

to have a pricing impact to any BX Participant.

The Exchange's proposal to remove current rule text and replace it with new rule text does not impose an undue burden on competition, as the current rule text refers to a technology migration from 2019 and is obsolete.

*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>25</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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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-2020-022 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-BX-2020-022. 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 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. 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 SR-BX-2020-022, and should be submitted on or before September 15, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>26</sup>

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

[FR Doc. 2020-18558 Filed 8-24-20; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33973; 812-15115]

### Principal Funds, Inc., et al.; Notice of Application

August 19, 2020.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of an application under Section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from Section 15(c) of the Act.

**APPLICANTS:** Principal Funds, Inc., Principal Variable Contracts Funds, Inc. and Principal Exchange-Traded Funds, each of which is a registered open-end investment company that is organized either as a Maryland corporation or a Delaware statutory trust (each a "Registrant") and that may offer one or more series of shares (each a "Series"),

and Principal Global Investors, LLC ("Adviser"), a Delaware limited liability company registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act"), that serves an investment adviser to each Registrant (together with the Registrants and the Series, the "Applicants").

**SUMMARY OF APPLICATION:** The requested exemption would permit a Registrant's board of trustees or directors (the "Board") to approve new sub-advisory agreements and material amendments to existing sub-advisory agreements for the Subadvised Series (as defined below), without complying with the in-person meeting requirement of Section 15(c) of the Act.

**FILING DATES:** The application was filed on March 27, 2020, and amended on June 11, 2020, June 24, 2020, and July 22, 2020.

**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 emailing the Commission's Secretary at [Secretaries-Office@sec.gov](mailto:Secretaries-Office@sec.gov) and serving Applicants with a copy of the request by email. Hearing requests should be received by the Commission by 5:30 p.m. on September 14, 2020, and should be accompanied by proof of service on the 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 by emailing the Commission's Secretary.

**ADDRESSES:** The Commission: [Secretaries-Office@sec.gov](mailto:Secretaries-Office@sec.gov). Applicants: John L. Sullivan, Esq., Principal Global Investors, LLC, at [sullivan.john.l@principal.com](mailto:sullivan.john.l@principal.com).

**FOR FURTHER INFORMATION CONTACT:** Jean E. Minarick, Senior Counsel, at (202) 551-6811, or Kaitlin C. Bottock, 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 website by searching for the file number or an Applicant using the "Company" name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

### I. Requested Exemptive Relief

1. Applicants request an exemption from Section 15(c) of the Act to permit

<sup>25</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>26</sup> 17 CFR 200.30-3(a)(12).

the Board,<sup>1</sup> including the Independent Board Members,<sup>2</sup> to approve an agreement (each a “Sub-Advisory Agreement”) pursuant to which a sub-adviser manages all or a portion of the assets of one or more of the Series, or a material amendment thereof (a “Sub-Adviser Change”), without complying with the in-person meeting requirement of Section 15(c).<sup>3</sup> Under the requested relief, the Independent Board Members could instead approve a Sub-Adviser Change at a meeting at which members of the Board participate by any means of communication that allows them to hear each other simultaneously during the meeting.

2. Applicants request that the relief apply to Applicants, as well as to any future series of the Registrants and any other existing or future registered open-end management investment company or Series thereof that intends to rely on the requested order in the future and that: (i) is advised by the Adviser;<sup>4</sup> (ii) uses the multi-manager structure described in the application; and (iii) complies with the terms and conditions of the application (each, a “Subadvised Series”).<sup>5</sup>

## II. Management of the Subadvised Series

3. The Adviser will serve as the investment adviser to each Subadvised Series pursuant to an investment advisory agreement with the Registrant (each an “Investment Management Agreement”). The Adviser, subject to the oversight of the Board, will provide continuous investment management services to each Subadvised Series. Applicants are not seeking an

exemption from the Act with respect to the Investment Management Agreements.

4. Applicants state that the Subadvised Series may seek to provide exposure to multiple strategies across various asset classes, thus allowing investors to more easily access such strategies without the additional transaction costs and administrative burdens of investing in multiple funds to seek to achieve comparable exposures.

5. To that end, the Adviser may achieve its desired exposures to specific strategies by allocating discrete portions of the Subadvised Series’ assets to various sub-advisers. Consistent with the terms of each Investment Management Agreement and subject to the Board’s approval,<sup>6</sup> the Adviser would delegate management of all or a portion of the assets of a Subadvised Series to a sub-adviser.<sup>7</sup> Each sub-adviser would be an “investment adviser” to the Subadvised Series within the meaning of Section 2(a)(20) of the Act.<sup>8</sup> The Adviser would retain overall responsibility for the management and investment of the assets of each Subadvised Series.

