adviser from entering into any investment advisory agreement that provides for compensation to the adviser on the basis of a share of capital gains or capital appreciation of a client's account.

2. Section 205(b) of the Advisers Act provides a limited exception to this prohibition, permitting an adviser to charge a registered investment company and certain other persons a fee that is based on asset value of the company or fund under management averaged over a specified period and increases and decreases ''proportionately with the investment performance of the company or fund over a specified period in relation to the investment record of an appropriate index of securities prices or such other measure of investment performance as the Commission by rule, regulation or order may specify.''

3. Rule 205–1 under the Advisers Act requires that the investment performance of an investment company be computed based on the change in the net (of all expenses and fees) asset value per share of the investment company.

4. Applicants request exemptive relief from Section 205 of the Advisers Act and rule 205–1 thereunder to the extent necessary to permit the Adviser to enter into and amend Sub-Advisory Agreements to provide for the payment by the Adviser to a Sub-Adviser of performance-based compensation under which the Sub-Adviser's fee would (i) be calculated based on the performance of the Allocated Portion measured by the change in the Allocated Portion's gross asset value, rather than the change in net asset value of the Allocated Portion, and (ii) apply only to the Allocated Portion and not to the Fund as a whole.

5. Applicants state that Congress, in adopting and amending Section 205 of the Advisers Act, and the SEC, in adopting rule 205–1, put into place safeguards designed to ensure that investment advisers would not take advantage of advisory clients.

6. Applicants assert that the Commission required that performance fees be calculated based on the net asset value of the investment company's shares to prevent a situation where an adviser could earn a performance fee even though investment company shareholders did not derive any benefit from the adviser's performance after the deduction of fees and expenses.

7. Applicants state that the Proposed Fulcrum Fee would be fair to each Fund and its shareholders because the fee will be paid by the Adviser and not borne by shareholders as an expense of the Fund out of the assets of the Fund. In addition, the fee formula will include a performance hurdle that the Sub-Adviser must meet before earning the Performance Component of the Proposed Fulcrum Fee. In the event the Base Fee changes, the performance hurdle also would be changed to the extent necessary to be at least equal to the Base Fee. Further, the Sub-Adviser would not earn any performance-based fee until a Fund has derived the benefit of the Allocated Portion's performance.

8. Applicants suggest that Congress' concern, in enacting the safeguards of Section 205, came about because the vast majority of investment advisers exercised a high level of control over the structuring of the advisory relationship. Applicants state that the Proposed Fulcrum Fee will be the result of arm's length negotiations between a Sub-Adviser and the Adviser and the Board will approval each Proposed Fulcrum Fee. Applicants state that the Sub-Adviser has no influence over the overall management of the Trust or the Fund beyond the investment selection process for its Allocated Portion. Management functions of the Trust and the Fund reside in the Board and the Adviser. The Proposed Fulcrum Fee will be paid by the Adviser to the Sub-Adviser and its imposition will not increase advisory fees payable by the Fund. The Proposed Fulcrum Fee requires the performance of the Allocated Portion to both match the index and exceed a performance hurdle before the Sub-Adviser is entitled to receive any performance-based component of its fee. Applicants represent that the Trust itself, acting through its Board and its officers, is directly and fully responsible for supervising the Trust's service providers (including the Sub-Advisers) and monitoring the operating expenses of each of the Funds. In addition, for those Funds, including Blackstone Alternative Multi-Strategy Fund, which are served by more than one Sub-Adviser, the Adviser is responsible for allocating the assets of the Fund among such Sub-Advisers. Finally, the Board, at the Adviser's recommendation, is responsible for any decision to hire or fire any Sub-Adviser.

9. Applicants state that the Adviser was and is on equal footing with the Sub-Adviser with respect to the negotiation of the Proposed Fulcrum Fee. Moreover, the Sub-Adviser will receive its sub-advisory fee from the Adviser and not from a Fund, meaning that the requested relief would not cause the advisory fee rates charged to a Fund to increase. Applicants argue that as a result, a Fund does not need the protections afforded by calculating the Proposed Fulcrum Fee based on net assets. Applicants submit that the Proposed Fulcrum Fee is therefore consistent with the underlying policies of Section 205 and rule 205–1 under the Advisers Act and that the exemption would be consistent with the protection of investors.

Applicants' Conditions

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

1. Management fees charged to a Fund will not increase as a result of calculating the investment sub-advisory fee based on Gross Total Return.

2. The adoption of the Proposed Fulcrum Fee will not cause the Adviser or a Sub-Adviser to reduce or modify in any way the nature and level of its services with respect to a Fund.

3. The investment sub-advisory fee will be negotiated between the Sub-Adviser and the Adviser.

4. The fee structure will contain a hurdle that is no lower than the Base Fee and, should the Base Fee change, the hurdle will also be changed to the extent necessary to be at least equal to the Base Fee. The fee structure will ensure that the investment sub-advisory fee continues to have the potential to increase and decrease proportionally.

