2. Date: June 26, 2017.
   This meeting will discuss applications on the subjects of the Arts, Media & Communication, Philosophy & Religion, for the Awards for Faculty grant program, submitted to the Division of Research Programs.
3. Date: June 27, 2017.
   This meeting will discuss applications on the subjects of World History, Linguistics, and the Social Sciences, for NEH-Mellon Fellowships for Digital Publication, submitted to the Division of Research Programs.
4. Date: June 27, 2017.
   This meeting will discuss applications on the subject of Literature Studies, for the Awards for Faculty grant program, submitted to the Division of Research Programs.
5. Date: June 28, 2017.
   This meeting will discuss applications on the subjects of History & Politics, for the Awards for Faculty grant program, submitted to the Division of Research Programs.
6. Date: June 29, 2017.
   This meeting will discuss applications on the subjects of American History, American Studies & Social Sciences, for the Awards for Faculty grant program, submitted to the Division of Research Programs.

Because these meetings will include review of personal and/or proprietary financial and commercial information given in confidence to the agency by grant applicants, the meetings will be closed to the public pursuant to sections 552b(c)(4) and 552b(c)(6) of Title 5, U.S.C., as amended. I have made this determination pursuant to the authority granted me by the Chairman’s Delegation of Authority to Close Advisory Committee Meetings dated April 15, 2016.

Elizabeth Voyatzis,
Committee Management Officer.
[FR Doc. 2017–09615 Filed 5–11–17; 8:45 am]
BILLING CODE 7710–FW–P

SECURITIES AND EXCHANGE COMMISSION
[Investment Company Act Release No. 32630; 812–14699]

New Mountain Finance Corporation, et al.

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Notice.

Notice of application for an order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the “Act”) and rule 17d–1 under the Act permitting certain joint transactions otherwise prohibited by section 17(d) and 57(a)(4) of the Act and under rule 17d–1 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit one or more business development companies (each, a “BDC”) and certain other closed-end management investment companies to co-invest in portfolio companies with each other and with affiliated investment funds.

II Master-A, the “Guardian II Funds”); and New Mountain Finance Advisers BDC, L.L.C. (the “BDC Adviser”) on behalf of itself and its successors.\(^3\)

**FILING DATES:** The application was filed on September 12, 2016, and amended on February 1, 2017 and April 7, 2017.\(^4\)

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on June 2, 2017, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

**ADDRESSES:** Secretary, U.S. Securities and Exchange Commission, 100 F St. NE., Washington, DC 20549–1090. Applicants: Robert A. Hamwee, Chief Executive Officer, 787 Seventh Avenue, 48th Floor, New York, NY 10019.

**FOR FURTHER INFORMATION CONTACT:** Rochelle Kaufman Plesset, Senior Counsel, or David Marcinkus, Branch Chief, at (202) 551–6821 (Division of Investment Management, Chief Counsel’s Office).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission’s Web site by searching for the file number, or for an applicant using the Company name box, at http://www.sec.gov/search/search.htm or by calling (202) 551–8090.

**Applicants’ Representations**

1. NMFC, a Delaware corporation, is organized as a closed-end management investment company that has elected to be regulated as a BDC under section 54(a) of the Act.\(^2\) Applicants state that NMFC seeks to generate both current income and capital appreciation through the sourcing and origination of debt securities at all levels of the capital structure. The board of directors (“Board”) of NMFC is comprised of seven directors, four of whom are not “interested directors” as defined in section 2(a)(19) of the Act (“Non-Interested Directors”).

2. The NMFC Subsidiaries are wholly-owned subsidiaries of NMFC, each structured as a Delaware corporation to hold equity or equity-like investments in portfolio companies organized as limited liability companies or other forms of pass-through entities. The NMFC Subsidiaries are not registered under the Act in reliance on the exclusion from the definition of “investment company” in section 3(c)(7) of the Act.

3. SBIC LP, a Delaware limited partnership, received a license from the Small Business Administration to operate as a small business investment company. SBIC LP is a consolidated wholly-owned subsidiary of NMFC.

