

shipping insurance valuation purposes shall not be deemed as an agreement to the price or valuation of the security, and in no event shall DTC be bound or required to use such price for this or any other purpose.

Default Pricing and Participant-provided pricing are subject to DTC's internal procedures to control, safeguard and limit the risk of potential loss of a high value certificate, as set forth above. Participants should consider use of their own insurance for high value certificates in excess of the Limit or in appropriate circumstances they deem to be appropriate, in their discretion.

#### Implementation Date

The proposed rule change would become effective immediately.

#### 2. Statutory Basis

Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, *inter alia*, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.<sup>8</sup> By codifying DTC's current Default Pricing practice and the option for Participants to provide their own pricing, the proposed rule change provides transparency to DTC's shipping insurance valuation procedure for Custody Service securities, facilitating Participants' consideration of their insurance options for such securities. Therefore, DTC believes that the proposed rule change would aid in assuring the safeguarding of Custody Service securities and is consistent with the requirements of the Act, in particular, Section 17A(b)(3)(F) of the Act, cited above.

Rule 17Ad-22(d)(15) promulgated under the Act requires, *inter alia*, that a clearing agency establish, implement, maintain and enforce written policies and procedures reasonably designed to state to its participants the clearing agency's obligations with respect to physical deliveries and identify and manage the risks from these obligations.<sup>9</sup> DTC believes the proposed rule change is consistent with this provision because codifying DTC's current practice would provide transparency with respect to DTC's procedures for assigning a value to physical securities held in the Custody Service for shipping insurance valuation purposes, and therefore is reasonably designed to identify and manage risks

associated with shipments of Custody Service securities.

#### (B) Clearing Agency's Statement on Burden on Competition

DTC does not believe that the proposed rule change would have any impact, or impose any burden, on competition because it merely codifies DTC's current practice with respect to shipping insurance valuation of Custody Service securities and DTC's identification and management of the risks therein and does not otherwise impact users of DTC's services.

#### (C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

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

#### 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>10</sup> and subparagraph (f)(1) of Rule 19b-4 thereunder.<sup>11</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.

#### 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-DTC-2016-001 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-DTC-2016-001. 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 DTC and on DTCC's Web site (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-DTC-2016-001 and should be submitted on or before February 5, 2016.

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

Robert W. Errett,  
Deputy Secretary.

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76867; File No. SR-Phlx-2015-115]

#### Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Chapter VIII of the Pricing Schedule

January 11, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 29, 2015, NASDAQ OMX PHLX LLC

<sup>12</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.

<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>9</sup> 17 CFR 240.17Ad-22(d)(15).

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

<sup>11</sup> 17 CFR 240.19b-4(f)(1).

("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 Chapter VIII of the Pricing Schedule to clarify the connectivity options and application of the fees assessed thereunder.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.cchwallstreet.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 aspects of such statements.

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

##### **1. Purpose**

Chapter VIII of the Pricing Schedule provides the charges Phlx assesses for equity securities market connectivity to systems operated by Phlx. Phlx is amending Chapter VIII of the Pricing Schedule in four ways: (1) To clarify the term "port pair"; (2) to clarify the connectivity options available under the rule; (3) to eliminate internet ports as a connectivity option; and (4) to eliminate rule text concerning a waiver of fees of limited duration that has since expired.

First, Phlx is proposing to clarify the use of the term "port pair." For certain ports under Chapter VIII of the Pricing Schedule that are used for either trading or data, Phlx additionally provides a disaster recovery port at no cost. Such a disaster recovery port provides connectivity to Phlx's disaster recovery

location in the event of a failure of Phlx's primary trading infrastructure. Phlx has provided disaster recovery ports at no cost since 2010 to encourage member organization to maintain such connectivity in the event of a market disruption so that the market as a whole could continue to operate. In the interest of clarity, the Exchange is proposing to eliminate the term port pair and to separately list disaster recovery ports as a connectivity option available at no cost under the rule.

Second, Phlx is reorganizing and adding language to Chapter VIII of the Pricing Schedule to list all connectivity provided by Phlx under the rule, which is currently subsumed in a connectivity option and related fee. Specifically, the Exchange currently offers connectivity for \$400 per port, per month for each port pair other than Multicast ITCH data feed pairs. Under the \$400 per port, per month connectivity option a member organization may subscribe to an OUCH protocol trading port, a FIX Trading Port (either a FIX or FIX Lite protocol),<sup>3</sup> RASH protocol trading port, and DROP ports. Phlx is listing separately each of the options available under the rule.<sup>4</sup>

Similarly, Phlx offers trading ports that may be used only in test mode. Member organizations may subscribe to these test mode trading ports at no cost, which are exclusively used for testing purposes and may not be used for trading in securities in the System. The Exchange is adding rule text noting that these test ports may be subscribed to under the rule. The Exchange also provides data retransmission ports at no cost. Data retransmission ports allow a subscriber to replay market data, in the event the data was missed in a live feed or for verification purposes. Data retransmission ports only allow replay of the current trading day and do not provide data concerning prior trading days' data. The Exchange is adding rule text noting that data retransmission ports may be subscribed to under the rule.

Third, Phlx is proposing to eliminate Internet Ports. Internet ports are based on outdated technology and Phlx does

<sup>3</sup> A FIX port is a trading port using a FIX-based telecommunication protocol. FIX, an abbreviation for Financial Information eXchange, is a standard message protocol that defines an electronic message exchange for communicating securities transactions between two parties. Phlx offers two FIX-based trading ports, which vary based on messaging formats and capability. Phlx is proposing to list these two protocols as options under the rule that a member organization may select when subscribing to a FIX trading port.

<sup>4</sup> The Exchange is also deleting rule text concerning a port fee waiver of this connectivity option, which has since expired.

not have any subscribers to this connectivity method.

Fourth, the Exchange is proposing to eliminate rule text concerning a fee waiver of all Access Services fees for the first full six months during which Phlx's equities trading market, NASDAQ OMX PSX, operates. NASDAQ OMX PSX began operations in October, 2010.<sup>5</sup> Thus, the Exchange is proposing to eliminate the unneeded text.

##### **2. Statutory Basis**

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>7</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which Phlx operates or controls, and is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the clarifying changes to the rule protect investors and the public interest because they explicitly describe the fees assessed for all ports under the rule. Describing all services covered by the rule will serve to avoid investor confusion over the scope of what connectivity options are available, and the costs of such options. The Exchange notes that it is not adding new connectivity options or functionality, but is rather describing more specifically what is currently offered under the rule. In this regard, the Exchange is adding new rule text that describes all functionality available under each subparagraph of the rule, and is reorganizing some rule text under the rule in an effort to make the rule clearer. The Exchange notes that much of the new text concerns testing ports, and ports used in the event of a disaster or hardware failure. These ports help ensure that a fair and orderly market is

<sup>5</sup> Securities Exchange Act Release No. 62877 (September 9, 2010), 75 FR 56633 (September 16, 2010) (SR-Phlx-2010-79).

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

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

maintained by allowing member organizations to test their systems prior to connecting to the live trading environment, and to provide backup connectivity in the event of a failure or disaster. Thus, the Exchange believes the proposed clarifying changes are consistent with the protection of investors and the public interest.

The Exchange believes that the proposed deletion of the Internet Port connectivity option is reasonable, equitably allocated, and not unfairly discriminatory because there are no subscribers to this connectivity option, which is based on outdated means of connecting to the Exchange. As a consequence, no member organizations will be impacted by deletion of the connectivity option. Likewise, the Exchange believes that the proposed deletion of the expired Access Services fee waiver rule text is reasonable, equitably allocated, and not unfairly discriminatory because the waiver is no longer in effect and therefore no member organizations will be impacted by the deletion. The Exchange notes that it is not altering the charges assessed for the remaining connectivity options under Chapter VIII of the Pricing Schedule.

#### *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. Specifically, Phlx is making clarifying changes to Chapter VIII of the Pricing Schedule, which does not impose any burden on competition whatsoever. To the contrary, the proposed change facilitates competition by clarifying what connectivity options are provided by the Exchange, thereby informing other market venues a better understanding of what connectivity options are available for Phlx. With that better understanding, other market venues may improve existing connectivity options or offer new connectivity options to compete with Phlx. Accordingly, the proposed changes do not inhibit market participants' ability to compete among each other, nor do they impose any burden on competition among market venues, but rather may promote competition among market venues.

#### *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**

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>8</sup> and subparagraph (f)(6) 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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2015-115 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-Phlx-2015-115. 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

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

<sup>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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-Phlx-2015-115 and should be submitted on or before February 5, 2016.

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

**Robert W. Errett,**  
*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Investment Company Act Release No. 31954; 812-14478]**

### **Investment Managers Series Trust, et al.; Notice of Application**

January 11, 2016.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of an application under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from section 15(a) of the Act and rule 18f-2 under the Act, as well as from certain disclosure requirements in rule 20a-1 under the Act, Item 19(a)(3) of Form N-1A, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and Sections 6-07(2)(a), (b), and (c) of Regulation S-X ("Disclosure Requirements"). The requested exemption would permit an investment adviser to hire and replace certain sub-advisers without shareholder approval and grant relief

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