

12. The Interfund Lending Committee will calculate total Fund borrowing and lending demand through the proposed credit facility, and allocate loans on an equitable basis among the Funds, without the intervention of any portfolio manager of the Funds (other than a Money Market Fund portfolio manager acting in his or her capacity as a member of the Interfund Lending Committee). All allocations will require the approval of at least one member of the Interfund Lending Committee who is a high level employee and is not a Money Market Fund portfolio manager. The Interfund Lending Committee will not solicit cash for the proposed credit facility from any Fund or prospectively publish or disseminate loan demand data to portfolio managers (except to the extent that a Money Market Fund portfolio manager on the Interfund Lending Committee has access to loan demand data). The Interfund Lending Committee will invest any amounts remaining after satisfaction of borrowing demand in accordance with the standing instructions of the portfolio managers or such remaining amounts will be invested directly by the portfolio managers of the Funds.

13. The Interfund Lending Committee will monitor the Interfund Loan Rate and the other terms and conditions of the Interfund Loans and will make a quarterly report to the Trustees of each Fund concerning the participation of the Funds in the proposed credit facility and the terms and other conditions of any extensions of credit under the credit facility.

14. The Trustees of each Fund, including a majority of the Independent Trustees, will:

(a) Review, no less frequently than quarterly, the Fund's participation in the proposed credit facility during the preceding quarter for compliance with the conditions of any order permitting such transactions;

(b) establish the Bank Loan Rate formula used to determine the interest rate on Interfund Loans and review, no less frequently than annually, the continuing appropriateness of the Bank Loan Rate formula; and

(c) review, no less frequently than annually, the continuing appropriateness of the Fund's participation in the proposed credit facility.

15. In the event an Interfund Loan is not paid according to its terms and such default is not cured within two business days from its maturity or from the time the lending Fund makes a demand for payment under the provisions of the Interfund Lending Agreement, the Adviser will promptly refer such loan

for arbitration to an independent arbitrator selected by the Trustees of each Fund involved in the loan who will serve as arbitrator of disputes concerning Interfund Loans.² The arbitrator will resolve any problem promptly, and the arbitrator's decision will be binding on both Funds. The arbitrator will submit, at least annually, a written report to the Trustees setting forth a description of the nature of any dispute and the actions taken by the Funds to resolve the dispute.

16. Each Fund will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any transaction by it under the proposed credit facility occurred, the first two years in an easily accessible place, written records of all such transactions setting forth a description of the terms of the transactions, including the amount, the maturity and the Interfund Loan Rate, the rate of interest available at the time each Interfund Loan is made on overnight repurchase agreements and commercial bank borrowings, the yield of any money market fund in which the lending Fund could otherwise invest, and such other information presented to the Fund's Trustees in connection with the review required by conditions 13 and 14.

17. The Adviser will prepare and submit to the Trustees for review an initial report describing the operations of the proposed credit facility and the procedures to be implemented to ensure that all Funds are treated fairly. After the commencement of the proposed credit facility, the Adviser will report on the operations of the proposed credit facility at the Trustees' quarterly meetings.

Each Fund's chief compliance officer, as defined in rule 38a1(a)(4) under the Act, shall prepare an annual report for its Trustees each year that the Fund participates in the proposed credit facility, that evaluates the Fund's compliance with the terms and conditions of the application and the procedures established to achieve such compliance. Each Fund's chief compliance officer will also annually file a certification pursuant to Item 77Q3 of Form N-SAR as such Form may be revised, amended or superseded from time to time, for each year that the Fund participates in the proposed credit facility, that certifies that the Fund and the Adviser have established procedures reasonably designed to achieve

² If the dispute involves Funds with different Trustees, the respective Trustees of each Fund will select an independent arbitrator that is satisfactory to each Fund.

compliance with the terms and conditions of the order. In particular, such certification will address procedures designed to achieve the following objectives:

(a) That the Interfund Loan Rate will be higher than the Repo Rate and, if applicable, the yield of the money market funds, but lower than the Bank Loan Rate;

(b) compliance with the collateral requirements as set forth in the application;

(c) compliance with the percentage limitations on interfund borrowing and lending;

(d) allocation of interfund borrowing and lending demand in an equitable manner and in accordance with procedures established by the Trustees; and

(e) that the Interfund Loan Rate does not exceed the interest rate on any third party borrowings of a borrowing Fund at the time of the Interfund Loan.

Additionally, each Fund's independent public accountants, in connection with their audit examination of the Fund, will review the operation of the proposed credit facility for compliance with the conditions of the application and their review will form the basis, in part, of the auditor's report on internal accounting controls in Form N-SAR.

18. No Fund will participate in the proposed credit facility upon receipt of requisite regulatory approval unless it has fully disclosed in its prospectus and/or statement of additional information all material facts about its intended participation.

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

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-05463 Filed 3-12-14; 8:45 am]

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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 an Open Meeting on Wednesday, March 12, 2014 at 10:30 a.m., in the Auditorium, Room L-002.

The subject matter of the Open Meeting will be:

- The Commission will consider whether to propose rules related to standards for clearing agencies under Section 17A of the Securities Exchange

Act of 1934 and Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The duty officer has determined that no earlier notice was practicable.

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: March 10, 2014.

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-05591 Filed 3-11-14; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71663; File No. SR-CBOE-2014-018]

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

March 7, 2014.

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 4, 2014, 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

CBOE proposes to amend the Fees Schedule of its CBOE Stock Exchange ("CBSX"). 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'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

The Exchange proposes to amend the CBSX Fees Schedule in connection with a planned business and market reorganization regarding CBSX. One effect of this proposed change will be to simplify transaction fees. Currently, for transactions in securities priced \$1 or greater, there are a variety of fee and rebate tiers depending at least partly on the liquidity that a market participant adds to or removes from CBSX.³ Fee amounts can also depend on the type of order being utilized or order liquidity being removed, as well as the products being traded.⁴ For transactions in securities priced less than \$1, CBSX assesses different fee amounts depending on whether the market participant is a Maker or a Taker. CBSX now proposes to cease offering a Maker-Taker pricing structure that may distinguish fee and rebate amounts based upon amount of liquidity added or removed by the market participant, the product being traded, or whether the trade adds liquidity using a silent, silent-mid, or silent-post-mid order, or removes silent, silent-mid, or silent-post-mid liquidity. Instead, the Exchange proposal would simplify its pricing. For transactions in securities priced \$1 or greater, whether Maker or Taker, CBSX will assess a fee of \$0.0030 per share. For transactions in securities priced less than \$1, whether Maker or Taker, CBSX will assess a fee of 0.30% of the dollar value of the transaction. Along with aiding in preparation for a planned business and market reorganization regarding CBSX, the Exchange believes that the proposed

simplified fee structure may make it easier for market participants to determine which fees apply to their transactions.

CBSX also proposes to eliminate its Inactivity Fee.⁵ The Inactivity Fee is applied to CBSX Trading Permit Holders that do not transact a certain amount of shares on CBSX. CBSX no longer believes that this fee is necessary, and therefore proposes to eliminate it.

In conjunction with these proposed changes, CBSX proposes to clean up its Fees Schedule. Footnotes 1, 4, 5 and 6 to the transaction fees will no longer be applicable, and therefore CBSX proposes to delete them. Current footnotes 2 and 3 will become footnotes 1 and 2, respectively. Due to the deletion of section 5, the Inactivity Fee, all sections afterwards will be re-numbered (current section 6 becomes section 5, current section 7 becomes section 6, current section 8 becomes section 7, and current section 9 becomes section 8).

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 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. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,⁸ which requires that Exchange rules provide for the equitable allocation of reasonable

⁵ The Inactivity Fee is charged to any CBSX Trading Permit Holder that trades less than an average of 100,000 shares per day over a calendar month period. This fee will be calculated monthly. The amount of this fee is \$5,000 per month. A CBSX Trading Permit Holder may not be assessed this fee until the calendar month following the first full calendar month after the effective date of the Trading Permit. If a CBSX Trading Permit Holder incurs this fee for a calendar month period but trades at least an average of 200,000 shares per day over the following calendar month period, then the Exchange will rescind the Inactivity Fee.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 15 U.S.C. 78f(b)(4).

³ See CBSX Fees Schedule, section 2.

⁴ See CBSX Fees Schedule, section 2. While CBSX offers different pricing for products classified as the "Select Symbols", there currently are no products listed as "Select Symbols".

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.