CDSCs

1. Rule 6c–10 under the Act permits open-end investment companies to impose CDSCs, subject to certain conditions. Applicants state that although the Fund does not currently intend to impose CDSCs, the Fund will only impose a CDSC in compliance with rule 6c–10 as if that rule applied to closed-end management investment companies. The Fund would also make required disclosures in accordance with the requirements of Form N–1A concerning CDSCs as if the Fund were an open-end investment company. Applicants further state that, in the event it imposes CDSCs, the Fund will apply the CDSCs (and any waivers or scheduled variations of the CDSCs) uniformly to all Members of a given class and consistently with the requirements of rule 22d–1 under the Act.

Early Repurchase Fees

1. To the extent the Fund determines to waive, impose scheduled variations of, or eliminate the Early Repurchase Fee, it will do so consistently with the requirements of rule 22d–1 under the Act and the Fund’s waiver of, scheduled variation in, or elimination of, the Early Repurchase Fee will apply uniformly to all classes of Units of the Fund.

Asset-Based Service and/or Distribution Fees

1. Section 17(d) of the Act and rule 17d–1 under the Act prohibit an affiliated person of a registered investment company or an affiliated person of such person, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates unless the Commission issues an order permitting the transaction. In reviewing applications submitted under section 17(d) and rule 17d–1, the Commission considers whether the participation of the investment company in a joint enterprise or joint arrangement is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants.

2. Rule 17d–3 under the Act provides an exemption from section 17(d) and rule 17d–1 to permit open-end investment companies to enter into distribution arrangements pursuant to rule 12b–1 under the Act. Applicants request an order under section 17(d) and rule 17d–1 under the Act to permit the Fund to impose asset-based service and/or distribution fees. Applicants have agreed to comply with rules 12b–1 and 17d–3 as if those rules applied to closed-end investment companies.

For the reasons stated above, applicants submit that the exemptions requested under section 6(c) are necessary and appropriate in the public interest and are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants also believe that the requested relief meets the standards for relief in section 17(d) of the Act and rule 17d–1 thereunder.

Applicants’ Condition

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

Each Fund relying on the order will comply with the provisions of rules 6c–10, 12b–1, 17d–3, 18f–3 and 22d–1 under the Act, as amended from time to time or replaced, as if those rules applied to closed-end management investment companies, and will comply with the NASD Conduct Rule 2830, as amended from time to time, as if that rule applied to all closed-end management investment companies.

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

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change Relating to the Listing and Trading of the 1–3 Month Enhanced Short Duration ETF, a Series of Plus Trust

August 13, 2015.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),1 and Rule 19b–4 thereunder,2 notice is hereby given that on July 29, 2015, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in in Items I and II below, which Items have been prepared by NASDAQ. 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

NASDAQ proposes to list and trade the shares of the 1–3 Month Enhanced Short Duration ETF3 (the “Fund”), a series of Plus Trust (the “Trust”), under NASDAQ Rule 5735, entitled Managed Fund Shares (“Managed Fund Shares”).4 The shares of the Fund are collectively referred to herein as the “Shares.”

The text of the proposed rule change is available at http://nasdaq.cchwallstreet.com/, at NASDAQ’s principal office, 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, NASDAQ included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NASDAQ has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

3 “ETF” is exchange-traded fund.

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

1. Purpose

The Exchange proposes to list and trade the Shares of the Fund under NASDAQ Rule 5735, which governs the listing and trading of Managed Fund Shares on the Exchange. The Fund will be an actively managed ETF. The Shares will be offered by the Trust, which was established under Delaware statutory trust on December 10, 2014. The Trust is registered with the Commission as an investment company and has filed a registration statement on Form N–1A (“Registration Statement”) with the Commission. The Fund is a series of the Trust.

New York Alaska ETF Management, LLC will be the investment adviser (“Adviser”) to the Fund. Foreside Fund Services, LLC (the “Distributor”) will be the principal underwriter and distributor of the Fund’s Shares. The Bank of New York Mellon (“BNY Mellon”) will act as the administrator, custodian, and transfer agent to the Fund.

Paragraph (g) of Rule 5735 provides that if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect a “fire wall” between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment 5

5 A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a–1) (“1940 Act”). An open-end investment company portfolio. In addition, paragraph (g) further requires that personnel who make decisions on the open-end fund’s portfolio composition must be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the open-end fund’s portfolio. Rule 5735(g) is similar to NASDAQ Rule 5705(b)(5)(A)(i); however, paragraph (g) in connection with the establishment of a “fire wall” between the investment adviser and the broker-dealer reflects the applicable open-end fund’s portfolio, not an underlying benchmark index, as is the case with index-based funds. The Adviser is not registered as a broker-dealer and is not affiliated with a broker-dealer. In the event (a) the Adviser becomes newly affiliated with a broker-dealer or registers as a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement a fire wall with respect to its relevant personnel and/or such broker-dealer affiliate, if applicable, 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.

