securities as defined in the 1940 Act, or, in the case of a new Subadvised Series whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder before offering the Subadvised Series’ shares to the public.

2. The prospectus for each Subadvised Series will disclose the existence, substance, and effect of any order granted pursuant to the application. Each Subadvised Series will hold itself out to the public as employing the multi-manager structure described in the application. Each prospectus will prominently disclose that the Adviser has the ultimate responsibility, subject to oversight by the Board, to oversee the Sub-Advisers and recommend their hiring, termination and replacement.

3. The Adviser will provide general management services to a Subadvised Series, including overall supervisory responsibility for the general management and investment of the Subadvised Series’ assets. Subject to review and approval of the Board, the Adviser will (a) set a Subadvised Series’ overall investment strategies, (b) evaluate, select, and recommend Sub-Advisers to manage all or a portion of a Subadvised Series’ assets, and (c) implement procedures reasonably designed to ensure that Sub-Advisers comply with a Subadvised Series’ investment objective, policies and restrictions. Subject to review by the Board, the Adviser will (a) when appropriate, allocate and reallocate a Subadvised Series’ assets among multiple Sub-Advisers; and (b) monitor and evaluate the performance of Sub-Advisers.

4. A Subadvised Series will not make any Ineligible Sub-Adviser Changes without such agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Subadvised Series.

5. Subadvised 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 Board Members, and the selection and nomination of new or additional Independent Board Members will be placed within the discretion of the then-existing Independent Board Members.

7. Independent Legal Counsel, as defined in Rule 0–1(a)(6) under the 1940 Act, will be engaged to represent the Independent Board Members. The selection of such counsel will be within the discretion of the then-existing Independent Board Members.

8. The Adviser will provide the Board, no less frequently than quarterly, with information about the profitability of the Adviser on a per Subadvised 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 Subadvised Series with an Affiliated Sub-Advisor, the Board, including a majority of the Independent Board Members, will make a separate finding, reflected in the Board minutes, that such change is in the best interests of the Subadvised Series and its shareholders, and does not involve a conflict of interest from which the Advisor or the Affiliated Sub-Advisor derives an inappropriate advantage.

11. No trustee or officer of the Trust or a Subadvised Series, or 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-Advisor, except for (a) ownership of interests in the Adviser or any entity that controls, is controlled by, or is under common control with the Adviser; or (b) 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-Advisor or an entity that controls, is controlled by, or is under common control with a Sub-Advisor.

12. Each Subadvised Series will disclose the Aggregate Fee Disclosure in its registration statement.

13. Any new Sub-Advisory Agreement or any amendment to a Subadvised Series’ existing Investment Management Agreement or Sub-Advisory Agreement that directly or indirectly results in an increase in the aggregate advisory fee rate payable by the Subadvised Series will be submitted to the Subadvised Series’ shareholders for approval.

14. 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.
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

On, April 8 2015, the Securities and Exchange Commission (the “Commission”) approved a proposed rule change that would amend CBOE rules to permit the listing and trading of options that overlie the MSCI EAFE Index (“MXEA options”) and the MSCI Emerging Markets Index (“MXEF options”). As such, the Exchange proposes to establish fees for MXEA and MXEF, effective April 21, 2015.

First, the Exchange proposes to establish basis fees for MXEA and MXEF. Under the proposed fees structure, Customers (“C” origin code) will be assessed no transaction fee for MXEA and MXEF transactions. The absence of a Customer transaction fee for MXEA and MXEF options will provide greater incentives for Customers to trade MXEA and MXEF. The Exchange notes that currently another proprietary index option, XSP, is also not assessed a fee for Customer transactions.

Next, the Exchange proposes to assess Clearing Trading Permit Holder fees for proprietary index options such as DJX and XSP. The Exchange notes that the Complex Order Book (“COB”) Taker Surcharge will also apply to MXEA and MXEF, as it does for all products other than those in Underlying Symbol List A and mini-options.

