

the investment is comprised of securities that are listed on or traded on any foreign securities exchange or board of trade that satisfies regulatory requirements under the law of the jurisdiction in which such foreign securities exchange or board of trade is organized similar to those that apply to a national securities exchange or a national market system of securities; or (f) when the investment is comprised of securities that are government securities as defined in section 2(a)(16) of the Act.

5. An Investment Fund will send, within 120 days after the end of its fiscal year, or as soon as practicable thereafter, to each Member who had an interest in the Investment Fund at any time during the fiscal year then ended, reports and information regarding the Investments, including financial statements for such Investment Fund audited by an independent accounting firm. The Investment Committee will make a valuation or have a valuation made of all of the assets of an Investment Fund as of each fiscal year end. In addition, within 90 days after the end of each fiscal year of the Investment Fund or as soon as practicable thereafter, the Investment Fund shall send a report to each person who was a Member at any time during the fiscal year then ended, setting forth such tax information as shall be necessary for the preparation by the Member of his or her federal and state income tax returns and a report of the investment activities of the Investment Fund during such year.

6. An Investment Fund will maintain and preserve, for the life of the Investment Fund and at least six years thereafter, such accounts, books, and other documents as constitute the record forming the basis for the audited financial statements and annual reports of the Investment Fund to be provided to its Members, and agrees that all such records will be subject to examination by the Commission and its staff. All such records will be maintained in an easily accessible place for at least the first two years. For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Kevin M. O'Neill,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69230; File No. SR-BX-2013-023]

### Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Routing Fees

March 25, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 19, 2013, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “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

The Exchange proposes to amend Chapter XV, Section 2 entitled “BX Options Market—Fees and Rebates” to amend various fees for routing options to away markets.

While these amendments are effective upon filing, the Exchange has designated the proposed amendments to be operative on April 1, 2013.

The text of the proposed rule change is available on the Exchange’s Web site at <http://nasdaqomxbx.cchwallstreet.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 aspects of such statements.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

##### 1. Purpose

The purpose of this filing is to recoup costs that the Exchange incurs for routing and executing certain orders in equity options to away markets. Today, the Exchange calculates Routing Fees by assessing certain Exchange costs related to routing orders to away markets plus the away market’s transaction fee. The Exchange assesses a \$0.05 per contract<sup>3</sup> fixed Routing Fee when routing orders to The NASDAQ Options Market LLC (“NOM”) and NASDAQ OMX PHLX LLC (“PHLX”) and a \$0.11 per contract<sup>4</sup> fixed Routing Fee to all other options exchanges in addition to the actual transaction fee or rebate paid by the away market. The fixed Routing Fee is based on costs that are incurred by the Exchange when routing to an away market in addition to the away market’s transaction fee. For example, the Exchange incurs a fee when it utilizes Nasdaq Options Services LLC (“NOS”), a member of the Exchange and the Exchange’s exclusive order router,<sup>5</sup> to route orders in options listed and open for trading on the PHLX XL system to destination markets. Each time NOS routes to away markets NOS incurs a clearing-related cost<sup>6</sup> and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which fees are passed through to the Exchange. The Exchange also incurs administrative and technical costs associated with operating NOS, membership fees at away markets, Options Regulatory Fees

<sup>3</sup> In a previous rule filing, the Exchange discussed the manner in which it analyzed costs related to routing to NOM and PHLX and determined the costs are lower as compared to other away markets because NOS is utilized by all three exchanges to route orders. In that filing the Exchange noted that because PHLX, BX Options and NOM all utilize NOS, the cost to the Exchange is less as compared to routing to other away markets. In addition the fixed costs are reduced because NOS is owned and operated by NASDAQ OMX and the three exchanges and NOS share common technology and related operational functions. See Securities Exchange Act Release No. 68717 (January 24, 2013), 78 FR 6368 (January 30, 2013) (SR-BX-2013-005).

<sup>4</sup> The \$0.11 per contract Fixed Fee would apply to all options exchanges other than NOM and PHLX, which are discussed separately in this proposal. The Exchange anticipates that if other options exchanges are approved by the Commission after the filing of this proposal, those exchanges would be assessed the \$0.11 per contract fee applicable to “all other options exchanges.”

<sup>5</sup> See BX Rules at Chapter VI, Section 11(e) (Order Routing).

<sup>6</sup> The Options Clearing Corporation (“OCC”) assesses a clearing fee of \$0.01 per contract side. See Securities Exchange Act Release No. 68025 (October 10, 2012), 77 FR 63398 (October 16, 2012) (SR-OCC-2012-18).

(“ORFs”) and technical costs associated with routing options. The transaction fee assessed by the Exchange is based on the away market’s actual transaction fee or rebate for a particular market participant at the time that the order was entered into the Exchange’s trading system. This transaction fee is calculated on an order-by-order basis, since different away markets charge different amounts. In the event that there is no transaction fee or rebate assessed by the away market, the only fee assessed is the fixed Routing Fee. With respect to the rebate, the Exchange pays a market participant the rebate offered by an away market where there is such a rebate. Any rebate available is netted against a fee assessed by the Exchange.<sup>7</sup>

C2 recently filed a rule change to amend its transaction fees and rebates for simple, non-complex orders, in equity options classes which became operative on February 1, 2013.<sup>8</sup> As a result of that filing the Exchange amended its Pricing Schedule and today assesses non-Customer simple, non-complex orders in equity options (single stock) that are routed to C2 a Routing Fee which includes a fixed cost of \$0.11 per contract plus a flat rate of \$0.85 per contract, except with respect to Customers.<sup>9</sup> With respect to Customers, the Exchange does not pass the rebate offered by C2, rather, Customer simple, non-complex orders in equity options (single stock) that are routed to C2 are assessed \$0.00 per contract.

The Exchange is proposing to further simplify its Routing Fees by assessing a flat rate of \$0.95 per contract on all non-Customer orders routed to any away market. The Exchange would no longer pass any rebate paid by an away market for non-Customer orders. With respect to Customer orders, the Exchange is proposing to continue to assess Customer orders routed to NOM and PHLX a fixed fee of \$0.05 per contract (“Fixed Fee”) in addition to the actual transaction fee assessed by the away market. These fees are not changing. The Exchange proposes to assess a Customer Routing Fee of \$0.11 per contract (“Fixed Fee”) in addition to the

actual transaction fee when routing to an options exchange other than NOM and PHLX, as is the case today. The Exchange is amending the payment of rebates and will no longer pay rebates when routing Customer orders to an away market, instead the Exchange will not assess a Routing Fee if a Customer order is routed to an away market that pays a rebate.

## 2. Statutory Basis

BX believes that its proposal to amend its pricing is consistent with Section 6(b) of the Act<sup>10</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act,<sup>11</sup> in particular, in that it is an equitable allocation of reasonable fees and other charges among its Participants.

The Exchange believes that its proposal to amend its non-Customer Routing Fees from a fixed fee plus actual transaction charges to a flat rate is reasonable because the flat rate makes it easier for market participants to anticipate the Routing Fees which they would be assessed at any given time. The Exchange believes that assessing all non-Customer orders the same flat rate will provide market participants with certainty with respect to Routing Fees. While, each destination market’s transaction charge varies and there is a cost incurred by the Exchange when routing orders to away markets, including clearing costs, administrative and technical costs associated with operating NOS, membership fees at away markets, ORFs and technical costs associated with routing options, the Exchange believes that the proposed Routing Fees will enable it to recover the costs it incurs to route non-Customer orders away markets. Other exchanges similarly assess a fixed rate fee to route non-Customer orders.<sup>12</sup>

The Exchange believes that its proposal to amend the non-Customer Routing Fees from a fixed fee plus actual transaction charges to a flat rate is equitable and not unfairly discriminatory because the Exchange would uniformly assess the same Routing Fees to all non-Customer market participants. Under its flat fee structure, taking all costs to the Exchange into account, the Exchange may operate at a slight gain or a slight

loss for non-Customer orders routed to and executed at away markets. The proposed Routing Fee for non-Customer orders is an approximation of the maximum fees the Exchange will be charged for such executions, including costs, at away markets. As a general matter, the Exchange believes that the proposed fees will allow it to recoup and cover its costs of providing routing services for non-Customer orders. The Exchange believes that the fixed rate non-Customer Routing Fee is equitable and not unfairly discriminatory because market participants have the ability to directly route orders to an away market and avoid the Routing Fee. Participants may choose to mark the order as ineligible for routing to avoid incurring these fees.<sup>13</sup> The Exchange routes orders to away markets where the Exchange’s disseminated bid or offer is inferior to the national best bid (best offer) (“NBBO”) price and based on price first.<sup>14</sup>

The Exchange believes that its proposal to not pass a rebate that is offered by an away market for non-Customer orders is reasonable because to the extent that another market is paying a rebate, the Exchange will assess a \$0.95 per contract fee as its total cost in each instance. The Routing Fee is transparent and simple. If a market participant desires the rebate, the market participant has the option to direct the order to that away market. Other options exchanges today do not pass the rebate.<sup>15</sup> The Exchange believes that its proposal to not pass a rebate that is offered by an away market for non-Customer orders is equitable and not unfairly discriminatory because the Exchange would not pay such a rebate on any non-Customer order.

The Exchange believes that it is reasonable to also not assess a Customer Routing Fee when routing to all other options exchanges, except NOM and PHLX,<sup>16</sup> if the away market pays a rebate. The Exchange will continue to assess a Fixed Fee of \$0.11 per contract plus the actual transaction charge assessed by the away market when routing to all other options exchanges, except NOM and PHLX, but instead of paying the rebate, as is the case today, the Exchange will not assess a Customer

<sup>7</sup> For example, if a Customer order is routed to BOX, and BOX offers a customer rebate of \$0.20 per contract, the Exchange would assess a \$0.11 per contract fixed fee which would net against the rebate (\$0.20 per contract in this example). The market participant for whom the Customer contract was routed would receive a \$0.09 per contract rebate.

<sup>8</sup> See Securities Exchange Act Release No. 68792 (January 31, 2013), 78 FR 8621 (February 6, 2013) (SR-C2-2013-004).

<sup>9</sup> See Securities Exchange Act Release No. 68977 (February 25, 2013), 78 FR 14141 (March 1, 2013) (SR-BX-2013-017).

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(4).

<sup>12</sup> BATS Exchange, Inc. (“BATS”) assesses non-Customer fixed rates of \$0.57 and \$0.95 per contract when routing to away markets. See BATS BZX Exchange Fee Schedule. The Chicago Board Options Exchange Incorporated (“CBOE”) assesses non-Customer orders a \$0.50 per contract routing fee in addition to the customary CBOE execution charges. See CBOE’s Fees Schedule.

<sup>13</sup> See BX Rules at Chapter VI, Section 11(e) (Order Routing).

<sup>14</sup> *Id.*

<sup>15</sup> See CBOE’s Fees Schedule and International Securities Exchange LLC’s (“ISE”) Fee Schedule.

<sup>16</sup> The Exchange is not proposing to amend the Routing Fees that will be assessed when routing orders to NOM and PHLX. The Exchange will continue to assess a \$0.05 per contract Fixed Fee in addition to the actual transaction charge when routing Customer orders to those markets.

Routing Fee to that away market because the Exchange will collect a rebate to offset the fee. The Exchange believes that market participants will have more certainty as to the Customer Routing Fee that will be assessed by the Exchange. The Exchange believes that the proposed pricing for the Customer Routing Fee to all other away markets, except NOM and PHLX, is equitable and not unfairly discriminatory because while the Exchange may operate at a slight gain or a slight loss when routing Customer orders to the away market, depending on the rebate paid by the away market, the proposal would apply uniformly to all market participants when routing to an away market that pays a rebate.

The Exchange believes that it is reasonable, equitable and not unfairly discriminatory to continue to assess Customer orders that are routed to NOM and PHLX a Fixed Fee of \$0.05 per contract and orders that are routed to other away markets, other than NOM and PHLX, a Fixed Fee of \$0.11 per contract because the cost, in terms of actual cash outlays, to the Exchange to route to NOM and PHLX is lower. For example, costs related to routing to NOM and PHLX are lower as compared to other away markets because NOS is utilized by all three exchanges to route orders.<sup>17</sup> NOS and the three NASDAQ OMX options markets have a common data center and staff that are responsible for the day-to-day operations of NOS. Because the three exchanges are in a common data center, Routing Fees are reduced because costly expenses related to, for example, telecommunication lines to obtain connectivity are avoided when routing orders in this instance. The costs related to connectivity to route orders to other NASDAQ OMX exchanges are de minimis. When routing orders to non-NASDAQ OMX exchanges, the Exchange incurs costly connectivity charges related to telecommunication lines and other related costs when routing orders. The Exchange believes it is reasonable, equitable and not unfairly discriminatory to pass along savings realized by leveraging NASDAQ OMX's infrastructure and scale to market participants when those orders are routed to NOM and PHLX.

Finally, the Exchange believes that it is reasonable, equitable and not unfairly discriminatory to assess different fees for Customers orders as compared to non-Customer orders because the Exchange has traditionally assessed lower fees to Customers as compared to

non-Customers. Customers will continue to receive the lowest fees or no fees when routing orders, as is the case today. Other options exchanges also assess lower Routing Fees for customer orders as compared to non-customer orders.<sup>18</sup>

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposal creates intra-market competition because the Exchange is applying the same Routing Fees and credits to all market participants in the same manner dependent on the routing venue, with the exception of Customers. The Exchange has proposed separate Customer Routing Fees. Customers will continue to receive the lowest fees or no fees when routing orders, as is the case today. Other options exchanges also assess lower Routing Fees for customer orders as compared to non-customer orders.<sup>19</sup>

The Exchange's proposal would allow the Exchange to recoup its costs when routing orders to away markets when such orders are designated as available for routing by the market participant. The Exchange is passing along savings realized by leveraging NASDAQ OMX's infrastructure and scale to market participants when those orders are routed to NOM and PHLX and is providing those saving to all market participants. Participants may choose to mark the order as ineligible for routing to avoid incurring these fees.<sup>20</sup> Today, other options exchanges also assess fixed routing fees to recoup costs incurred by the Exchange to route orders to away markets.<sup>21</sup>

The Exchange operates in a highly competitive market, comprised of eleven exchanges, in which market participants can easily and readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. Accordingly, the fees that are assessed by the Exchange must remain competitive with fees charged by other venues and therefore must continue to be reasonable and

equitably allocated to those Participants that opt to direct orders to the Exchange rather than competing venues.

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

No written comments were either solicited or received.

### **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)(ii) of the Act.<sup>22</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2013-023 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BX-2013-023. 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 statements

<sup>18</sup> BATS assesses lower customer routing fees as compared to non-customer routing fees per the away market. For example BATS assesses ISE customer routing fees of \$0.30 per contract and an ISE non-customer routing fee of \$0.57 per contract. See BATS BZX Exchange Fee Schedule.

<sup>19</sup> *Id.*

<sup>20</sup> See *supra* note 13.

<sup>21</sup> See CBOE's Fees Schedule and ISE's Fee Schedule.

<sup>22</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>17</sup> See Chapter VI, Section 11 of the NASDAQ and BX Options Rules and PHLX Rule 1080(m)(iii)(A).

with respect to the proposed rule change that are filed with the Commission, and all written communications relating 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 such 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-BX-2013-023, and should be submitted on or before April 23, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Elizabeth M. Murphy,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69244; File No. SR-NYSEArca-2013-08]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of Proposed Rule Change Relating to the Listing and Trading of the SPDR Blackstone/GSO Senior Loan ETF Under NYSE Arca Equities Rule 8.600

March 27, 2013.

#### I. Introduction

On January 24, 2013, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares ("Shares") of the SPDR Blackstone/GSO Senior Loan ETF ("Fund"). The proposed rule change was published for comment in the

**Federal Register** on February 13, 2013.<sup>3</sup> The Commission received no comments on the proposed rule change. This order grants approval of the proposed rule change.

#### II. Description of the Proposed Rule Change

The Exchange proposes to list and trade Shares of the Fund pursuant to NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The Shares will be offered by SSgA Active ETF Trust ("Trust"), which is organized as a Massachusetts business trust and is registered with the Commission as an open-end management investment company.<sup>4</sup> SSgA Funds Management, Inc. ("Adviser") serves as the investment adviser to the Fund. GSO/Blackstone Debt Funds Management LLC will serve as sub-adviser ("Sub-Adviser")<sup>5</sup> to the Blackstone/GSO Senior Loan Portfolio ("Portfolio") and the Fund, subject to supervision by the Adviser and the Trust's Board of Trustees ("Board"). State Street Global Markets, LLC will be the principal underwriter and distributor of the Fund's Shares, and State Street Bank and Trust Company ("Custodian") will serve as administrator, custodian, and transfer agent for the Fund.

#### *SPDR Blackstone/GSO Senior Loan ETF*

The investment objective of the Fund is to provide current income consistent with the preservation of capital. Under normal market conditions,<sup>6</sup> the Fund

<sup>3</sup> See Securities Exchange Act Release No. 68862 (February 7, 2013), 78 FR 10233 ("Notice").

<sup>4</sup> The Trust is registered under the Investment Company Act of 1940 ("1940 Act"). On April 1, 2011, the Trust filed with the Commission Form N-1A under the Securities Act of 1933 and under the 1940 Act relating to the Fund (File Nos. 333-173276 and 811-22542) ("Registration Statement"). In addition, the Exchange represents that the Trust has obtained certain exemptive relief under the 1940 Act. See Investment Company Act Release No. 29524 (December 13, 2010) (File No. 812-13487) ("Exemptive Order").

<sup>5</sup> The Exchange represents that, in the event (a) the Adviser or Sub-Adviser becomes newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser becomes affiliated with a broker-dealer, it will implement a fire wall with respect to such broker-dealer regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

<sup>6</sup> The terms "under normal market conditions" or "under normal market circumstances" include, but are not limited to, the absence of extreme volatility or trading halts in the fixed income markets or the financial markets generally; of operational issues causing dissemination of inaccurate market information; or of force-majeure-type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

will invest all of its assets in the shares of the Portfolio, a separate series of the SSgA Master Trust with an identical investment objective as the Fund. As a result, the Fund will invest indirectly through the Portfolio.

According to the Exchange, in pursuing its investment objective, the Fund, under normal market conditions, will seek to outperform a primary and secondary loan index (as described below) by investing at least 80% of its net assets (plus any borrowings for investment purposes) in "Senior Loans."<sup>7</sup> The S&P/LSTA U.S. Leveraged Loan 100 Index ("Primary Index") comprises the 100 largest Senior Loans, as measured by the borrowed amounts outstanding.<sup>8</sup> The Markit iBoxx USD Leveraged Loan Index ("Secondary Index") selects the 100 most liquid Senior Loans in the market.<sup>9</sup> In addition to size, liquidity is also measured, in part, based on the number of market makers who trade a specific Senior Loan and the number and size of transactions in the context of the prevailing bid/offer spread.

The Fund will not seek to track either the Primary or Secondary Index, but rather will seek to outperform those indices. In doing so, the Sub-Adviser represents that the Portfolio will primarily invest in Senior Loans.<sup>10</sup> The Portfolio intends to hold a large percentage of the components of the Primary and Secondary Indices. It is

In periods of extreme market disturbance, the Fund may take temporary defensive positions by overweighting its portfolio in cash/cash-like instruments; however, to the extent possible, the Sub-Adviser would continue to seek to achieve the Fund's investment objective. Specifically, the Portfolio and Fund would continue to invest in Senior Loans. In response to prolonged periods of constrained or difficult market conditions, the Sub-Adviser will likely focus on investing in the largest and most liquid loans available in the market.

<sup>7</sup> A detailed discussion of Senior Loans and the Senior Loan market can be found in the Notice, *supra* note 3, 78 FR at 10238-39.

<sup>8</sup> The "Primary Index Committee," composed of employees of Standard & Poor's, Inc. ("S&P"), maintains the Primary Index. See *id.* at 10240.

<sup>9</sup> The oversight committee of the Markit iBoxx USD Leveraged Loans Indices ("Oversight Committee") conducts an annual review of the loan market and the index rules relating to the Secondary Index. See *id.* at 10241. A detailed discussion of the Primary Index and Secondary Index can be found in the Notice, *supra* note 3, 78 FR at 10239-42.

<sup>10</sup> The Sub-Adviser represents that, in general, the Portfolio (*i.e.*, the master fund) is where investments will be held, which investments will primarily consist of Senior Loans and may, to a lesser extent, include "other investments" as described below. The Fund (*i.e.*, the feeder fund) will invest in shares of the Portfolio and will not invest in other investments, but may be exposed to such investments by means of the Fund's investment in shares of the Portfolio. In extraordinary instances, the Fund reserves the right to make direct investments in Senior Loans and other investments.

<sup>23</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.