

4. A Sub-Advised Series will not make any Ineligible Affiliated Sub-Adviser Changes without the approval of the shareholders of the applicable Sub-Advised Series.

5. A Sub-Advised Series will inform shareholders of the hiring of a new Sub-Adviser within 90 days after the hiring of the new Sub-Adviser pursuant to the Modified Notice and Access Procedures.

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

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

8. The Adviser will provide the Board, no less frequently than quarterly, with information about the profitability of the Adviser on a per Sub-Advised Series basis. The information will reflect the impact on profitability of the hiring or termination of any sub-adviser during the applicable quarter.

9. Whenever a sub-adviser is hired or terminated, the Adviser will provide the Board with information showing the expected impact on the profitability of the Adviser.

10. Whenever a sub-adviser change is proposed for a Sub-Advised Series with an Affiliated Sub-Adviser or Wholly-Owned Sub-Adviser, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the Board minutes, that such change is in the best interests of the Sub-Advised Series and its shareholders, and does not involve a conflict of interest from which the Adviser or the Affiliated Sub-Adviser or Wholly-Owned Sub-Adviser derives an inappropriate advantage.

11. No Board member or officer of a Sub-Advised Series or any partner, 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 Sub-Adviser, except for (i) ownership of interests in the Adviser or any entity, other than a Wholly-Owned Sub-Adviser, 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 a publicly traded company that is either a Sub-Adviser or an entity that controls, is controlled by, or is under common control with a Sub-Adviser.

12. Each Sub-Advised Series will disclose the Aggregate Fee Disclosure in its registration statement.

13. In the event the Commission adopts a rule under the Act providing substantially similar relief to that 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.*

[FR Doc. 2014-02766 Filed 2-7-14; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting on Wednesday, February 12, 2014 at 2:00 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Aguilar, as duty officer, voted to consider the items listed for the Closed Meeting in a closed session.

The subject matter of the Closed Meeting will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Consideration of amicus participation; and

Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: February 5, 2014.

**Elizabeth M. Murphy,**  
*Secretary.*

[FR Doc. 2014-02880 Filed 2-6-14; 11:15 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71469; File No. SR-FICC-2014-801]

### Self-Regulatory Organizations; The Fixed Income Clearing Corporation; Notice of Filing of an Advance Notice Concerning the Government Security Division's Inclusion of GCF Repo<sup>®</sup> Positions in Its Intraday Participant Clearing Fund Requirement Calculation, and Its Hourly Internal Surveillance Cycles

February 4, 2014.

Pursuant to Section 806(e)(1)(A) of the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")<sup>1</sup> and Rule 19b-4(n)(1)(i) of the Securities Exchange Act of 1934 ("Act"),<sup>2</sup> notice is hereby given that on January 10, 2014, The Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") the advance notice as described in Items I, II and III below, which Items have been prepared by FICC. The Commission is publishing this notice to solicit comments on the advance notice from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Advance Notice

This advance notice is filed by the Government Securities Division (the "GSD") of FICC in connection with including GCF Repo<sup>®</sup> positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. The model change is described in additional detail below.

<sup>1</sup> 12 U.S.C. 5465(e)(1)(A). The Financial Stability Oversight Council designated FICC a systemically important financial market utility on July 18, 2012. See Financial Stability Oversight Council 2012 Annual Report, Appendix A, <http://www.treasury.gov/initiatives/fsoc/Documents/2012%20Annual%20Report.pdf>. Therefore, FICC is required to comply with Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

<sup>2</sup> 17 CFR 240.19b-4(n)(1)(i).

<sup>3</sup> The GCF Repo<sup>®</sup> service enables dealers to trade general collateral repos, based on rate, term, and underlying product, throughout the day without requiring intra-day, trade-for-trade settlement on a Deliver-versus-Payment (DVP) basis. The service fosters a highly liquid market for securities financing.