5. Applicants will comply with all other provisions of Section 205 and rules 205–1 and 205–2 under the Advisers Act with respect to the Proposed Fulcrum Fee arrangement between the Adviser and a Sub-Adviser and to future arrangements.

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

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–89418; File No. 4–518]

Joint Industry Plan; Notice of Filing and Immediate Effectiveness of Amendment to the Plan Establishing Procedures Under Rule 605 of Regulation NMS To Add the MEMX LLC as a Participant

July 29, 2020.

Pursuant to Section 11A(a)(3) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 608 thereunder,[2] notice is hereby given that on July 6, 2020, MEMX LLC (''MEMX'' or

[1] 15 U.S.C 78k–1(a)(3).

[2] 17 CFR 242.608.

''Exchange'') filed with the Securities and Exchange Commission (''Commission'') [3] an amendment to the national market system plan establishing procedures under Rule 605 of Regulation NMS (''Plan'').[4] The amendment adds MEMX as a Participant [5] to the Plan. The Commission is publishing this notice to solicit comments on the amendment from interested persons.

I. Description and Purpose of the Plan Amendment

As noted above, the sole proposed amendment to the Plan is to add the Exchange as a Participant. On May 4, 2020, the Commission issued an order granting MEMX's application for registration as a national securities exchange.[6] A condition of the Commission's approval was the requirement for MEMX to join the Plan.

Under Section II(c) of the Plan, any entity registered as a national securities exchange or national securities association under the Act may become a Participant by: (i) Executing a copy of the Plan, as then in effect; (ii) providing each then-current Participant with a copy of such executed Plan; and (iii) effecting an amendment to the Plan as specified in Section III(b) of the Plan. Section III(b) of the Plan sets forth the process for a prospective new Participant to effect an amendment of the Plan. Specifically, the Plan provides that such an amendment to the Plan may be effected by the new national securities exchange or national securities association by executing a copy of the Plan, as then in effect (with the only changes being the addition of the new Participant's name in Section II(a) of the Plan and the new Participant's single-digit code in Section VI(a)(1) of the Plan) and submitting such executed Plan to the Commission. The amendment will be effective when it is approved by the Commission in accordance with Rule 608 of Regulation NMS, or otherwise becomes effective pursuant to Rule 608 of Regulation NMS.

MEMX has executed a copy of the Plan currently in effect, with the only changes being the addition of its name in Section II(a) of the Plan and adding its single-digit code in Section VI(a)(1) of the Plan, and has provided a copy of the Plan executed by MEMX to each of the other Participants. MEMX has also submitted the executed Plan to the Commission. Accordingly, all of the Plan requirements for effecting an amendment to the Plan to add MEMX as a Participant have been satisfied.

II. Effectiveness of the Proposed Plan Amendment

The foregoing Plan amendment has become effective pursuant to Rule 608(b)(3)(iii) of the Act [7] because it involves solely technical or ministerial matters. At any time within sixty days of the filing of this amendment, the Commission may summarily abrogate the amendment and require that it be refiled pursuant to paragraph (a)(1) of Rule 608,[8] if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system or otherwise in furtherance of the purposes of the Act.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the amendment 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 4–518 on the subject line.

Paper Comments

- Send paper comments in triplicate to Vanessa A. Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number 4–518. 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 plan amendment that are filed with the Commission, and all written communications relating to the amendment 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 such filing also will be available for inspection and copying at the principal office of the MEMX. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number 4–518 and should be submitted on or before August 24, 2020.

By the Commission.

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–16806 Filed 7–31–20; 8:45 am]

BILLING CODE 8011–01–P

[3] *See* Letter from Anders Franzon, General Counsel, MEMX LLC, to Vanessa A. Countryman, Secretary, Commission, dated July 6, 2020.

[4] 17 CFR 242.605. On April 12, 2001, the Commission approved a national market system plan for the purpose of establishing procedures for market centers to follow in making their monthly reports available to the public under Rule 11Ac1–5 under the Act (n/k/a Rule 605 of Regulation NMS). *See* Securities Exchange Act Release No. 44177 (April 12, 2001), 66 FR 19814 (April 17, 2001).

[5] The term ''Participant'' is defined as a party to the Plan.

[6] *See* Securities Exchange Act Release No. 88806 (May 4, 2020), 85 FR 27451 (May 8, 2020).

[7] 17 CFR 242.608(b)(3)(iii).

[8] 17 CFR 242.608(a)(1).

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33958; File No. 812–15057]

Morgan Stanley Direct Lending Fund, et al.

July 28, 2020.

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 to permit certain joint transactions otherwise prohibited by sections 17(d) and 57(a)(4) of the Act and rule 17d–1 under the Act.

Summary of Application: Applicants request an order to permit certain business development companies (''BDCs'') and closed-end management investment companies to co-invest in portfolio companies with each other and with certain affiliated funds.

Applicants: Morgan Stanley Direct Lending Fund (''MS BDC''), MS Capital Partners Adviser Inc. (''MS Adviser''),