4. Guardian II is a private fund organized in Delaware on August 25, 2016. Both Guardian II Master A and Guardian II Master B are private funds organized as Cayman Islands exempted limited partnerships on January 3, 2017. The Guardian II Funds have not yet formally commenced principal operations. Applicants state that the investment objective of each of these funds is to generate both current income and capital appreciation by investing primarily in first lien and second lien secured loans as well as subordinated debt. None of the Guardian II Funds is registered under the Act in reliance on the exclusion from the definition of “investment company” in section 3(c)(7) of the Act.

5. BDC Adviser, a Delaware limited liability company, is registered with the Commission as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). BDC Adviser serves as investment adviser to NMFC and will serve as investment adviser to the Guardian II Funds.

6. Applicants seek an order (“Order”) to permit one or more Regulated Funds\(^3\) and/or one or more Affiliated Funds\(^4\) to participate in the same investment opportunities through a proposed co-investment program (the “Co-Investment Program”) where such participation would otherwise be prohibited under section 57(a)(4) and rule 17d–1 by (a) co-investing with each other in securities issued by issuers in private placement transactions in which an Adviser negotiates terms in addition to price;\(^5\) and (b) making additional investments in securities of such issuers, including through the exercise of warrants, conversion privileges, and other rights to purchase securities of the issuers (“Follow-On Investments”). “Co-Investment Transaction” means any transaction in which a Regulated Fund (or its Wholly-Owned Investment Sub, as defined below) participated together with one or more other Regulated Funds and/or one or more Affiliated Funds in reliance on the requested Order.

7. Applicants state any of the Regulated Funds may invest from time to time, form one or more Wholly-Owned Investment Subs.\(^7\) A Wholly-Owned Investment Sub would be prohibited from investing in a Co-Investment Transaction with any Affiliated Fund or Fund” means any entity (a) whose investment adviser is an Adviser, (b) that would be an investment company but for section 3(c)(1) or 3(c)(7) of the Act, and (c) that intends to participate in the Co-Investment Program.

8. The term “private placement transactions” means transactions in which the offer and sale of securities by the issuer are exempt from registration under the Securities Act of 1933 (the “Securities Act”).

9. All existing entities that currently intend to rely upon the requested Order have been named as applicants. Any other existing or future entity that subsequently relies on the Order will comply with the terms and conditions of the application.

10. The term “Wholly-Owned Investment Sub” means an entity (i) that is wholly-owned by a Regulated Fund (with the Regulated Fund at all times holding, beneficially and of record, 100% of the voting and economic interest); (ii) whose sole business purpose is to hold one or more investments on behalf of the Regulated Fund (and, in the case of an SBIC Subsidiary, maintain a license under the Small Business Investment Act of 1958 and issue debentures guaranteed by the SBA); (iii) with respect to which the Regulated Fund’s Board has the sole authority to make all determinations with respect to the entity’s participation under the conditions of the application; and (iv) that would be an investment company but for section 3(c)(1) or 3(c)(7) of the Act. Each of the NMFC Subsidiaries and SBIC LP is a Wholly-Owned Investment Sub of NMFC and any future subsidiaries of the Regulated Funds that participate in Co-Investment Transactions will be Wholly-Owned Investment Subs.

\(^{1}\) The term “successor,” as applied to an Adviser, means an entity that results from a reorganization into another jurisdiction or change in the type of business organization.

\(^{2}\) Section 2(a)(48) defines a BDC to be any closed-end investment company that operates for the purpose of making investments in securities described in sections 55(a)(1) through 55(a)(3) of the Act and makes available significant managerial assistance with respect to the issuers of such securities.

\(^{3}\) Applicants’ representations that would be an investment company but for section 3(c)(1) or 3(c)(7) of the Act.

\(^{4}\) Applicants state any of the

\(^{5}\) Applicants state any of the

\(^{6}\) Applicants state any of the

\(^{7}\) Applicants state any of the
Regulated Fund because it would be a company controlled by its parent
Regulated Fund for purposes of section 57(a)(4) and rule 17d–1. Applicants
request that each Wholly-Owned Investment Sub be permitted to participate in Co-Investment
Transactions in lieu of its parent Regulated Fund and that the Wholly-
Owned Investment Sub’s participation in any such transaction be treated, for
purposes of the requested order, as though the parent Regulated Fund were
participating directly. Applicants represent that this treatment is justified
because a Wholly-Owned Investment Sub would have no purpose other than
serving as a holding vehicle for the Regulated Fund’s investments and,
therefore, no conflicts of interest could arise between the Regulated Fund and the
Wholly-Owned Investment Sub. The Regulated Fund’s Board would make all
relevant determinations under the conditions with regard to a Wholly-
Owned Investment Sub’s participation in a Co-Investment Transaction, and the
Regulated Fund’s Board would be informed of, and take into
consideration, any proposed use of a
Wholly-Owned Investment Sub in the
Regulated Fund’s place. If the Regulated Fund proposes to participate in the
same Co-Investment Transaction with any of its Wholly-Owned Investment
Subs, the Board will also be informed of, and take into consideration, the
relative participation of the Regulated Fund and the Wholly-Owned
Investment Sub.

8. When considering Potential Co-
Investment Transactions for any
Regulated Fund, the applicable Adviser
will consider only the Objectives and
Strategies, investment policies,
investment positions, capital available
for investment as described in the
application (“Available Capital”), and
other pertinent factors applicable to that
Regulated Fund. The Board of each
Regulated Fund, including the Non-
Interested Directors, has (or will have
prior to relying on the requested Order)
determined that it is in the best interests of the Regulated Fund to participate in Co-Investment Transactions.

9. Other than pro rata dispositions
and Follow-On Investments as provided in conditions 7 and 8, and after making
the determinations required in
conditions 1 and 2(a), the Adviser will
present each Potential Co-Investment Transaction and the proposed allocation
to the directors of the Board eligible to vote under section 57(o) of the Act
(“Eligible Directors”), and the “required
majority,” as defined in section 57(o) of the Act (“Required Majority”) 10 will
approve each Co-Investment Transaction prior to any investment by
the participating Regulated Fund.

10. With respect to the pro rata
dispositions and Follow-On Investments
provided in conditions 7 and 8, a
Regulated Fund may participate in a pro
rata disposition or Follow-On
Investment without obtaining prior
approval of the Required Majority if,
among other things: (i) the proposed
participation of each Regulated Fund and
Affiliated Fund in such disposition
is proportionate to its outstanding
investments in the issuer immediately
preceding the disposition or Follow-On
Investment, as the case may be; and (ii)
the Board of the Regulated Fund has
approved that Regulated Fund’s
participation in pro rata dispositions and
Follow-On Investments as being in
the best interests of the Regulated Fund.

If the Board does not so approve, any
such disposition or Follow-On
Investment will be submitted to the
Regulated Fund’s Eligible Directors. The
Board of any Regulated Fund may at any
time rescind, suspend or qualify its
approval of pro rata dispositions and
Follow-On Investments with the result
that all dispositions and/or Follow-On
Investments will be submitted to the
Eligible Directors.

11. No Non-Interested Director of a
Regulated Fund will have a financial
interest in any Co-Investment
Transaction, other than through share
ownership in one of the Regulated Funds.

12. If an Adviser or its principal
owners (the “Principals”), or any person
controlling, controlled by, or under
common control with an Adviser or the
Principals, and any Affiliated Fund
(collectively, the “Holders”) own in the
aggregate more than 25 per cent of the
outstanding voting shares of a Regulated Fund
(the “Shares”), then the Holders
will vote such Shares as required under
condition 14. Applicants believe that
this condition will ensure that the Non-
Interested Directors will act
independently in evaluating the Co-
Investment Program, because the ability of an Adviser or the Principals to
influence the Non-Interested Directors
by a suggestion, explicit or implied, that
the Non-Interested Directors can be
removed will be limited significantly.
The Non-Interested Directors shall
evaluate and approve any such
independent third party, taking into
account its qualifications, reputation for
independence, cost to the shareholders,
and other factors that they deem
relevant.

Applicants’ Legal Analysis

1. Section 57(a)(4) of the Act prohibits
certain affiliated persons of a BDC from
participating in joint transactions with
the BDC or a company controlled by a
BDC in contravention of rules as
prescribed by the Commission. Under
section 57(b)(2) of the Act, any person
who is directly or indirectly controlling,
controlled by, or under common control
with a BDC is subject to section 57(a)(4).

Applicants submit that each of the
Regulated Funds and Affiliated Funds
could be deemed to be a person related
to each Regulated Fund in a manner
described by section 57(b) by virtue of being
under common control. Section
57(i) of the Act provides that, until the
Commission prescribes rules under
section 57(a)(4), the Commission’s rules
under section 17(d) of the Act
applicable to registered closed-end
investment companies will be deemed to
apply to transactions subject to
section 57(a)(4). Because the
Commission has not adopted any rules
under section 57(a)(4), rule 17d–1 also
applies to joint transactions with
Registered Funds that are BDCs. Section
17(d) of the Act and rule 17d–1 under
the Act are applicable to Registered Funds that are registered closed-end
investment companies.

2. Section 17(d) of the Act and rule
17d–1 under the Act prohibit affiliated
persons of a registered investment
company from participating in joint
transactions with the company unless
the Commission has granted an order
permitting such transactions. In passing
upon applications under rule 17d–1, the
Commission considers whether the
company’s participation in the joint
transaction is consistent with the
provisions, policies, and purposes of the
Act and the extent to which such
participation is on a basis different from
or less advantageous than that of other
participants.

3. Applicants state that in the absence
of the requested relief, the Regulated Funds
would be, in some circumstances, limited in their ability to
participate in attractive and appropriate
investment opportunities. Applicants believe that the proposed terms
and conditions will ensure that the Co-
Investment Transactions are consistent with the protection of each Regulated Fund’s shareholders and with the purposes intended by the policies and provisions of the Act. Applicants state that the Regulated Funds’ participation in the Co-Investment Transactions will be consistent with the provisions, policies, and purposes of the Act and on a basis that is not different from or less advantageous than that of other participants.

Applicants’ Conditions

Applicants agree that the Order will be subject to the following conditions:

1. Each time an Adviser considers a Potential Co-Investment Transaction for an Affiliated Fund or another Regulated Fund that falls within a Regulated Fund’s then-current Objectives and Strategies, the Regulated Fund’s Adviser will make an independent determination of the appropriateness of the investment for such Regulated Fund in light of the Regulated Fund’s then-current circumstances.

2. (a) If the Adviser deems a Regulated Fund’s participation in any Potential Co-Investment Transaction to be appropriate for the Regulated Fund, it will then determine an appropriate level of investment for the Regulated Fund.

(b) If the aggregate amount recommended by the applicable Adviser to be invested by the applicable Regulated Fund in the Potential Co-Investment Transaction, together with the amount proposed to be invested by the other participating Regulated Funds and Affiliated Funds, collectively, in the same transaction, exceeds the amount of the investment opportunity, the investment opportunity will be allocated among them pro rata based on each participant’s Available Capital, up to the amount proposed to be invested by each. The applicable Adviser will provide the Eligible Directors of each participating Regulated Fund with information concerning each participating party’s Available Capital to assist the Eligible Directors with their review of the Regulated Fund’s investments for compliance with these allocation procedures.

(c) After making the determinations required in conditions 1 and 2(a), the applicable Adviser will distribute written information concerning the Potential Co-Investment Transaction (including the amount proposed to be invested by each participating Regulated Fund and Affiliated Fund) to the Eligible Directors of each participating Regulated Fund for their consideration. A Regulated Fund will co-invest with one or more other Regulated Funds and/or one or more Affiliated Funds only if, prior to the Regulated Fund’s participation in the Potential Co-Investment Transaction, a Required Majority concludes that:

(i) The terms of the Potential Co-Investment Transaction, including the consideration to be paid, are reasonable and fair to the Regulated Fund and its shareholders and do not involve overreaching in respect of the Regulated Fund or its shareholders on the part of any person concerned;

(ii) the Potential Co-Investment Transaction is consistent with:

(A) The interests of the shareholders of the Regulated Fund; and

(B) the Regulated Fund’s then-current Objectives and Strategies;

(iii) the investment by any other Regulated Funds or Affiliated Funds would not disadvantage the Regulated Fund, and participation by the Regulated Fund would not be on a basis different from or less advantageous than that of other Regulated Funds or Affiliated Funds; provided that, if any other Regulated Fund or Affiliated Fund, but not the Regulated Fund itself, gains the right to nominate a director for election to a portfolio company’s board of directors or the right to have a board observer or any similar right to participate in the governance or management of the portfolio company, such event shall not be interpreted to prohibit the Required Majority from reaching the conclusions required by this condition 2(c)(iii), if:

(A) The Eligible Directors will have the right to ratify the selection of such director or board observer, if any;

(B) the applicable Adviser agrees to, and does, provide periodic reports to the Regulated Fund’s Board with respect to the actions of such director or the information received by such board observer or obtained through the exercise of any similar right to participate in the governance or management of the portfolio company; and

(C) any fees or other compensation that any Affiliated Fund or any Regulated Fund or any affiliated person of any Affiliated Fund or any Regulated Fund receives in connection with the right of the Affiliated Fund or a Regulated Fund to nominate a director or appoint a board observer or otherwise to participate in the governance or management of the portfolio company will be shared proportionately among the participating Affiliated Funds (who each may, in turn, share its portion with its affiliated persons) and the participating Regulated Funds in accordance with the amount of each party’s investment; and

(iv) the proposed investment by the Regulated Fund will not benefit the Advisers, the Affiliated Funds or the other Regulated Funds or any affiliated person of any of them (other than the parties to the Co-Investment Transaction), except (A) to the extent permitted by condition 13, (B) to the extent permitted by section 17(e) or 57(k) of the Act, as applicable, (C) indirectly, as a result of an interest in the securities issued by one of the parties to the Co-Investment Transaction, or (D) in the case of fees or other compensation described in condition 2(c)(iii)(C).

3. Each Regulated Fund has the right to decline to participate in any Potential Co-Investment Transaction or to invest less than the amount proposed.

4. The applicable Adviser will present to the Board of each Regulated Fund, on a quarterly basis, a record of all investments in Potential Co-Investment Transactions made by any of the other Regulated Funds or Affiliated Funds during the preceding quarter that fell within the Regulated Fund’s then-current Objectives and Strategies that were not made available to the Regulated Fund, and an explanation of why the investment opportunities were not offered to the Regulated Fund. All information presented to the Board pursuant to this condition will be kept for the life of the Regulated Fund and at least two years thereafter, and will be subject to examination by the Commission and its staff.

5. Except for Follow-On Investments made in accordance with condition 8, a Regulated Fund will not invest in reliance on the Order in any issuer in which another Regulated Fund, Affiliated Fund, or any affiliated person of any other Regulated Fund or Affiliated Fund is an existing investor.

6. A Regulated Fund will not participate in any Potential Co-Investment Transaction unless the terms, conditions, price, class of securities to be purchased, settlement date, and registration rights will be the same for each participating Regulated Fund and Affiliated Fund. The grant to an Affiliated Fund or another Regulated Fund, but not the Regulated Fund, of the right to nominate a director for election to a portfolio company’s board of directors, the right to have an observer on the board of directors or similar rights to participate in the governance or management of the Portfolio company will not be

11This exception applies only to Follow-On Investments by a Regulated Fund in issuers in which that Regulated Fund already holds investments.
interpreted so as to violate this condition 6, if conditions 2(c)(iii)(A), (B) and (C) are met.

7. (a) If any Affiliated Fund or any Regulated Fund elects to sell, exchange or otherwise dispose of an interest in a security that was acquired in a Co-Investment Transaction, the applicable Advisers will:

(i) Notify each Regulated Fund that participated in the Co-Investment Transaction of the proposed disposition at the earliest practical time; and

(ii) formulate a recommendation as to participation by each Regulated Fund in the disposition.

(b) Each Regulated Fund will have the right to participate in such disposition on a proportionate basis, at the same price and on the same terms and conditions as those applicable to the participating Affiliated Funds and Regulated Funds.

(c) A Regulated Fund may participate in such disposition without obtaining prior approval of the Required Majority if: (i) The proposed participation of each Regulated Fund and each Affiliated Fund in such disposition is proportionate to its outstanding investments in the issuer immediately preceding the disposition; (ii) the Board of the Regulated Fund has approved as being in the best interests of the Regulated Fund the ability to participate in Co-Investment Transactions; and (iii) the Board of the Regulated Fund is provided a written recommendation to the Regulated Fund as to the action to be taken based on the amounts they invest in or otherwise dispose of any securities acquired in a Co-Investment Transaction.

8. (a) If any Affiliated Fund or any Regulated Fund desires to make a Follow-On Investment in a portfolio company whose securities were acquired in a Co-Investment Transaction, the applicable Advisers will:

(i) Notify each Regulated Fund that participated in the Co-Investment Transaction of the proposed transaction at the earliest practical time; and

(ii) formulate a recommendation as to the participation of each Regulated Fund in the proposed Follow-On Investment, by each Regulated Fund.

(b) A Regulated Fund may participate in such Follow-On Investment without obtaining prior approval of the Required Majority if: (i) The proposed participation of each Regulated Fund and each Affiliated Fund in such investment is proportionate to its outstanding investments in the issuer immediately preceding the Follow-On Investment; and (ii) the Board of the Regulated Fund has approved as being in the best interests of the Regulated Fund the ability to participate in Follow-On Investments on a pro rata basis (as described in greater detail in the application). In all other cases, the Adviser will provide its written recommendation as to the Regulated Fund’s participation to the Eligible Directors, and the Regulated Fund will participate in such Follow-On Investment solely to the extent that a Required Majority determines that it is in the Regulated Fund’s best interests.

(c) If, with respect to any Follow-On Investment:

(i) the amount of the opportunity is not based on the Regulated Funds’ and the Affiliated Funds’ outstanding investments immediately preceding the Follow-On Investment; and

(ii) the aggregate amount recommended by the applicable Adviser to be invested by the applicable Regulated Fund in the Follow-On Investment, together with the amount proposed to be invested by the other participating Regulated Funds and Affiliated Funds, collectively, in the same transaction, exceeds the amount of the investment opportunity; then the investment opportunity will be allocated among them pro rata based on each participant’s Available Capital, up to the maximum amount proposed to be invested by each.

(d) The acquisition of Follow-On Investments as permitted by this condition will be considered a Co-Investment Transaction for all purposes and subject to the other conditions set forth in this application.

9. The Non-Interested Directors of each Regulated Fund will be provided quarterly for review all information concerning Potential Co-Investment Transactions and Co-Investment Transactions, including investments made by other Regulated Funds or Affiliated Funds that the Regulated Fund considered but declined to participate in, so that the Non-Interested Directors may determine whether all investments made during the preceding quarter, including those investments that the Regulated Fund considered but declined to participate in, comply with the conditions of the Order. In addition, the Non-Interested Directors will consider at least annually the continued appropriateness for the Regulated Fund of participating in new and existing Co-Investment Transactions.

10. Each Regulated Fund will maintain the records required by section 57(f)(3) of the Act as if each of the Regulated Funds were a BDC and each of the investments permitted under these conditions were approved by the Required Majority under section 57(f) of the Act.

11. No Non-Interested Director of a Regulated Fund will also be a director, general partner, managing member or principal, or otherwise an "affiliated person" (as defined in the Act) of an Affiliated Fund.

12. The expenses, if any, associated with acquiring, holding or disposing of any securities acquired in a Co-Investment Transaction (including, without limitation, the expenses of the distribution of any such securities registered for sale under the Securities Act) will, to the extent not payable by the Advisers under their respective investment advisory agreements with Affiliated Funds and the Regulated Funds, be shared by the Regulated Funds and the Affiliated Funds in proportion to the relative amounts of the securities held or to be acquired or disposed of, as the case may be.

13. Any transaction fee 12 (including break-up or commitment fees but excluding broker’s fees contemplated by section 17(e) or 57(k) of the Act, as applicable), received in connection with a Co-Investment Transaction will be distributed to the participating Regulated Funds and Affiliated Funds on a pro rata basis based on the amounts they invested or committed, as the case may be, in such Co-Investment Transaction. If any transaction fee is to be held by an Adviser pending consummation of the transaction, the fee will be deposited into an account maintained by such Adviser at a bank or banks having the qualifications prescribed in section 26(a)(1) of the Act, and the account will earn a competitive rate of interest that will also be divided pro rata among the participating Regulated Funds and Affiliated Funds based on the amounts they invest in such Co-Investment Transaction. None of the Affiliated Funds, the Advisers, the other Regulated Funds or any affiliated person of the Regulated Funds or Affiliated Funds will receive additional compensation or remuneration of any kind as a result of

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12 Applicants are not requesting and the staff is not providing any relief for transaction fees received in connection with any Co-Investment Transaction.
or in connection with a Co-Investment Transaction (other than (a) in the case of the Regulated Funds and the Affiliated Funds, the pro rata transaction fees described above and fees or other compensation described in condition 2(c)[(ii)(iii)(C)]; and (b) in the case of an Adviser, investment advisory fees paid in accordance with the agreement between the Adviser and the Regulated Fund or Affiliated Fund.

14. If the holders own in the aggregate more than 25 percent of the Shares of a Regulated Fund, then the holders will vote such Shares as directed by an independent third party when voting on (1) the election of directors; (2) the removal of one or more directors; or (3) any other matter under either the 1940 Act or applicable state law affecting the Board’s composition, size or manner of election.

15. Each Regulated Fund’s chief compliance officer, as defined in rule 38a–1(a)(4), will prepare an annual report for its Board each year that evaluates (and documents the basis of that evaluation) the Regulated Fund’s compliance with the terms and conditions of the application and the procedures established to achieve such compliance.

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

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–09643 Filed 5–11–17; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations: NYSE MKT LLC; Notice of Filing of Proposed Rule Change To Harmonize the Requirements of the NYSE MKT Company Guide With Respect to Periodic Reporting With Those of the NYSE


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), and Rule 19b–4 thereunder, a notice is hereby given that, on April 25, 2017, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) filed with the Securities and Exchange Commission (the “SEC” or “Commission”) the proposed rule change as described in items I and II below, which items have been prepared by the self-regulatory organization. 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 harmonize the requirements of the NYSE MKT Company Guide (the “Company Guide”) with respect to periodic reporting with those of the NYSE. The proposed rule change is available on the Exchange’s Web site at www.nyse.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 self-regulatory organization 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 those 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to harmonize the requirements of the Company Guide with respect to periodic reporting with those of the NYSE. A consistent approach among the two NYSE sister exchanges will avoid confusion among investors and companies and their service providers about the applicable rules. Currently, the Exchange provides companies that are late in making required filings with a compliance plan under its general provisions for companies that are non-compliant with Exchange rules, as set forth in Section 1009 of the Company Guide. Section 1009 gives the Exchange the discretion to grant companies up to 18 months to cure events of noncompliance and does not provide specific guidance with respect to how compliance periods should be administered for companies late in submitting their filings. By contrast, Section 802.01E of the NYSE Listed Company Manual limits companies to a maximum cure period of 12 months to submit all delayed filings and includes specific provisions for determining how much time companies should be given to cure within the context of that maximum 12 months and what is required to be eligible for that additional time. As such, the Exchange believes that the NYSE’s process for dealing with delayed filings is more stringent and more transparent than its own and believes that it is appropriate to harmonize its own process with that of the NYSE. The Exchange also proposes to harmonize its requirements with respect to semi-annual reporting by foreign private issuers with that of the NYSE, as the NYSE requirement is more precise. This greater precision will enable the Exchange to subject this semi-annual reporting obligation to the same compliance regime as it is proposing for other delayed filings.

Semi-Annual Reporting by Foreign Private Issuers

Section 110(d) of the Company Guide currently requires all foreign-incorporated listed companies to publish, at least semi-annually, an English language version of their interim financial statements. As part of its harmonization with the rules of the NYSE and adoption of a more explicit compliance approach, the Exchange proposes to adopt new Section 110(e) as a more specific interim reporting requirement for listed foreign private issuers. Under proposed Section 110(e), each listed foreign private issuer will be required, at a minimum, to submit to the SEC a Form 6–K that includes (i) an interim balance sheet as of the end of its second fiscal quarter and (ii) a semi-annual income statement that covers its first two fiscal quarters. This Form 6–K must be submitted no later than six months following the end of the company’s second fiscal quarter. The financial information included in the Form 6–K must be presented in English, but does not have to be reconciled to U.S. GAAP.

Amendments to Chapter Six of the Company Guide

Section 610(a) currently requires listed companies to provide specific enumerated disclosures with regard to outstanding options. The Exchange