## II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Advance Notice

In its filing with the Commission, FICC included statements concerning the purpose of and basis for the advance notice and discussed any comments it received on the advance notice. The text of these statements may be examined at the places specified in Item IV below. FICC 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 Advance Notice

(a) GSD plans to incorporate GCF Repo positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. This enhancement is intended to align GSD's risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Tri-Party Reform Task Force (the "Task Force")<sup>4</sup> specifically, with respect to locking up of GCF Repo collateral until 3:30 p.m. (EST) rather than 7:45 a.m. (EST).

(b) The proposed change is consistent with Rule 17Ad-22<sup>5</sup> (the "Clearing Agency Standards") which establishes the minimum requirements regarding how registered clearing agencies must maintain effective risk management procedures and controls. Specifically, consistent with Rule 17Ad-22(b)(1)<sup>6</sup> and (b)(2),<sup>7</sup> FICC's more accurate and timely calculations around and monitoring of GCF Repo activity will better enable FICC to respond in the event that a member defaults. As such, FICC believes that the proposal promotes robust risk management and the safety and soundness of FICC's operations, which reduce systemic risk and support the stability of the broader financial system which is consistent with the Clearing Agency Standards.<sup>8</sup>

<sup>4</sup> The Tri-Party Repo Infrastructure Task Force was formed in September 2009 under the auspices of the Payments Risk Committee, a private-sector body sponsored by the Federal Reserve Bank of New York. The Task Force's goal is to enhance the repo market's ability to navigate stressed market conditions by implementing changes that help better safeguard the market. DTCC has worked in close collaboration with the Task Force on their reform initiatives.

<sup>5</sup> 17 CFR 240.17Ad-22.

<sup>6</sup> 17 CFR 240.17Ad-22(b)(1).

<sup>7</sup> 17 CFR 240.17Ad-22(b)(2).

<sup>8</sup> 17 CFR 240.17Ad-22.

### (B) Self-Regulatory Organization's Statements on Comments on the Advance Notice Received From Members, Participants, or Others

Written comments relating to the change have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

### (C) Advance Notice Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

#### Description of Change

##### (i) Overview

GSD plans to incorporate GCF Repo positions in its intraday (i.e., noon) participant Clearing Fund requirement calculation, and its hourly internal surveillance cycles. This enhancement is intended to align GSD's risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Task Force.

Historically, the GCF Repo collateral had been unwound by approximately 7:45 a.m. (all times are New York time). In connection with the Task Force's tri-party reform, GCF Repo collateral now remains locked up until 3:30 p.m., with substitutions permitted intraday at the times established by each clearing bank. Because the GCF Repo collateral was unwound at 7:45 a.m., the current production system does not include GCF Repo collateral in the GSD intraday Clearing Fund requirement calculation, and its hourly surveillance cycles. To account for the risk associated with the GCF Repo positions, GSD's margin requirements currently apply a "higher of" standard, which means that the margin calculation takes the higher of the prior night's core charge<sup>9</sup> (which includes GCF Repo collateral) or the current day's noon core charge (which does not<sup>10</sup> include GCF Repo collateral). However, now that the collateral is locked-up until 3:30 p.m., the intraday Clearing Fund requirements and hourly surveillance calculations will be based on the actual locked-up GCF Repo collateral. In the ordinary course of business, the "higher of" standard will not apply. However, this standard will remain available in the event that one or both clearing banks do not provide intraday GCF Repo position data because such clearing

<sup>9</sup> The core charge consists primarily of Value-at-Risk, the Implied Volatility Charge (also known as the Augmented Volatility Multiplier) and the Coverage Component.

<sup>10</sup> Since GCF collateral is excluded, only DVP positions are included in the noon core charge.

bank, as applicable, is unable to provide the data.

In connection with this initiative, FICC will have an extended member parallel period of at least 6 weeks during which GCF Repo participants will be able to view their production and test requirements on a daily basis. This will allow members to assess the impact of the change in margining for the mid-day cycle and potentially adjust their GCF Repo activity prior to implementation of the change.

#### Anticipated Effect on and Management of Risks

FICC believes that the proposed changes will improve its risk management by providing a more accurate and timely view of member positions and their corresponding exposures.

This enhancement is intended to align GSD's risk management calculations and monitoring with the changes that have been implemented to the tri-party infrastructure by the Task Force.

Prior to implementation of the proposed changes, several steps were and/or will be taken to prepare for the changes and to prepare members for the changes. These steps include internal review of the data available in the test environment, customer outreach and the parallel period for members.

FICC believes it is important to incorporate the proposed changes in its risk management process as soon as possible because such changes will allow GSD to use more accurate position information in its margin calculations. Because FICC's risk engine has not yet incorporated the locked-up GCF Repo positions in intraday risk calculations, FICC cannot at this time provide a specific estimate of the impact of this enhancement.

FICC believes that the proposed changes will better reflect the actual risk in its members' portfolios. For members who participate in the GCF Repo service, this change will impact their Clearing Fund requirements. However, because of the parallel period, members will have time to review the possible impact and potentially modify their settlement and trading activity to align with the changes to the intraday margin calculation. FICC's parallel period will cover at least six weeks to give customers ample time to review the impact and consider changes to their portfolios.

## III. Date of Effectiveness of the Advance Notice and Timing for Commission Action

The designated clearing agency may implement this change if it has not

received an objection to the proposed change within 60 days of the later of (i) the date that the Commission receives notice of the proposed change, or (ii) the date the Commission receives any further information it requests for consideration of the notice. The designated clearing agency shall not implement this change if the Commission has any objection.

The Commission may, during the 60-day review period, extend the review period for an additional 60 days for proposed changes that raise novel or complex issues, subject to the Commission providing the designated clearing agency with prompt written notice of the extension. The designated clearing agency may implement a change in less than 60 days from the date of receipt of the notice of proposed change by the Commission, or the date the Commission receives any further information it requested, if the Commission notifies the designated clearing agency in writing that it does not object to the proposed change and authorizes the designated clearing agency to implement the change on an earlier date, subject to any conditions imposed by the Commission.

The designated clearing agency shall post notice on its Web site of proposed changes that are implemented.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. 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-FICC-2014-801 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.

All submissions should refer to File Number SR-FICC-2014-801. 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 of submission. 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 advance notice that

are filed with the Commission, and all written communications relating to the advance notice 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 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 FICC and on FICC's Web site at <http://www.dtcc.com/~media/Files/Downloads/legal/rule-filings/2014/ficc/SR-FICC-2014-801-advance-notice.ashx>. 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-FICC-2014-801 and should be submitted on or before March 3, 2014.

By the Commission.

**Kevin M. O'Neill,**  
Deputy Secretary.

[FR Doc. 2014-02744 Filed 2-7-14; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71475; File No. SR-NYSEArca-2014-09]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services To Eliminate the Tape B Adding Tier and Modify the Tape B Step Up Tier

February 4, 2014.

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 23, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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

<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.

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 to amend the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services ("Fee Schedule") to eliminate the Tape B Adding Tier and modify the Tape B Step Up Tier. The Exchange proposes to implement the changes on February 1, 2014. 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.

#### 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 proposes to amend the Fee Schedule to eliminate the Tape B Adding Tier and modify the Tape B Step Up Tier. The Exchange proposes to implement the changes on February 1, 2014.

Currently, under the Tape B Adding Tier, the Exchange provides a \$0.0002 per share credit for ETP holders, including Market Makers, that provide liquidity of 0.675% or more of U.S. consolidated ADV ("CADV") in Tape B Securities ("U.S. Tape B CADV") for the billing month. When the Exchange proposed the Tape B Adding Tier credit, the Exchange expected it to incentivize ETP Holders to provide additional liquidity to the Exchange in Tape B Securities;<sup>4</sup> however, the credit has not had the intended effect. Accordingly, the Exchange proposes to eliminate the Tape B Adding Tier.

<sup>4</sup> See Securities Exchange Act Release No. 69926 (July 3, 2013), 78 FR 41154 (July 9, 2013) (SR-NYSEArca-2013-67).