

transaction of the proposed Follow-On Investment at the earliest practical time; and

(ii) formulate a recommendation as to the proposed participation, including the amount of 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 Trustees, 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 GTAM Adviser to be invested by the applicable Regulated Fund in the Follow-On Investment, together with the amount proposed to be invested by 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 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 the application.

9. The Non-Interested Trustees 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 any other Regulated Funds or Affiliated Funds that the Regulated Fund considered but declined to participate in, so that the Non-Interested

Trustees 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 Trustees 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 Trustee 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 1933 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 fee¹⁰ (including break-up or commitment fees but excluding broker's fees contemplated section 17(e) of the Act) 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 Co-Investment 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

¹⁰ The Applicants are not requesting, and the staff is not providing, any relief for transaction fees received in connection with any Co-Investment Transaction.

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 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)(iii)(C); and (b) in the case of an Adviser, investment advisory fees paid in accordance with the investment advisory agreements between such Adviser and the Regulated Fund or Affiliated Fund).

14. If the Holders own in the aggregate more than 25% 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 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) under the Act, will prepare an annual report for the Board of such Regulated Fund that evaluates (and documents the basis of that evaluation) the Regulated Fund's compliance with the terms and conditions of the application and procedures established to achieve such compliance.

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

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88722; File No. SR-CBOE-2020-037]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Remove Its Optional Daily Risk Limits Pursuant to Rule 5.34

April 22, 2020.

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 13, 2020, Cboe Exchange, Inc. (the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

“Exchange” or “Cboe Options”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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

Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) proposes to remove its optional daily risk limits pursuant to Rule 5.34. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, 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.

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

1. Purpose

The Exchange proposes to remove the optional daily risk limit settings for Users in Rule 5.34(c)(4).⁵ The daily risk limits are voluntary functionality. Pursuant to current Rule 5.34(c)(4), if a User enables this functionality they may establish one or more of the following values for each of its ports, which the System aggregates (for simple and

complex orders) across all of a User’s ports (*i.e.*, applies on a firm basis): (i) Cumulative notional booked bid value (“CBB”); (ii) cumulative notional booked offer value (“CBO”); (iii) cumulative notional executed bid value (“CEB”); and (iv) cumulative notional executed offer value (“CEO”). The User may then establish a limit order notional cutoff, a market order notional cutoff, or both, each of which it may establish on a net basis, gross basis, or both. If a User exceeds a cutoff value, the System cancels or rejects all incoming limit orders or market orders, respectively. If a User establishes a limit order notional cutoff but does not establish (or sets as zero) the market order notional cutoff, the System cancels or rejects all market orders. The System calculates a notional cutoff on a gross basis by summing CBB, CBO, CEB, and CEO. The System calculates a notional cutoff on a net basis by summing CEO and CBO, then subtracting the sum of CEB and CBB, and then taking the absolute value of the resulting amount. This functionality does not apply to bulk messages.

The Exchange proposes to remove the daily limit risk mechanism because use of this mechanism on Users’ ports is infrequent. Indeed, no Users currently have the daily risk limit enabled on a port connected to the Exchange. Because so few Users enable this functionality for their ports, the Exchange believes the current demand does not warrant the Exchange resources necessary for ongoing System support for the risk mechanism (*e.g.*, the System must maintain and apply algorithms that track and calculate gross and net notional exposure). The Exchange again notes that the use of the daily risk limit is voluntary. The Exchange will continue to offer to Users a full suite of price protection mechanisms and risk controls which sufficiently mitigate risks associated with Users entering orders and quotes at unintended prices, and risks associated with orders and quotes trading at prices that are extreme and potentially erroneous, as a likely result of human or operational error. This includes other price protections and risk controls associated with notional value of a User’s orders and quotes. For example, Rule 5.34(c)(3) provides for a voluntary functionality in which the System cancels or rejects an incoming order or quote with a notional value that exceeds the maximum notional value a User establishes for each of its ports, and

Rule 5.34(c)(5)⁶ provides for a voluntary functionality in which a User may establish risk limits within a class or across classes⁷ defined by certain parameters, of which the notional value of executions is an parameter option. Once a risk parameter is reached, no new trades are executed and any orders or quotes in route are System-rejected.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁸ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁹ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁰ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and national market system and benefit investors, because it will delete from the Rules a risk control that the Exchange will no longer offer, thereby promoting transparency in its Rules. The Exchange notes, too, that other options exchange do not offer daily risk limits, or other risk controls, associated with notional value of their users’ order or quotes.¹¹ The Exchange

⁶ The Exchange notes that as a result of the proposed removal of Rule 5.34(c)(4), current Rule 5.34(c)(5) will become new Rule 5.34(c)(4).

⁷ And for one Executing Firm ID (“EFID”) or a group of EFIDs.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ *Id.*

¹¹ See NYSE CGW FIX Gateway Specification for NYSE American Options and NYSE Arca Options (last updated February 27, 2020) available at https://www.nyse.com/publicdocs/nyse/markets/nyse/FIX_Specification_and_API.pdf, which provides for various User-defined risk controls, like those of the Exchange, but does not offer parameter settings in connection with aggregate notional values. NYSE American Options and NYSE Arca

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ As a result of the proposed rule change, the Exchange also updates the subsequent paragraph numbering in current subparagraphs (c)(5) through (c)(11).

does not believe that the proposed rule change will affect the protection of investors or the public interest or the maintenance of a fair and orderly market because this risk control is so infrequently implemented, and currently, no User has this risk control established in any port connected to the Exchange. In addition to this, the Exchange notes that the use of this risk control is voluntary and the Exchange will continue to offer a full suite of price protection mechanisms and risk controls, including those associated with notional value of a Users' orders and quotes, which sufficiently mitigate risks associated with Users entering orders and quotes at unintended prices, and risks associated with orders and quotes trading at prices that are extreme and potentially erroneous, as a likely result of human or operational error. Also, the Exchange believes the low usage rate for the daily risk limits does not warrant the continued resources necessary for System support of such controls. As a result, the Exchange believes the proposed rule change will also remove impediments to and perfect the mechanism of a free and open market and national market system by allowing the Exchange to reallocate System capacity and resources to more frequently elected System functionality, including other price protection and risk control functionality.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not competitive in nature, but rather is intended to remove a risk control that is rarely used on the Exchange. The Exchange does not believe that the proposed rule change would impose a burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it will remove the option to use this risk control for all Users on the Exchange. In addition to this, and as stated above, the use of the daily risk limit is voluntary and the Exchange will continue to offer various other price protections and risk controls that sufficiently mitigate risks associated with market participants entering and/or trading orders and quotes at unintended or extreme prices. Further, the Exchange does not believe that the proposed rule change would impose a burden on intermarket

competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change reflects the current risk control offerings on other options exchanges.¹²

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

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing 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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6)¹⁴ thereunder.

The Exchange has asked the Commission to waive the 30-day operative delay.¹⁵ The Commission finds that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The Exchange represents that generally the Daily Risk Limits are utilized infrequently by its Users and that currently the functionality is not being used at all. The Exchange also indicates that eliminating Daily Risk Limits will enable the efficient allocation of technical resources and the Exchange will continue to offer an effective suite of risk management options to its Users pursuant to Rule 5.34. Accordingly, the Commission designates the proposal operative upon filing.¹⁶

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-CBOE-2020-037 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.

All submissions should refer to File Number SR-CBOE-2020-037. 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 website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements 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 website 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-CBOE-2020-037 and should be submitted on or before May 19, 2020.

¹² See *supra* note 11.

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

¹⁶ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

J. Matthew DeLesDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88727; File No. SR-CboeEDGA-2020-012]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide Members Certain Optional Risk Settings Under Proposed Interpretation and Policy .03 of Rule 11.10

April 22, 2020.

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 16, 2020, Cboe EDGA Exchange, Inc. (the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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 the Substance of the Proposed Rule Change

Cboe EDGA Exchange, Inc. (“EDGA” or the “Exchange”) proposes to provide Members certain optional risk settings under proposed Interpretation and Policy .03 of Rule 11.10. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (http://markets.cboe.com/us/equities/regulation/rule_filings/edga/), at the Exchange’s Office of the Secretary, 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.

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

1. Purpose

The purpose of the proposed rule change is to provide Members⁵ the option to utilize certain risk settings under proposed Interpretation and Policy .03 of Rule 11.10.⁶ In order to help Members manage their risk, the Exchange proposes to offer optional risk settings that would authorize the Exchange to take automated action if a designated limit for a Member is breached. Such risk settings would provide Members with enhanced abilities to manage their risk with respect to orders on the Exchange. Paragraph (a) of proposed Interpretation and Policy .03 of Rule 11.10 sets forth the specific risk controls the Exchange proposes to offer. Specifically, the Exchange proposes to offer two credit risk settings as follows:

- The “Gross Credit Risk Limit”, which refers to a pre-established maximum daily dollar amount for purchases and sales across all symbols, where both purchases and sales are counted as positive values. For purposes of calculating the Gross Credit Risk Limit, only executed orders are included; and
- The “Net Credit Risk Limit”, which refers to a pre-established maximum daily dollar amount for purchases and sales across all symbols, where purchases are counted as positive values and sales are counted as negative values. For purposes of calculating the Net Credit Risk Limit, only executed orders are included.

The Gross Credit and Net Credit risk settings are similar to credit controls

measuring both gross and net exposure provided for in paragraph (h) of Interpretation and Policy .01 of Rule 11.10, but with certain notable differences. Importantly, the proposed risk settings would be applied at a Market Participant Identifier (“MPID”) level, while the controls noted in paragraph (h) of Interpretation and Policy .01 are applied at the logical port level.⁷ Therefore, the proposed risk management functionality would allow a Member to manage its risk more comprehensively, instead of relying on the more limited port level functionality offered today. Further, the proposed risk settings would be based on a notional execution value, while the controls noted in paragraph (h) of Interpretation and Policy .03 are applied based on a combination of outstanding orders on the Exchange’s book and notional execution value. The Exchange notes that the current gross and net notional controls noted in paragraph (h) of Interpretation and Policy .03 will continue to be available in addition to the proposed risk settings.

Paragraph (c) of proposed Interpretation and Policy .03 of Rule 11.10 provides that a Member that does not self-clear may allocate and revoke⁸ the responsibility of establishing and adjusting the risk settings identified in proposed paragraph (a) to a Clearing Member that clears transactions on behalf of the Member, if designated in a manner prescribed by the Exchange. The Exchange proposes to harmonize Exchange Rule 11.13(a) with BZX and Cboe BYX Exchange, Inc. (“BYX”) Rules 11.15(a). Specifically, in proposed Rule 11.13(a), the Exchange proposes to (i) define the term “Clearing Member”;⁹ (ii) memorialize in its rules the process by which a Clearing Member shall affirm its responsibility for clearing any and all trades executed by the Member designating it as its Clearing Firm; and (iii) memorialize the fact that the rules of a Qualified Clearing Agency shall govern with respect to the clearance and settlement of any transactions executed by the Member on the Exchange. While the foregoing proposed changes to Rule

⁷ A logical port represents a port established by the Exchange within the Exchange’s System for trading and billing purposes. Each logical port established is specific to a Member or non-Member and grants that Member or non-Member the ability to accomplish a specific function, such as order entry, order cancellation, or data receipt.

⁸ As discussed below, if a Member revokes the responsibility of establishing and adjusting the risk settings identified in proposed paragraph (a), the settings applied by the Member would be applicable.

⁹ As proposed, the term “Clearing Member” refers to a Member that is a member of a Qualified Clearing Agency and clears transactions on behalf of another Member. See proposed Rule 11.13(a).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ See Exchange Rule 1.5(n).

⁶ The proposed rule changes are substantially similar to a recent rule amendment by Cboe BZX Exchange, Inc. (“BZX”). See Securities Exchange Act No. 88599 (April 8, 2020) 85 FR 20793 (April 14, 2020) (the “BZX Approval”).