

be documented in the minutes of the meeting of the Board, together with the trustees' basis for the finding.

10. Any new Sub-Advisory Agreement or any amendment to an existing Investment Advisory Agreement or Sub-Advisory Agreement for a Fund relying on the Order that directly or indirectly results in an increase in the aggregate advisory fee rate payable by the Fund will be submitted to the Fund's shareholders for approval.

11. In the event the Commission adopts a rule under the Act providing substantially similar relief to that in the Order, the requested Order will expire on the effective date of that rule.

12. Each Fund relying on the Order and any Feeder Fund will disclose in its registration statement the Aggregate Fee Disclosure.

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

14. The Adviser will provide the Board, no less frequently than quarterly, with information about the profitability of the Adviser on a per-Fund basis for each Fund relying on the Order. The information will reflect the impact on profitability of the hiring or termination of any Sub-Adviser during the applicable quarter.

15. 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.

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

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

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BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73881; File No. SR-BYX-2014-040]

### Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use of BATS Y-Exchange, Inc.

December 18, 2014.

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 December 12, 2014, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") 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 has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under 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 proposed rule change 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 filed a proposal to make several non-substantive amendments to the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to BYX Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.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 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 parts 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).

<sup>5</sup> A Member is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).

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

##### 1. Purpose

The Exchange proposes to make a number of clarifying, non-substantive changes to its fee schedule in order to convert the existing fee schedule into a chart format, including eliminating certain redundancies from and providing additional clarity to the language in the existing fee schedule. The Exchange believes that these changes will provide greater transparency to Members about how the Exchange assesses fees and calculates rebates, as well as allowing Members to more easily validate their bills on a monthly basis. The Exchange notes that none of these changes substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. Specifically, the Exchange is proposing the following:

- To make clear that rebates are indicated by parentheses.
- To state the following: The rates listed in the Standard Rates table apply unless a Member's transaction is assigned a fee code other than a standard fee code. If a Member's transaction is assigned a fee code other than a standard fee code, the rates listed in the Fee Codes table will apply. Footnotes provide further explanatory text or, where annotated to fee codes, indicate variable rate changes, provided the conditions in the footnote are met. Unless otherwise noted, all routing fees or rebates in the Fee Codes and Associated Fees table are for removing liquidity from the destination venue.
  - To add a section and chart titled "Standard Rates," which will include the standard fees and rebates for securities priced both at or above \$1.00 and below \$1.00 for adding liquidity, removing liquidity, and routing and removing liquidity from another venue as well as the standard fee codes associated with these rates.
  - To add a section titled "Fee Codes and Associated Fees," which will include the fee or rebate, the fee code, and a description for each possible execution that could occur on the Exchange or on another venue.
  - To add a section titled "Definitions," which will include definitions that are defined in the current fee schedule. The Exchange also notes that "Other Non-Displayed Liquidity" will not be included in "Definitions" because, as proposed, it is captured in the section titled "Fee Codes and Associated Fees." These

include the definitions listed below, which are identical to definitions contained on the Exchange's current fee schedule. All references to "per share" mean "per share executed." "ADAV" means average daily volume calculated as the number of shares added per day on a monthly basis. The Exchange excludes from its calculation of ADAV shares added on any day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours ("Exchange System Disruption"), on any day with a scheduled early market close and on the last Friday in June (the "Russell Reconstitution Day"). Routed shares are not included in ADAV calculation. With prior notice to the Exchange, a Member may aggregate ADAV with other Members that control, are controlled by, or are under common control with such Member (as evidenced on such Member's Form BD). "TCV" means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. The Exchange excludes from its calculation of TCV volume on any day that the Exchange experiences an Exchange System Disruption, on any day with a scheduled early market close and the Russell Reconstitution Day.

- To add a section titled "General Notes," that will include the following notes: Unless otherwise indicated, rebates and charges for adding, removing or routing liquidity are listed as per share rebates and charges; the Exchange notes that to the extent a Member does not qualify for any of the tiers listed below, the rates listed in the above section titled "Fee Codes and Associated Fees" will apply; to the extent a Member qualifies for higher rebates and/or lower fees than those provided by a tier for which such Member qualifies, the higher rebates and/or lower fees shall apply; and variable rates provided by tiers apply only to executions in securities priced at or above \$1.00.

- To add a series of footnotes describing already existing enhanced rebates including Add Volume Tier, Mid-Point Peg Tier, and NBBO Setter Tier that are not covered in the Fee Codes and Associated Fees section described above.

- To add a series of footnotes describing all fees and rebates for securities priced below \$1.00 that either execute on the Exchange or another venue, to the extent applicable.

- To add new sections and charts titled "Logical Port Fees" and "Market Data Fees," which, other than being in

chart form, will be identical to the current fee schedule.

- To eliminate the lead-in text that reads "The following is the Schedule of Fees (pursuant to Rule 15.1(a) and (c)) for BATS Y-Exchange, Inc. ("BYX Exchange" or "BYX")."

The Exchange proposes to implement the amendments to its fee schedule effective immediately.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of section 6 of the Act.<sup>6</sup> Specifically, the Exchange believes that the proposed rule change is consistent with sections 6(b)(4) of the Act and 6(b)(5) of the Act,<sup>7</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive.

The Exchange believes that the proposed changes are reasonable and equitable because they are non-substantive and the Exchange is not changing any fees or rebates that apply to trading activity on the Exchange or routed executions. Further, the changes are designed to make the fee schedule easier to read and for Members to validate the bills that they receive from the Exchange. The Exchange also believes that the proposal is non-discriminatory because it applies uniformly to all Members, and again, the Exchange is not making any changes to existing fees and rebates. Finally, the Exchange believes that the proposed fee schedule will be clearer and less confusing for investors and will eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance

of the purposes of the Act, as amended. To the contrary, the Exchange believes that the changes will both make the fee schedule easier to read and simultaneously provide Members with an easier way to validate their bills on a monthly basis, both of which the Exchange believes are important components of customer service and which will allow the Exchange to better compete for order flow. The Exchange reiterates that the changes are only to the format of the fee schedule and are entirely non-substantive. As stated above, the Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if the [sic] deem fee structures to be unreasonable or excessive.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

### 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 Act<sup>8</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>9</sup> 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. 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

<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

• Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BYX-2014-040 on the subject line.

#### Paper Comments

• Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BYX-2014-040. 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-BYX-2014-040 and should be submitted on or before January 14, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

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

[FR Doc. 2014-30124 Filed 12-23-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73882; File No. SR-NYSEMKT-2014-101]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Rule 342—Equities To Remove the Three Years' Experience Requirement for Supervisory Personnel and To Add Supplementary Material to Rule 3110—Equities Stating That Supervisors Must Reasonably Discharge Their Supervisory Duties and Obligations

December 18, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 8, 2014, NYSE MKT LLC ("NYSE MKT" 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 Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. The Exchange has designated the proposed rule change as constituting a "non-controversial" rule change under Exchange Act Rule 19b-4(f)(6), which renders the proposal effective upon receipt of this filing by the Commission.

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

The Exchange proposes to amend NYSE MKT Rule 342—Equities ("Rule 342") to remove the three years' experience requirement for supervisory personnel and to add supplementary material to NYSE MKT Rule 3110—Equities ("Rule 3110") stating that supervisors must reasonably discharge their supervisory duties and obligations. 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 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 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 the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend Rule 342 to remove the three years' experience requirement for supervisory personnel. The Exchange also proposes to add supplementary material to Rule 3110 to further clarify that supervisors must reasonably discharge their supervisory duties and obligations.

##### Rule 342 (Compliance Supervisors)

As part of the Exchange's efforts to harmonize its rules concerning supervision with those of the Financial Industry Regulatory Authority ("FINRA"), the Exchange recently amended Rule 342 by deleting elements of the rule relating to general supervision and focusing the rule on requirements regarding qualifications and exam requirements for individuals with supervisory responsibilities.<sup>3</sup> As part of those amendments, the Exchange incorporated the following requirements for supervisory personnel into Rule 342(a) contained in the Interpretation to New York Stock Exchange ("NYSE") Rule 342:

- Every branch office or sales manager must have at least three years' experience as a registered representative or substantial experience in a related sales or managerial position (the new rule provided examples of roles that would qualify as a related sales or managerial position); and
- In order to qualify as a supervisory person, a principal executive should have at least three years' experience as a registered representative unless granted an exception.

The Exchange proposes to delete these requirements from Rule 342(a) as inconsistent with prior amendments to NYSE Rule 342 on which the Exchange's rule is based.<sup>4</sup> Specifically,

<sup>3</sup> See Exchange Act Release No. 73640 (Nov. 19, 2014), 79 FR 70237 (Nov. 25, 2014) (SR-NYSEMKT-2014-93) ("Supervision Filing").

<sup>4</sup> The Exchange's NYSE affiliate has also submitted a proposed rule change to amend NYSE Rule 342 to delete the requirements incorporated from the related NYSE Interpretation that every branch office or sales manager must have at least three years' experience as a registered representative or substantial experience in a related

<sup>10</sup> 17 CFR 200.30-3(a)(12).

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

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