

years in an easily accessible place, a written record of each purchase of securities in Affiliated Underwritings once an investment by a Fund of Funds in the securities of an Underlying Management Company exceeds the limit of section 12(d)(1)(A)(i) of the Act, setting forth from whom the securities were acquired, the identity of the underwriting syndicate's members, the terms of the purchase, and the information or materials upon which the determinations of the Board of the Underlying Management Company were made.

8. Prior to an investment in shares of an Underlying Management Company in excess of the limit in section 12(d)(1)(A)(i) of the Act, the Fund of Funds and the Underlying Management Company will execute a Participation Agreement stating, without limitation, that their Boards and their investment advisers understand the terms and conditions of the order and agree to fulfill their responsibilities under the order. At the time of its investment in shares of an Underlying Management Company in excess of the limit in section 12(d)(1)(A)(i), a Fund of Funds will notify the Underlying Management Company of the investment. At such time, the Fund of Funds also will transmit to the Underlying Management Company a list of the names of each Fund of Funds Affiliate and Underwriting Affiliate. The Fund of Funds will notify the Underlying Management Company of any changes to the list as soon as reasonably practicable after a change occurs. The Underlying Management Company and the Fund of Funds will maintain and preserve a copy of the order, the Participation Agreement, and the list with any updated information for the duration of the investment and for a period of not less than six years thereafter, the first two years in an easily accessible place.

9. Prior to approving any investment advisory agreement under section 15 of the Act with respect to a Fund of Funds, the Board of the Company, including a majority of the Disinterested Directors, will find that the advisory fees charged under such agreement are based on services provided that are in addition to, rather than duplicative of, the services provided under the investment advisory agreement(s) of any Underlying Fund in which the Fund of Funds may invest. The finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Company.

10. The Adviser will waive fees otherwise payable to it by a Fund of Funds in an amount at least equal to any

compensation (including fees received pursuant to a plan adopted by an Underlying Management Company under rule 12b-1 under the Act) received from an Underlying Fund by the Adviser or an affiliated person of the Adviser, other than any advisory fees paid to the Adviser or its affiliated person by an Underlying Management Company, in connection with the investment by the Fund of Funds in the Underlying Fund. Any Sub-Adviser will waive fees otherwise payable to the Sub-Adviser, directly or indirectly, by the Fund of Funds in an amount at least equal to any compensation received from an Underlying Fund by the Sub-Adviser, or an affiliated person of the Sub-Adviser, other than any advisory fees paid to the Sub-Adviser or its affiliated person by an Underlying Management Company, in connection with the investment by the Fund of Funds in the Underlying Fund made at the direction of the Sub-Adviser. In the event that the Sub-Adviser waives fees, the benefit of the waiver will be passed through to the Fund of Funds.

11. Any sales charges and/or service fees charged with respect to shares of a Fund of Funds will not exceed the limits applicable to funds of funds set forth in NASD Conduct Rule 2830.

12. No Underlying Fund will acquire securities of any other investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent that such Underlying Fund (i) receives securities of another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading Section 12(d)(1) of the 1940 Act); or (ii) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund to (a) acquire securities of one or more affiliated investment companies for short-term cash management purposes, or (b) engage in interfund borrowing and lending transactions.

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

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55419; File No. SR-BSE-2007-10]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Exchange Fees and Charges

March 7, 2007.

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 March 1, 2007, the Boston Stock Exchange, Inc. ("BSE" or "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 substantially prepared by the BSE. The BSE has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the BSE under Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ 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 Substance of the Proposed Rule Change

The BSE proposes to amend the Minimum Activity Charge ("MAC") contained in the Fee Schedule for the Boston Options Exchange ("BOX"). The Exchange proposes to add an alternative calculation of the minimum activity charge called "MiniMAC." The text of the proposed rule change is available at the BSE, the Commission's Public Reference Room, and <http://www.bostonstock.com/legal/filings/2007-10.pdf>.

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 BSE 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 BSE has prepared summaries, set forth in Sections A, B,

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).

and C below, of the most significant aspects 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 proposes to amend the MAC which is contained in the Fee Schedule for BOX. Currently, in order to determine if a Market Maker has reached its MAC, volume in their assigned (and unassigned) classes is charged a flat fee, which is then

compared to the MAC. The Exchange now proposes to establish an alternative calculation of the minimum activity charge called "MiniMAC."

The MiniMAC is the Minimum Activity Charge ("MAC") discounted at fifty percent and is payable if a per contract traded fee of \$0.40 (or \$0.30 per contract traded in the case of classes traded that are included in the Penny Pilot Program), when multiplied by the Market Maker's actual trade executions for the month, does not result in a total trading fee payable to BOX at least equal to the monthly total of 50% of the MAC (MiniMAC). If the MiniMAC is reached,

the \$0.40 per contract traded rate (or \$0.30 per contract traded rate in the case of classes traded that are included in the Penny Pilot Program), will still be applied to the exceeding volume until MAC is reached. If the MAC is reached, the \$0.20 per contract rate (or \$0.15 per contract rate in the case of classes traded that are included in the Penny Pilot Program) will be applied to any exceeding volume.

The following examples illustrate BOX billing calculations assuming one category A assigned class with a MAC of \$10,000 and three different levels of volume executed:

Example 1—Low Volume

| | | | | | |
|-------------------|----------|-------------------|---------|-------------------|-----------------------|
| MAC: | \$10,000 | MiniMAC: | \$5,000 | | |
| Volume: | 5,000 | Volume: | 5,000 | | |
| Volume at \$0.20: | \$1,000 | Volume at \$0.40: | \$2,000 | (5,000 contracts) | |
| | | Volume at \$0.20: | \$0 | (0 contracts) | |
| | | Total | \$2,000 | | |
| Subtotal A: | \$10,000 | Subtotal B: | \$5,000 | | Final Charge: \$5,000 |

Example 2—Mid Volume

| | | | | | |
|-------------------|----------|-------------------|---------|--------------------|-----------------------|
| MAC: | \$10,000 | MiniMAC: | \$5,000 | | |
| Volume: | 20,000 | Volume: | 20,000 | | |
| Volume at \$0.20: | \$4,000 | Volume at \$0.40: | \$8,000 | (20,000 contracts) | |
| | | Volume at \$0.20: | \$0 | (0 contracts) | |
| | | Total | \$8,000 | | |
| Subtotal A: | \$10,000 | Subtotal B: | \$8,000 | | Final Charge: \$8,000 |

Example 3—High Volume

| | | | | | |
|-------------------|----------|-------------------|----------|--------------------|------------------------|
| MAC: | \$10,000 | MiniMAC: | \$5,000 | | |
| Volume: | 60,000 | Volume: | 60,000 | | |
| Volume at \$0.20: | \$12,000 | Volume at \$0.40: | \$10,000 | (25,000 contracts) | |
| | | Volume at \$0.20: | \$7,000 | (35,000 contracts) | |
| | | Total | \$17,000 | | |
| Subtotal A: | \$12,000 | Subtotal B: | \$17,000 | | Final Charge: \$12,000 |

BOX will apply whichever is lower, the MAC or the MiniMAC. The purpose of this proposed change is to provide for an alternative so that BOX is able to lower the fees for BOX Participants. The Exchange believes that the proposed change is necessary to equitably allocate the minimum activity charge fees to all of its Participants.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,⁵ in general, and Section 6(b)(4) of the Act,⁶ in particular, which requires that an exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members and

issuers and other persons using its facilities.

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 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 has 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) of the Act⁷ and Rule 19b-4(f)(2)⁸ thereunder because it changes a fee imposed by the Exchange. At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate 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.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(4).

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 19b-4(f)(2).

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 e-mail to rule-comments@sec.gov. Please include File No. SR-BSE-2007-10 on the subject line.

Paper Comments

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BSE-2007-10. This file number should be included on the subject line if e-mail 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 inspection and copying in the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the BSE. 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-BSE-2007-10 and should be submitted on or before April 4, 2007.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Florence E. Harmon,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-55418; File No. SR-CBOE-2007-22]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Increase the Class Quoting Limit in the Option Class NYSE Group, Inc. (NYSE)

March 7, 2007.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 23, 2007, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(1) thereunder, which renders it effective upon filing with the Commission.⁴ 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

CBOE proposes to increase the class quoting limit in the option class NYSE Group, Inc. (NYSE). The text of the proposed rule change is available at the CBOE, the Commission's Public Reference Room, and <http://www.cboe.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 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

CBOE Rule 8.3A, Maximum Number of Market Participants Quoting Electronically per Product, establishes class quoting limits ("CQLs") for each class traded on the Hybrid Trading System.⁵ A CQL is the maximum number of quoters that may quote electronically in a given product and the current levels are established from 25-40, depending on the trading activity of the particular product.

Rule 8.3A, Interpretation .01(c) provides a procedure by which the President of the Exchange may increase the CQL for a particular product. In this regard, the President of the Exchange may increase the CQL in exceptional circumstances, which are defined in the rule as "* * * substantial trading volume, whether actual or expected."⁶ The effect of an increase in the CQL is procompetitive in that it increases the number of market participants that may quote electronically in a product. The purpose of this filing is to increase the CQL in the option class NYSE Group, Inc. (NYSE) from its current limit of 40 to 45.⁷

Increasing the CQL in NYX options will enable the Exchange to enhance the liquidity offered, thereby offering deeper and more liquid markets

2. Statutory Basis

CBOE believes the proposed rule change is consistent with the Act and the rules and regulations under the Act applicable to a national securities exchange and, in particular, the requirements of Section 6(b) of the Act.⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(1).

⁵ See Rule 8.3A.01.

⁶ 17 CFR 240.19b-4.

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(1).

⁹ See Rule 8.3A.01.

⁶ "Any actions taken by the President of the

⁹ 17 CFR 200.30-3(a)(12).