## III. Applicable Law

6. Section 15(c) of the Act prohibits a registered investment company having a board from entering into, renewing or performing any contract or agreement whereby a person undertakes regularly to act as an investment adviser (including a sub-adviser) to the investment company, unless the terms of such contract or agreement and any renewal thereof have been approved by the vote of a majority of the investment company’s board members who are not parties to such contract or agreement, or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

7. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction or any class or classes of persons, securities, or

transactions from any provisions of the Act, or any rule thereunder, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants state that the requested relief meets this standard for the reasons discussed below.

## IV. Arguments in Support of the Requested Relief

8. Applicants assert that boards of registered investment companies, including the Board, typically hold in-person meetings on a quarterly basis. Applicants state that during the three to four month period between board meeting dates, market conditions may change or investment opportunities may arise such that the Adviser may wish to make a Sub-Adviser Change. Applicants also state that at these moments it may be impractical and costly to hold an additional in-person Board meeting, especially given the geographic diversity of Board members and the additional cost of holding in-person meetings.

9. As a result, Applicants believe that the requested relief would allow the Subadvised Series to operate more efficiently. In particular, Applicants assert that without the delay inherent in holding in-person Board meetings (and the attendant difficulty of obtaining the necessary quorum for, and the additional costs of, an unscheduled in-person Board meeting), the Subadvised Series would be able to act more quickly and with less expense to add or replace sub-advisers when the Board and the Adviser believe that a Sub-Adviser Change would benefit the Subadvised Series.

10. Applicants also note that the in-person meeting requirement in Section 15(c) of the Act was designed to prohibit absentee approval of advisory agreements. Applicants state that condition 1 to the requested relief is designed to avoid such absentee approval by requiring that the Board approve a Sub-Adviser Change at a meeting where all participating Board members can hear each other and be heard by each other during the meeting.<sup>9</sup>

11. Applicants, moreover, represent that the Board would conduct any such non-in-person consideration of a Sub-

<sup>1</sup> The term “Board” also includes the board of trustees or directors of a future Subadvised Series (as defined below).

<sup>2</sup> The term “Independent Board Members” means the members of the Board who are not parties to the Sub-Advisory Agreement (as defined below), or “interested persons”, as defined in Section 2(a)(19) of the Act, of any such party.

<sup>3</sup> Applicants do not request relief that would permit the Board and the Independent Board Members to approve renewals of Sub-Advisory Agreements at non-in-person meetings.

<sup>4</sup> The term “Adviser” includes (i) the Adviser or its successors, and (ii) any entity controlling, controlled by or under common control with, the Adviser or its successors. For the purposes of the requested order, “successor” is limited to an entity or entities that result from a reorganization into another jurisdiction or a change in the type of business organization.

<sup>5</sup> The term “Subadvised Series” also includes a wholly-owned subsidiary, as defined in the Act, of a Subadvised Series (each a “Subsidiary”) and the term “sub-Adviser” includes any sub-Adviser to a Subsidiary. All registered open-end investment companies that currently intend to rely on the requested order are named as Applicants. Any entity that relies on the requested order will do so only in accordance with the terms and conditions contained in the application.

<sup>6</sup> A Sub-Advisory Agreement may also be subject to approval by a Subadvised Series’ shareholders. Applicants currently rely on a multi-manager exemptive order to enter into and materially amend Sub-Advisory Agreements without obtaining shareholder approval. See *Principal Funds, Inc., et al., Investment Company Act Release Nos. 31203* (Aug. 11, 2014) (notice) and 31244 (Sep. 8, 2014) (order).

<sup>7</sup> A sub-adviser may manage the assets of a Subadvised Series directly or provide the Adviser with model portfolio or investment recommendation(s) that would be utilized in connection with the management of a Subadvised Series.

<sup>8</sup> Each sub-adviser would be registered with the Commission as an investment adviser under the Advisers Act or not subject to such registration.

<sup>9</sup> Applicants state that technology that includes visual capabilities will be used unless unanticipated circumstances arise. Applicants also state that the Board could not rely upon the relief to approve a Sub-Advisory Agreement by written consent or another form of absentee approval by the Board.

Advisory Agreement in accordance with its typical process for approving Sub-Advisory Agreements. Consistent with Section 15(c) of the Act, the Board would request and evaluate such information as may reasonably be necessary to evaluate the terms of any Sub-Advisory Agreement, and the Adviser and sub-adviser would provide such information.

