is acting in its capacity as an investment adviser to a Fund) will cause a Fund to purchase a security in any Affiliated Underwriting.

7. The Board of a Fund, including a majority of the non-interested Board members, will adopt procedures reasonably designed to monitor any purchases of securities by the Fund in an Affiliated Underwriting, once an investment by a Fund of Funds in the securities of the Fund exceeds the limit of section 12(d)(1)(A)(i) of the Act, including any purchases made directly from an Underwriting Affiliate. The Board will review these purchases periodically, but no less frequently than annually, to determine whether the purchases were influenced by the investment by the Fund of Funds in the Fund. The Board will consider, among other things: (i) Whether the purchases were consistent with the investment objectives and policies of the Fund; (ii) how the performance of securities purchased in an Affiliated Underwriting compares to the performance of comparable securities purchased during a comparable period of time in underwritings other than Affiliated Underwritings or to a benchmark such as a comparable market index; and (iii) whether the amount of securities purchased by the Fund in Affiliated Underwritings and the amount purchased directly from an Underwriting Affiliate have changed significantly from prior years. The Board will take any appropriate actions based on its review, including, if appropriate, the institution of procedures designed to ensure that purchases of securities in Affiliated Underwritings are in the best interest of shareholders of the Fund.

8. Each Fund will maintain and preserve permanently in an easily accessible place a written copy of the procedures described in the preceding condition, and any modifications to such procedures, and will maintain and preserve for a period of not less than six years from the end of the fiscal year in which any purchase in an Affiliated Underwriting occurred, the first two years in an easily accessible place, a written record of each purchase of securities in Affiliated Underwritings once an investment by a Fund of Funds in the securities of the Fund exceeds the limit of section 12(d)(1)(A)(i) of the Act, setting forth from whom the securities were acquired, the identity of the underwriting syndicate’s members, the terms of the purchase, and the information or materials upon which the Board’s determinations were made.

9. Before investing in a Fund in excess of the limit in section 12(d)(1)(A), a Fund of Funds and the applicable Trust will execute a FOF Participation Agreement stating, without limitation, that their respective boards of directors or trustees and their investment advisers, or trustee and Sponsor, as applicable, understand the terms and conditions of the order, and agree to fulfill their responsibilities under the order. At the time of its investment in Shares of a Fund in excess of the limit in section 12(d)(1)(A)(i), a Fund of Funds will notify the Fund of the investment. At such time, the Fund of Funds will also transmit to the Fund a list of the names of each Fund of Funds Affiliate and Underwriting Affiliate. The Fund of Funds will notify the Fund of any changes to the list of the names as soon as reasonably practicable after a change occurs. The Fund and the Fund of Funds will maintain and preserve a copy of the order, the FOF Participation Agreement, and the list with any updated information for the duration of the investment and for a period of not less than six years thereafter, the first two years in an easily accessible place.

10. Before approving any advisory contract under section 15 of the Act, the board of directors or trustees of each Investing Management Company including a majority of the disinterested directors or trustees, will find that the advisory fees charged under such contract are based on services provided that will be in addition to, rather than duplicative of, the services provided under the advisory contract(s) of any Fund in which the Investing Management Company may invest. These findings and their basis will be fully recorded in the minute books of the appropriate Investing Management Company.

11. Any sales charges and/or service fees charged with respect to shares of a Fund of Funds will not exceed the limits applicable to a fund of funds as set forth in NASD Conduct Rule 2830.

12. No Fund will acquire securities of an investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent the Fund acquires securities of another investment company pursuant to exemptive relief from the Commission permitting the Fund to acquire securities of one or more investment companies for short-term cash management purposes.

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

Brent J. Fields,
Secretary.

[FR Doc. 2016–08935 Filed 4–18–16; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Certificate of Incorporation of the Exchange’s Ultimate Parent Company, Bats Global Markets, Inc.

April 13, 2016.

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 April 8, 2016, Bats BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act3 and Rule 19b–4(f)(6)(iii)4 thereunder,5 which renders it 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 Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the certificate of incorporation of the Exchange’s ultimate parent company, Bats Global Markets, Inc. (the “Corporation”).

The text of the proposed rule change is available at the Exchange’s Web site at 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.

(A) Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On December 16, 2015, the Corporation, the ultimate parent entity of the Exchange, filed a registration statement on Form S–1 with the Commission seeking to register shares of common stock and to conduct an initial public offering of those shares, which will be listed for trading on the Exchange (the “IPO”). In connection with its IPO, the Corporation intends to amend and restate its certificate of incorporation (the “New Certificate of Incorporation”). The Exchange previously received Commission approval of certain substantive amendments to the certificate of incorporation of the Corporation that comprise changes included in the New Certificate of Incorporation. Since that date, the Corporation has determined it to be necessary to further amend its certificate of incorporation to achieve the final, pre-IPO version of the New Certificate of Incorporation. The additional amendments will be achieved through the filing with the State of Delaware of a certificate of amendment to the New Certificate of Incorporation. The additional amendments are described in further detail below. The Exchange, on behalf of the Corporation, proposes changes to the New Certificate of Incorporation in connection with a forward stock split, pursuant to which each share of common stock of the Corporation outstanding or held in treasury immediately prior to the completion of the IPO would automatically and without action on the part of the holders thereof be subdivided into 2.91 shares of common stock (the “Stock Split”). Accordingly, the number of authorized shares of the Corporation, both in the aggregate and as set forth by class, as codified in paragraph (a)(i) of Article Fourth of the New Certificate of Incorporation, will be adjusted. The Corporation also plans to adjust the preferred stock of the Corporation consistent with the Stock Split. The par value of the Corporation’s common stock will remain $0.01 per share. The purpose of this rule filing is to permit the Corporation, the ultimate parent company of the Exchange, to adopt an amendment to the New Certificate of Incorporation, as described in this proposal. The changes described herein relate to the certificate of incorporation of the Corporation only, not to the governance of the Exchange. The Exchange will continue to be governed by its existing certificate of incorporation and bylaws. The stock in, and voting power of, the Exchange will continue to be directly and solely held by Bats Global Markets Holdings, Inc., an intermediate holding company wholly-owned by the Corporation, and the governance of the Exchange will continue under its existing structure.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act. In particular, the proposal is consistent with Section 6(b)(1) of the Act, because it retains, without modification, the existing limitations on ownership and total voting power that currently exist and that are designed to prevent any stockholder from exercising undue control over the operation of the Exchange and to assure that the Exchange is able to carry out its regulatory obligations under the Act. Under the proposal, the Corporation is making certain administrative and structural changes to the New Certificate of Incorporation. These changes, however, do not impact the governance of the Exchange nor do they modify the ownership of the Corporation.

(B) Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change imposes any burden on competition. As described above, the proposed rule change is simply to make certain administrative and structural changes to the New Certificate of Incorporation. These changes do not impact the governance of the Exchange nor do they modify the ownership of the Corporation.

(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 Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act and Rule 19b–4(f)(6) thereunder. Because the 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, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder. A proposed rule change filed under Rule 19b–4(f)(6) under the Act normally does not become operative for 30 days after the date of filing. However, Rule 19b–4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule may become operative immediately upon filing. The Exchange states that the Corporation’s IPO may occur in the near future, and the changes described in this notice are a critical component of such IPO. The Exchange states that waiver of the operative delay will allow the Corporation to promptly move forward with the IPO without delay. The Commission notes that the Exchange represents that there are no changes to the provisions of the New Certificate of Incorporation that impact the ownership
or governance of the Exchange, and that
instead, the amendments reflect
administrative and structural
amendments to the New Certificate of
Incorporation. Based on the foregoing,
the Commission believes that waiving
the 30-day operative delay is consistent
with the protection of investors and the
public interest.14 The Commission hereby
grants the Exchange’s request and
designates the proposal operative
upon filing.
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
• Send an email to rule-comments@sec.gov. Please include File Number SR–BatsBZX–2016–07 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.
• You should submit only
  submissions. You should submit only

The text of 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–
BatsBZX–2016–07 and should be
submitted on or before May 10, 2016.

For the Commission, by the Division of
Trading and Markets, pursuant to delegated
authority.15

Robert W. Errett,
Deputy Secretary.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77608; File No. SR–BATS–2016–05]

Self-Regulatory Organizations; Bats
EDGA Exchange, Inc.; Notice of Filing
and Immediate Effectiveness of a
Proposed Rule Change To Amend the
Certificate of Incorporation of the
Exchange’s Ultimate Parent Company,
Bats Global Markets, Inc.

April 13, 2016.

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 April 8,
2016, Bats EDGA Exchange, Inc. (the
“Exchange” or “EDGA”) filed with the
Securities and Exchange Commission
(“Commission”) 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 filed a proposal to
amend the certificate of incorporation of
the Exchange’s ultimate parent
company, Bats Global Markets, Inc. (the
“Corporation”).

The text of the proposed rule change is
available at the Exchange’s Web site
at 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.

(A) Self-Regulatory Organization’s
Statement of the Purpose of, and
Statutory Basis for, the Proposed Rule
Change

1. Purpose

On December 16, 2015, the
Corporation, the ultimate parent entity
of the Exchange, filed a registration
statement on Form S–1 with the
Commission seeking to register shares of
common stock and to conduct an initial
public offering of those shares, which
will be listed for trading on the
Exchange (the “IPO”). In connection
with its IPO, the Corporation intends to
amend and restate its certificate of
incorporation (the “New Certificate of
Incorporation”). The Exchange
previously received Commission
approval of certain substantive
amendments to the certificate of
incorporation of the Corporation that
comprise changes included in the New
Certificate of Incorporation.3 Since that
date, the Corporation has determined it
to be necessary to further amend its
certificate of incorporation to achieve
the final, pre-IPO version of the New


14 For purposes only of waiving the 30-day
operative delay, the Commission has also
considered the proposed rule’s impact on
efficiency, competition, and capital formation. See


(March 29, 2016), 81 FR 19252 (April 1, 2016) (SR–