of \$0.0005 should also be applied to an NYBX execution of a Midpoint Pegging Order, regardless of whether the order is executed in NYBX, in DBK, or in another market center. While Midpoint Pegging Orders could potentially execute outside of NYBX, such an execution outside of NYBX is uncommon. Reducing the transaction fee for all NYBX executions of Midpoint Pegging Orders affords pricing certainty for such orders. Midpoint Pegging Orders provide price improvement for both sides of the transaction between the quoted spread, and therefore, the lower charges will facilitate price improvement.

Finally, the Exchange proposes to reduce the charges for all executions in

permit an instruction to peg to the midpoint of the NBBO plus or minus the Exchange's minimum price variation. See NYSE Rule 1600(c)(2)(A)(i).

⁸ As examples, NASDAQ currently charges \$0.0030 per share, and BATS BZX charges \$.0029 per share. See NASDAQ Price List—Trading & Connectivity, available at <http://www.nasdaqtrader.com/trader.aspx?id=pricelisttrading2>; and BATS BZX Exchange Fee Schedule, available at http://cdn.batstrading.com/resources/regulation/rule_book/BATS-Exchanges_Fee_Schedules.pdf.

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).