12. Finally, Applicants note that that if one or more Board members request that a Sub-Adviser Change be considered in-person, then the Board would not be able to rely on the relief and would have to consider the Sub-Adviser Change at an in-person meeting.

#### V. Applicants' Conditions

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

1. The Independent Board Members will approve a Sub-Adviser Change at a non-in-person meeting in which Board members may participate by any means of communication that allows those Board members participating to hear each other simultaneously during the meeting.

2. Management will represent that the materials provided to the Board for the non-in-person meeting include the same information the Board would have received if a Sub-Adviser Change were sought at an in-person Board meeting.

3. The notice of the non-in-person meeting will explain the need for considering the Sub-Adviser Change at a non-in-person meeting. Once notice of the non-in-person meeting to consider a Sub-Adviser Change is sent, Board members will be given the opportunity to object to considering the Sub-Adviser Change at a non-in-person Board meeting. If a Board member requests that the Sub-Adviser Change be considered in-person, the Board will consider the Sub-Adviser Change at an in-person meeting, unless such request is rescinded.

4. A Subadvised Series' ability to rely on the requested relief will be disclosed in the Subadvised Series' registration statement.

5. In the event that 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.

**J. Matthew DeLesDernier,**  
Assistant Secretary.

[FR Doc. 2020-18561 Filed 8-24-20; 8:45 am]

**BILLING CODE 8011-01-P**

#### SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration #16590 and #16591; Pennsylvania Disaster Number PA-00107]**

##### Administrative Declaration of a Disaster for the Commonwealth of Pennsylvania

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a notice of an Administrative declaration of a disaster for the Commonwealth of Pennsylvania dated 08/17/2020.

*Incident:* Apartment Complex Fire.

*Incident Period:* 07/31/2020.

**DATES:** Issued on 08/17/2020.

*Physical Loan Application Deadline Date:* 10/16/2020.

*Economic Injury (EIDL) Loan Application Deadline Date:* 05/17/2021.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the Administrator's disaster declaration, applications for disaster loans may be filed at the address listed above or other locally announced locations.

The following areas have been determined to be adversely affected by the disaster:

*Primary Counties:* Chester.

*Contiguous Counties:*

Pennsylvania: Berks, Delaware,

Lancaster, Montgomery.

Delaware: New Castle.

Maryland: Cecil.

The Interest Rates are:

	Percent
<i>For Physical Damage:</i>	
Homeowners With Credit Available Elsewhere .....	2.375
Homeowners Without Credit Available Elsewhere .....	1.188
Businesses With Credit Available Elsewhere .....	6.000
Businesses Without Credit Available Elsewhere .....	3.000
Non-Profit Organizations With Credit Available Elsewhere .....	2.750
Non-Profit Organizations Without Credit Available Elsewhere .....	2.750
<i>For Economic Injury:</i>	
Businesses & Small Agricultural Cooperatives Without Credit Available Elsewhere .....	3.000

	Percent
Non-Profit Organizations Without Credit Available Elsewhere .....	2.750

The number assigned to this disaster for physical damage is 16590 5 and for economic injury is 16591 0.

The States which received an EIDL Declaration # are Pennsylvania, Delaware, Maryland.

(Catalog of Federal Domestic Assistance Number 59008)

**Jovita Carranza,**  
Administrator.

[FR Doc. 2020-18556 Filed 8-24-20; 8:45 am]

**BILLING CODE 8026-03-P**

#### SMALL BUSINESS ADMINISTRATION

**[Disaster Declaration #16592; South Carolina Disaster Number SC-00074 Declaration of Economic Injury]**

##### Administrative Declaration of an Economic Injury Disaster for the State of South Carolina

**AGENCY:** U.S. Small Business Administration.

**ACTION:** Notice.

**SUMMARY:** This is a notice of an Economic Injury Disaster Loan (EIDL) declaration for the State of South Carolina, dated 08/17/2020.

*Incident:* Civil Unrest.

*Incident Period:* 05/28/2020 through 06/30/2020.

**DATES:** Issued on 08/17/2020.

*Economic Injury (EIDL) Loan Application Deadline Date:* 05/17/2021.

**ADDRESSES:** Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

**FOR FURTHER INFORMATION CONTACT:** A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street SW, Suite 6050, Washington, DC 20416, (202) 205-6734.

**SUPPLEMENTARY INFORMATION:** Notice is hereby given that as a result of the Administrator's EIDL declaration, applications for economic injury disaster loans may be filed at the address listed above or other locally announced locations. The following areas have been determined to be adversely affected by the disaster:

*Primary Counties:* Charleston.

*Contiguous Counties:*

South Carolina: Berkeley, Colleton, Dorchester, Georgetown.

The Interest Rates are: