Underlying Fund (or its respective Master Fund) in excess of the limits in section 12(d)(1)(A) of the Act, except to the extent that such Underlying Fund or its respective Master Fund acquired securities in an amount at least equal to any compensation received from another investment company as a dividend or as a result of a plan of reorganization of a company (other than a plan devised for the purpose of evading section 12(d)(1) of the Act); or (c) acquires (or is deemed to have acquired) securities of another investment company pursuant to exemptive relief from the Commission permitting such Underlying Fund or its respective Master Fund to: (i) acquire securities of one or more investment companies for short-term cash management purposes, or (ii) engage in inter-fund borrowing and lending transactions.

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

Brent J. Fields,
Secretary.

[FR Doc. 2015–15337 Filed 6–22–15; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Extension: Rule 12b–1; OMB Control No. 3235–0212, SEC File No. 270–188]

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549–2736.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 12b–1 under the Investment Company Act of 1940 (17 CFR 270.12b–1) permits a registered open-end investment company ("fund" or "mutual fund") to bear expenses associated with the distribution of its shares, provided that the mutual fund complies with certain requirements, including, among other things, that it adopt a written plan ("rule 12b–1 plan") and that it has in writing any agreements relating to the rule 12b–1 plan. The rule in part requires that (i) the adoption or material amendment of a rule 12b–1 plan be approved by the mutual fund’s directors, including its independent directors, and, in certain circumstances, its shareholders; (ii) the board review quarterly reports of

13 Solely for the purposes of condition 12, the investment by a Managed Risk Fund in a Managed Risk Acquired Fund shall be deemed to have been made pursuant to section 12(d)(1)(E).
amounts spent under the rule 12b–1 plan; and (iii) the board, including the independent directors, consider continuation of the rule 12b–1 plan and any related agreements at least annually. Rule 12b–1 also requires mutual funds relying on the rule to preserve for six years, the first two years in an easily accessible place, copies of the rule 12b–1 plan and any related agreements and reports, as well as minutes of board meetings that describe the factors considered and the basis for adopting or continuing a rule 12b–1 plan.

Rule 12b–1 also prohibits funds from paying distribution of fund shares with brokerage commissions on their portfolio transactions. The rule requires funds that use broker-dealers that sell their shares to also execute their portfolio securities transactions, to implement policies and procedures reasonably designed to prevent: (i) The persons responsible for selecting broker-dealers to effect transactions in fund portfolio securities from taking into account broker-dealers’ promotional or sales efforts when making those decisions; and (ii) a fund, its adviser or principal underwriter, from entering into any agreement under which the fund directs brokerage transactions or revenue generated by those transactions to a broker-dealer to pay for distribution of the fund’s (or any other fund’s) shares.

The board and shareholder approval requirements of rule 12b–1 are designed to ensure that fund shareholders and directors receive adequate information to evaluate and approve a rule 12b–1 plan and, thus, are necessary for investor protection. The requirement of quarterly reporting to the board is designed to ensure that the rule 12b–1 plan continues to benefit the fund and its shareholders. The recordkeeping requirements of the rule are necessary to enable Commission staff to oversee compliance with the rule. The requirement that funds or their advisers implement, and fund boards approve, policies and procedures in order to prevent persons charged with allocating fund brokerage from taking distribution efforts into account is designed to ensure that funds’ selection of brokers to effect portfolio securities transactions is not influenced by considerations about the sale of fund shares.

Based on information filed with the Commission by funds, Commission staff estimates that there are approximately 7,837 mutual fund portfolios that have at least one share class subject to a rule 12b–1 plan. However, many of these portfolios are part of an affiliated group of funds or mutual fund family that is overseen by a common board of directors. Although the board must review and approve the rule 12b–1 plan for each fund separately, we have allocated the costs and hourly burden related to rule 12b–1 based on the number of fund families that have at least one fund that charges rule 12b–1 fees, rather than on the total number of mutual fund portfolios that individually have a rule 12b–1 plan.

Based on information filed with the Commission, the staff estimates that there are approximately 330 fund families with common boards of directors that have at least one fund with a rule 12b–1 plan. Based on previous conversations with fund representatives, Commission staff estimates that for each of the 330 mutual fund families with a portfolio that has a rule 12b–1 plan, the average annual burden of complying with the rule is 425 hours. This estimate takes into account the time needed to prepare quarterly reports to the board of directors, the board’s consideration of those reports, and the board’s initial or annual consideration of whether to continue the plan.

We therefore estimate that the total hourly burden per year for all funds to comply with current information collection requirements under rule 12b–1, is 140,250 hours (330 fund families × 425 hours per fund family = 140,250 hours). If a currently operating fund seeks to adopt a new rule 12b–1 plan or (ii) materially increase the amount it spends for distribution under rule 12b–1 plan, rule 12b–1 requires that the fund obtain shareholder approval. As a consequence, the fund will incur the cost of a proxy. Based on previous conversations with fund representatives, Commission staff estimates that approximately three funds per year prepare a proxy in connection with the adoption or material amendment of a rule 12b–1 plan. Funds typically hire outside legal counsel and proxy solicitation firms to prepare, print, and mail such proxies. The staff further estimates that the cost of each fund’s proxy is $34,372. Thus the total annual cost burden of rule 12b–1 to the fund industry is $103,116 (3 funds requiring a proxy × $34,372 per proxy).

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms. The collections of information required by rule 12b–1 are necessary to obtain the benefits of the rule. Notices to the Commission will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

The public may view the background documentation for this information collection at the following Web site, www.reginfo.gov. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: Shagufta.Ahmed@omb.eop.gov; and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or send an email to: PRA_Mailbox@ sec.gov. Comments must be submitted to OMB within 30 days of this notice.

Dated: June 18, 2015.

Brent Fields,
Secretary.

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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 a Closed Meeting on Thursday, June 25, 2015 at 2:00 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain