

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Before a Fund may rely on the order requested in the application, the operation of the Fund in the manner described in the application will be approved by a majority of the Fund's outstanding voting securities, as defined in the Act, or, in the case of a Fund whose public shareholders purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 2 below, by the sole initial shareholder before offering the Fund's shares to the public.

2. The prospectus for each Fund will disclose the existence, substance, and effect of any order granted pursuant to the application. Each Fund will hold itself out to the public as employing the Manager of Managers Structure described in the application. The prospectus will prominently disclose that the Advisor has ultimate responsibility (subject to oversight by the Board) to oversee the Subadvisors and recommend their hiring, termination, and replacement.

3. Funds will inform shareholders of the hiring of a new Subadvisor within 90 days after the hiring of a new Subadvisor pursuant to the Modified Notice and Access Procedures.

4. The Advisor will not enter into a Subadvisory Agreement with any Affiliated Subadvisor without that agreement, including the compensation to be paid thereunder, being approved by the shareholders of the applicable Fund.

5. At all times, at least a majority of the Board will be Independent Trustees, and the nomination and selection of new or additional Independent Trustees will be placed within the discretion of the then-existing Independent Trustees.

6. When a Subadvisor change is proposed for a Fund with an Affiliated Subadvisor, the Board, including a majority of the Independent Trustees, will make a separate finding, reflected in the applicable Board minutes, that such change is in the best interests of the Fund and its shareholders and does not involve a conflict of interest from which the Advisor or the Affiliated Subadvisor derives an inappropriate advantage.

7. Independent legal counsel, as defined in rule 0-1(a)(6) under the Act, will be engaged to represent the Independent Trustees. The selection of such counsel will be within the discretion of the then existing Independent Trustees.

8. Each Advisor will provide the Board, no less frequently than quarterly,

with information about the profitability of the Advisor on a per-Fund basis. The information will reflect the impact on profitability of the hiring or termination of any Subadvisor during the applicable quarter.

9. Whenever a Subadvisor is hired or terminated, the Advisor will provide the Board with information showing the expected impact on the profitability of the Advisor.

10. The Advisor will provide general management services to each Fund, including overall supervisory responsibility for the general management and investment of the Fund's assets and, subject to review and approval of the Board, will (i) set each Fund's overall investment strategies; (ii) evaluate, select and recommend Subadvisors to manage all or part of a Fund's assets; (iii) when appropriate, allocate and reallocate a Fund's assets among multiple Subadvisors; (iv) monitor and evaluate the performance of Subadvisors; and (v) implement procedures reasonably designed to ensure that the Subadvisors comply with each Fund's investment objective, policies and restrictions.

11. No trustee or officer of the Trust, or of a Fund, or director or officer of the Advisor, will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by such person) any interest in a Subadvisor, except for (a) ownership of interests in the Advisor or any entity that controls, is controlled by, or is under common control with the Advisor; or (b) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly traded company that is either a Subadvisor or an entity that controls, is controlled by, or is under common control with a Subadvisor.

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

13. In the event the Commission adopts a rule under the Act providing substantially similar relief to that in the order requested in the application, the requested order will expire on the effective date of that rule.

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

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69369; File No. SR-BYX-2013-008]

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change Amending the Attestation Requirement of Rule 11.24 Allowing a Retail Member Organization To Attest That "Substantially All" Orders Submitted to The Retail Price Improvement Program Will Qualify as "Retail Orders"

April 12, 2013.

On February 12, 2013, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to allow Retail Member Organizations ("RMOs") to attest that "substantially all," rather than all, orders submitted to the Retail Price Improvement Program qualify as "Retail Orders." The proposed rule change was published for comment in the **Federal Register** on March 1, 2013.³ To date, the Commission has received one comment on the proposal.⁴

Section 19(b)(2) of the Act⁵ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is April 15, 2013.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period to take action on the proposed rule changes so that it has sufficient time to consider the Exchange's proposal, which would lessen the attestation requirements of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 68975 (Feb. 25, 2013), 78 FR 13915.

⁴ See Letter to the Commission from Theodore R. Lazo, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association (SIFMA), dated March 11, 2013.

⁵ 15 U.S.C. 78s(b)(2).

RMOs that submit “Retail Orders” eligible to receive potential price improvement through the Retail Price Improvement Program, and to consider the comment letter that has been submitted in connection with the proposed rule change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁶ designates May 30, 2013, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-BYX-2013-008).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Release No. 34-69365; File No. SR-ISE-2013-14]

Self-Regulatory Organizations; International Securities Exchange, LLC; Order Granting Approval of a Proposed Rule Change To List Options on the Dow Jones FXCM Dollar Index

April 11, 2013.

I. Introduction

On February 13, 2013, the International Securities Exchange, LLC (the “Exchange” or the “ISE”) filed with the Securities and Exchange Commission (the “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend certain of its rules to provide for the listing of options on the Dow Jones FXCM Dollar Index. The proposed rule change was published for comment in the **Federal Register** on February 28, 2013.³ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description

The Exchange proposes to amend its rules to provide for the listing and trading on the Exchange of options on one foreign currency index—the Dow

Jones FXCM Dollar Index (the “Dollar Index”). Options on the Dollar Index will be settled in the same manner as the Exchange’s foreign currency options (“FX Options”)⁴ and will have European-style exercise provisions. In addition to regular options, the Exchange proposes also to list long-term options on the Dollar Index.

Index Design and Composition

The Dollar Index is calculated and maintained by Dow Jones Indexes, a unit of CME Group. The components that comprise the Dollar Index include a subset of the modified exchange rates⁵ previously approved by the Commission as the basis for FX Options. Specifically, the Dollar Index is based on four currency pairs that reflect U.S. dollar fluctuations against the following currencies: euro, British pound, Japanese yen, and Australian dollar.

Spot currency quotes are derived from Thomson Reuters, the same source that the Exchange currently uses for the underlying values of its existing FX Options. Each input value is based on the mid-point between the bid and ask quotes. The Dollar Index has a base date of January 1, 2011, using closing prices as of December 31, 2010. The base value of the Dollar Index is 10,000. Spot quotes for each currency pair on the base date are as follows:

EUR/USD	1.3370
GBP/USD	1.5601
USD/JPY	81.21
AUD/USD	1.0218

On its base date, the Dollar Index was set to be equally-weighted such that each constituent currency pair has equal influence on the overall index value. This method is similar to equally-weighted stock indexes that calculate the number of shares needed in order for each stock constituent to have an equal position. The Dollar Index is designed to reflect spot positions in each currency with the weighting of each currency set as equal at inception and rebalancing events. Rebalancing

⁴ The Commission previously approved the listing of FX Options on nineteen underlying foreign currencies. See Securities Exchange Act Release No. 55575 (April 3, 2007), 72 FR 17963 (April 10, 2007) (SR-ISE-2006-59).

⁵ The term “modified exchange rate” means the price, for the sale of one foreign currency for another, quoted by various interbank foreign exchange participants, for immediate delivery (which generally means delivery two business days following the date on which the terms of such a sale are agreed upon), as reflected in the foreign currency price quotations reported by the foreign currency price quotation dissemination vendor selected by the Exchange, which is then modified by the Exchange with a modifier of 1, 10 or 100. See ISE Rule 2201(8).

events are not scheduled. The Dollar Index would be rebalanced if, for example, the value of any position were to fall below \$1,000 (i.e., loses 90 percent of its original \$10,000 position value), or in response to extraordinary events affecting the global currency market.⁶ At that point, each currency is again set to an equal position. The Exchange has represented that the total number of components in the Dollar Index will not decrease from the number of components in the Dollar Index at the time of its initial listing.⁷

Index Calculation and Maintenance

As noted above, the Dollar Index will be maintained and calculated by Dow Jones. The level of the Dollar Index will reflect the current exchange rates of the four underlying currency pairs. The Dollar Index will be updated on a real-time basis beginning at 6:15 p.m. each day and ending at 5:00 p.m. (New York time) the following day from Sunday through Friday. If the value of a component’s exchange rate is not available, the last known exchange rate will be used in the calculation.

The Exchange represents that values of the Dollar Index will be disseminated every 15 seconds during the Exchange’s regular trading hours to market information vendors such as Bloomberg and Thomson Reuters.⁸ In the event the Dollar Index ceases to be maintained or calculated, or its values are not disseminated every 15 seconds by a widely available source, the Exchange would not list any additional series for trading and would limit all transactions in such options to closing transactions only for the purpose of maintaining a fair and orderly market and protecting investors.⁹

As part of this proposal, the Exchange also is making a clarifying change to ISE Rule 2003(b) by replacing the word “stocks” with “components” because index options listed by the Exchange are no longer limited to having stocks as their underlying components; with this proposed rule change, the Exchange also will list options on indexes that have currencies as their underlying components.

Exercise and Settlement Value

Options on the Dollar Index will expire on the Saturday following the third Friday of the expiration month. Trading in expiring options on the Dollar Index will normally cease at

⁶ See http://www.djindexes.com/mdsidx/downloads/fact_info/Dow_Jones_FXCM_Dollar_Index_Fact_Sheet.pdf.

⁷ See Notice, *supra* note 3, 78 FR at 13718.

⁸ See *id.*

⁹ See *id.*

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 68971 (February 22, 2013), 78 FR 13717 (“Notice”).