The Exchange next proposes to count MXEA and MXEF options towards the average daily volume thresholds for the CBOE Proprietary Product Sliding Scale. The CBOE Proprietary Products Sliding Scale provides that Clearing Trading Permit Holder Proprietary options and transaction fees for Non-Clearing Trading Permit Holder Affiliates in Underlying Symbol List A are reduced provided a Clearing Trading Permit Holder (“CTPH”) reaches certain average daily volume (“ADV”) thresholds in all underlying symbols excluding Underlying Symbol List A and mini-options.

Finally, like other proprietary index products, the Exchange proposes to except MXEA and MXEF from the Volume Incentive Program.

2. Discussion

A. Clearing Trading Permit Holder Fees for MXEA and MXEF options. Additionally, the Exchange proposes to adopt a CFLEX Surcharge Fee of $0.10 per contract for all MXEA and MXEF orders executed electronically on CFLEX, capped at $250 per trade (i.e., first 2,500 contracts per trade). The CFLEX Surcharge Fee assists the Exchange in recouping the cost of developing and maintaining the CFLEX system. The Exchange notes that the CFLEX Surcharge Fee (and $250 cap) also applies to other proprietary index options, including products in Underlying Symbol List A, as well as DJX and XSP. The Exchange also notes that the Complex Order Book (“COB”) Taker Surcharge will also apply to MXEA and MXEF, as it does for all products other than those in Underlying Symbol List A mini-options.

The Exchange next proposes to count MXEA and MXEF options towards the average daily volume thresholds for the CBOE Proprietary Product Sliding Scale. The CBOE Proprietary Products Sliding Scale provides that Clearing Trading Permit Holder Proprietary transactions and transaction fees for Non-Clearing Trading Permit Holder Affiliates in Underlying Symbol List A are reduced provided a Clearing Trading Permit Holder (“CTPH”) reaches certain average daily volume (“ADV”) thresholds in all underlying symbols excluding Underlying Symbol List A and mini-options on the Exchange in a month. The Exchange notes that other proprietary index products such as DJX and XSP are also included towards the qualification thresholds of the CBOE Proprietary Products Sliding Scale.

Finally, like other proprietary index products, the Exchange proposes to except MXEA and MXEF from the Volume Incentive Program.

3. Effectiveness

The Exchange notes that the proposed transaction fee amounts for Clearing Trading Permit Holder proprietary and Non-Trading Permit Holder Affiliate transactions are the same for Clearing Trading Permit Holder proprietary and Non-Trading Permit Holder Affiliate transactions in all other index products except for Underlying Symbol List A.

Currently, Market-Maker transactions in all products except for those listed in Underlying Symbol List A are subject to the Liquidity Provider Sliding Scale, which provides for reduced transaction fees for Market-Makers that reach certain volume thresholds in all underlying symbols excluding Underlying Symbol List A and mini-options. Similarly, the Exchange proposes to subject all Market-Maker MXEA and MXEF transactions to the Liquidity Provider Sliding Scale.

The Exchange next proposes to establish transaction fees for Broker-Dealers (“B”), Non-Trading Permit Holder Market-Makers (“N”), Professionals/Voluntary Professionals (“W”) and Joint Back-Offices (“JBOs”) (“J”). Specifically, the Exchange proposes to assess these market participants $0.25 per contract for manual transactions, $0.65 per contract for non-AIM electronic transactions, $0.20 per contract for AIM Agency/Primary transactions, and $0.05 per contract for AIM Contra transactions. Additionally for MXEA and MXEF transactions, the Exchange is proposing to assess Broker-Dealers and Non-Trading Permit Holder Market-Makers $0.25 per contract for CFLEX AIM AIM Response transactions and Professional/Voluntary Professionals and JBOs $0.30 per contract for CFLEX AIM Response transactions.

The Exchange notes that the proposed MXEA and MXEF transaction fees for these market participants are also the same amounts assessed for the same market participants for other index options other than those in Underlying Symbol List A.

The Exchange also proposes to assess an Index License Surcharge for MXEA and MXEF of $0.10 per contract for all non-customer orders. The Exchange proposes to adopt the Index License Surcharge for these products in order to recoup some of the costs associated with the license for

Footnotes:


4 See CBOE Fees Schedule, Index Options Rate Table—All Index Products Excluding Underlying Symbol List A.

5 See CBOE Fees Schedule, Index Options Rate Table—All Index Products Excluding Underlying Symbol List A. As of April 1, 2015, the following products are included in Underlying Symbol List A: OEX, XEO, KUT, SPX (including SPXv), SPXpm, SRO, VIX, VXST, VOLATILITY INDEXES and binary options.

6 See CBOE Fees Schedule, Index Options Rate Table—All Index Products Excluding Underlying Symbol List A.

7 See CBOE Fees Schedule, Index Options Rate Table—All Index Products Excluding Underlying Symbol List A.

8 See CBOE Fees Schedule, COB Taker Surcharge, Footnote 35.

9 SROs are currently excluded from the CBOE Proprietary Products Sliding Scale. See Exchange Fees Schedule, CBOE Proprietary Products Sliding Scale.

10 See CBOE Fees Schedule, Volume Incentive Program.

11 See CBOE Fees Schedule, Marketing Fee, Footnote 6.

12 See CBOE Fees Schedule, Order Router Subsidy Program and Complex Order Router Subsidy Program, Footnotes 29 and 30.
rebates for Floor Broker Trading Permit Holder Trading Permit Fees.\textsuperscript{13}

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.\textsuperscript{14} Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)\textsuperscript{15} 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,\textsuperscript{16} which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

Particularly, the Exchange believes it is reasonable to charge different fee amounts to different user types in the manner proposed because the proposed fees are consistent with the price differentiation that exists today for other index products. The Exchange also believes that the proposed fee amounts for MXEA and MXEF orders are reasonable because the proposed fee amounts are within the range of amounts assessed for the Exchange’s other index products, excluding Underlying Symbol List A.\textsuperscript{17}

The Exchange believes that it is equitable and not unfairly discriminatory to offer the Liquidity Provider Sliding Scale to Market-Makers only because Market-Makers take on obligations, such as quoting obligations, which other market participants do not have. Further, the lower fees offered to Market-Makers are intended to incent Market-Makers to quote and trade more on the Exchange, thereby providing more trading opportunities for all market participants.

Similarly, it is equitable and not unfairly discriminatory to assess lower fees to Clearing Trading Permit Holder Proprietary orders than those of other market participants (except Customers and Market-Makers) because Clearing Trading Permit Holders also have a number of obligations (such as membership with the Options Clearing Corporation), significant regulatory burdens, and financial obligations, that other market participants do not need to take on. It should also be noted that all fee amounts described herein are intended to attract greater order flow to the Exchange in MXEA and MXEF, which should therefore serve to benefit all Exchange market participants. The Exchange also notes that the MXEA and MXEF fee amounts for each separate type of market participant will be assessed equally to all such market participants (i.e. all Broker-Dealer orders will be assessed the same amount, all Joint Back-Office orders will be assessed the same amount, etc.).

The Exchange believes that assessing an Index License Surcharge Fee of $0.10 per contract to MXEA and MXEF transactions is reasonable because the Surcharge helps recoup some of the costs associated with the license for MXEA and MXEF options. Additionally, the Exchange notes that the Surcharge amount is the same as, and in some cases lower than, the amount assessed as an Index License Surcharge to other index products.\textsuperscript{18} The proposed Surcharge is also equitable and not unfairly discriminatory because the amount will be assessed to all market participants to whom the Surcharge applies. Not applying the MXEA and MXEF Index License Surcharge Fee to Customer orders is equitable and not unfairly discriminatory because this is designed to attract Customer MXEA and MXEF orders, which increases liquidity and provides greater trading opportunities to all market participants. Similarly, the Exchange believes assessing a CFLEX Surcharge Fee of $0.10 per contract for all MXEA and MXEF orders executed electronically on CFLEX and capping it at $250 (i.e., first 2,500 contracts per trade) is reasonable because it is the same amount currently charged to other proprietary index products for the same transactions.\textsuperscript{19}

The proposed Surcharge is also equitable and not unfairly discriminatory because the amount will be assessed to all market participants to whom the CFLEX Surcharge applies. Additionally, the Exchange believes that assessing a CFLEX Surcharge Fee of $0.10 per contract for all MXEA and MXEF fees towards the Fee Cap is reasonable because it will help Clearing Trading Permit Holders to reach this cap on their fees. The Exchange believes this is equitable and not unfairly discriminatory because the amount MXEA and MXEF fees will count towards the Fee Cap in the same manner that transaction fees for all other products excluding Underlying Symbol List A (except for binary options) count towards the Fee Cap.

The Exchange believes it’s reasonable to apply the waiver of Clearing Trading Permit Holder Proprietary transaction fees for facilitation orders executed via CFLEX, in open outcry or electronically via AIM for MXEA and MXEF because it will exempt such orders from being assessed fees. The Exchange believes that this is equitable and not unfairly discriminatory because the waiver also applies to other products, including other proprietary index products (e.g., DJX and XSP). Further, the Exchange recognizes that Clearing Trading Permit Holders can be an important source of liquidity when they facilitate their own customers’ trading activity. Such trades add transparency and promote price discovery to the benefit of all market participants. Moreover, the exemption

\textsuperscript{13} See CBOE Fees Schedule, Footnote 25.

\textsuperscript{14} 15 U.S.C. 78f(b).

\textsuperscript{15} 15 U.S.C. 78f(b)(5).


\textsuperscript{17} See CBOE Fees Schedule, CBOE Fees Schedule, Index Options Rate Table—All Index Products Excluding Underlying Symbol List A.

\textsuperscript{18} See CBOE Fees Schedule, CBOE Fees Schedule, Index Options Rate Table—All Index Products Excluding Underlying Symbol List A, Surcharge Fee Index License.

\textsuperscript{19} See CBOE Fees Schedule, Index Options Rate Table—All Index Products Excluding Underlying Symbol List A, CFLEX Surcharge Fee and Specified Proprietary Index Options Rate Table—Underlying Symbol List A, CFLEX Surcharge Fee.
from fees for MXEA and MXEF facilitation orders executed in AIM, open outcry, or as a CFLEX transaction will apply to all such orders.

The Exchange believes it’s reasonable to count MXEA and MXEF volume towards the average daily volume thresholds for the CBOE Proprietary Product Sliding Scale because other proprietary index products such as DJX and XSP are also included towards the qualification thresholds of the CBOE Proprietary Products Sliding Scale. 20 The Exchange believes the proposed inclusion of MXEA and MXEF in the qualifying volume is equitable and not unfairly discriminatory because it will apply to all Clearing Trading Permit Holder Proprietary MXEA and MXEF orders.

Finally, excepting MXEA and MXEF from the Marketing Fee, VIP, and the ORS and CORS Programs is reasonable because other proprietary index products (e.g., DJX and XSP) are also excepted from these fees and programs. 21 It seems equitable to except MXEA and MXEF from items on the Fees Schedule from which other proprietary index products are also excepted. Similarly, the Exchange believes it’s reasonable to exclude MXEA and MXEF from the calculation of the qualifying volume for the Floor Broker Trading Permit Fees rebate because other proprietary index products such as DJX and XSP are also excluded. 22 The Exchange also believes the proposed exclusion of MXEA and MXEF from the qualifying calculation is equitable and not unfairly discriminatory because the exclusion will apply to all MXEA and MXEF orders.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule changes will impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because MXEA and MXEF will be exclusively listed on CBOE. To the extent that the proposed changes make CBOE a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become CBOE market participants.

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

The Exchange 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 Act 23 and paragraph (f) of Rule 19b–4 24 thereunder. 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 will institute proceedings to determine whether the proposed rule change 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. Please include File Number SR–CBOE–2015–041 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–CBOE–2015–041. 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 communications relating to the proposed rule change that are filed with the Commission, and all written communications received or issued with respect 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–CBOE–2015–041 and should be submitted on or before May 27, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 25

Brent J. Fields,
Secretary.