Description of 1–3 Month Enhanced Short Duration ETF Principal Investments

The Fund’s investment objective is to seek current income consistent with preservation of capital and daily liquidity. Under normal market conditions, the Fund would invest substantially all of its net assets (exclusive of collateral with respect to securities lending, repurchase, and reverse repurchase agreement transactions) in U.S. Treasury securities, which include bills, notes, and bonds issued by the U.S. Treasury, that have remaining maturities of greater than or equal to one month and less than three months. U.S. Treasury bills, notes and bonds are direct obligations of the U.S. Treasury. U.S. Treasury bills have initial maturities of one year or less, U.S. Treasury notes from two to 10 years, and U.S. Treasury bonds more than 10 years. While U.S. Treasury securities are supported by the full faith and credit of the U.S. government, such securities are nonetheless subject to credit risk, albeit minimal (i.e., the risk that the U.S. government may be, or may be perceived to be, unable to make interest and principal payments).

All of the Fund’s assets will be invested in U.S. dollar-denominated securities.

In order to enhance income, the Fund intends to enter into securities lending, repurchase agreement, and/or reverse repurchase agreement transactions in an amount equal to not more than 33% of the Fund’s total assets, consistent with the requirements of the 1940 Act. 6

6 The term “under normal market conditions” includes, but is not limited to, the absence of extreme volatility or trading halts in the fixed income markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or 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. See NASD Rule 206(4)–7 under the Advisers Act which generally requires that a fund’s investment adviser adopt and implement written policies and procedures designed to prevent the use and dissemination of material non-public information by an investment adviser to sell in the future, it is a repurchase agreement.

4 The term “repurchase agreement” also known as a “repos” is the purchase of securities with the agreement to sell the securities back at a higher price at a specific future date. A “reverse repurchase agreement” also known as a reverse repo is the sale of securities with the agreement to buy them back at a higher price at a specific future date. For the party that is selling the securities and agreeing to repurchase it from the other party the transaction is called a reverse repurchase agreement.

11 Securities lending by funds may implicate certain sections of the 1940 Act. For example, the transfer of a fund’s portfolio securities to a borrower implicates section 17(f) of the 1940 Act (15 U.S.C. 80a–17(f)), which generally requires that a fund’s...
The Fund may lend its portfolio of securities to broker/dealers, institutional investors, banks, and insurance and/or reinsurance companies located in the member countries of The Organization for Economic Co-operation and Development ("OECD"). Securities lending allows the Fund to retain ownership of the securities loaned and, at the same time, to earn additional income. Loans will be made only to parties who have been reviewed and deemed satisfactory by the Adviser, pursuant to guidelines adopted by the Trust’s Board of Trustees ("Board of Trustees"), and which provide collateral under master agreements issued by SIFMA (The Securities Industry and Financial Markets Association) or ISLA (International Securities Lending Association), which is either (i) 102% cash or (ii) 102%-115% U.S. Treasury securities of the market value of the loaned securities. The collateral is marked to market daily. When the Fund lends portfolio securities, its investment performance will continue to reflect changes in the value of the securities loaned, and the Fund will also receive a fee or interest on the collateral. The Fund may enter into repurchase and reverse repurchase agreements with broker/dealers, institutional investors, banks, and insurance and/or reinsurance companies located in the member countries of the OECD. Repurchase transactions involve the purchase of securities with an agreement to resell the securities at an agreed-upon price, date and interest payment. Reverse repurchase transactions involve the sale of securities with an agreement to repurchase the securities at an agreed-upon price, date and interest payment and have the characteristics of borrowing. With respect to repurchase agreements and reverse repurchase agreements, proceeds (collateral) received under master agreements issued by SIFMA or ICMA (International Capital Markets Association) must be equal to or greater than the market value of the sold securities and either (i) cash, (ii) U.S. Treasuries, or (iii) debt securities secured by U.S. Treasury Securities (such debt securities typically will be issued pursuant to Rule 144A and will be secured by a pledge to the noteholder of U.S. Treasury Securities with a market value equal to or greater than the face value of the debt security). All collateral will have a maturity of three months or less. The collateral is marked to market daily and valued in accordance with the Fund’s valuation procedures. The price paid to repurchase the security reflects interest accrued during the term of the agreement. Other Investments

In order to seek its investment objective, the Fund will not employ other strategies outside of the above-described “Principal Investments.”

Investment Restrictions

Under normal market conditions, the Fund will invest substantially all, but not less than, 80% of its net assets (exclusive of collateral with respect to securities lending, repurchase, and reverse repurchase agreement transactions) in securities that are intended for investment purposes, in U.S. Treasury securities, which include bills, notes, and bonds issued by the U.S. Treasury, that have remaining maturities of greater than or equal to one month and less than three months. The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid securities, including repurchase and reverse repurchase agreements maturing in more than seven days, and other illiquid assets (calculated at the time of investment). The Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of the Fund’s net assets are held in illiquid securities or other illiquid assets. Illiquid securities and other illiquid assets include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets as determined in accordance with Commission staff guidance. The Fund intends to qualify for and to elect to be treated as a separate regulated investment company under Subchapter M of the Internal Revenue Code of 1986. Net Asset Value

The net asset value ("NAV") per Share for the Fund is computed by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees, including the management fee, are accrued daily and taken into account for purposes of determining NAV. The NAV will be determined on each business day as of the close of trading (ordinarily 4:00 p.m. Eastern Time ("E.T.") on the New York Stock Exchange ("NYSE"), now under the umbrella of the Intercontinental Exchange ("ICE").

For purposes of calculating NAV, portfolio securities and other assets for which market quotes are readily available are valued at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, based on quotes determined as such by the Adviser. As such, the Fund will not use derivative instruments, including options, swaps, forwards and futures contracts, both listed and over-the-counter. The Fund will not invest in leveraged, inverse, or leveraged inverse exchange-traded products and will not be operated as a "leveraged ETF" designed to seek a multiple of the performance of an underlying reference asset. In addition, the Fund has represented that its securities lending and reverse repurchase agreement transactions will be made in accordance with the 1940 Act and consistent with the Fund’s investment objectives and policies, and will not be used to multiply the risks and returns of income producing assets. The Fund will comply with the regulatory requirements of the Commission to maintain assets as "covered," and will segregate accounts as needed. With respect to the reverse repurchase agreements entered into by the Fund that involve obligations to make future payments to third parties, the Fund, in accordance with applicable federal securities laws, rules, and interpretations thereof, will “set aside” liquid assets, or engage in other measures to “cover” open positions with respect to such transactions. These procedures will be adopted consistent with section 18 of the 1940 Act and related Commission guidance. In addition, the Fund will include appropriate risk-management procedures in its offering documents, including leveraging risk. Leveraging risk is the risk that certain transactions of the Fund, including the Fund’s use of reverse repurchase agreements, may give rise to leverage, causing the Fund’s Shares to be more volatile than if they had not been leveraged. The Fund will not be operated as a "leveraged ETF" designed to seek a multiple of the performance of an underlying reference asset.

12 A list of OECD members is available at http://www.oecd.org/about/membersandpartners/list-oecd-member-countries.htm.

13 As such, the Fund will not use derivative instruments, including options, swaps, forwards and futures contracts, both listed and over-the-counter. The Fund will not invest in leveraged, inverse, or leveraged inverse exchange-traded products and will not be operated as a "leveraged ETF" designed to seek a multiple of the performance of an underlying reference asset. In addition, the Fund has represented that its securities lending and reverse repurchase agreement transactions will be made in accordance with the 1940 Act and consistent with the Fund’s investment objectives and policies, and will not be used to multiply the risks and returns of income producing assets. The Fund will comply with the regulatory requirements of the Commission to maintain assets as "covered," and will segregate accounts as needed. With respect to the reverse repurchase agreements entered into by the Fund that involve obligations to make future payments to third parties, the Fund, in accordance with applicable federal securities laws, rules, and interpretations thereof, will “set aside” liquid assets, or engage in other measures to “cover” open positions with respect to such transactions. These procedures will be adopted consistent with section 18 of the 1940 Act and related Commission guidance. In addition, the Fund will include appropriate risk-management procedures in its offering documents, including leveraging risk. Leveraging risk is the risk that certain transactions of the Fund, including the Fund’s use of reverse repurchase agreements, may give rise to leverage, causing the Fund’s Shares to be more volatile than if they had not been leveraged. The Fund will not be operated as a "leveraged ETF" designed to seek a multiple of the performance of an underlying reference asset.

obtained from a quotation reporting system, established market makers, or pricing services. With respect to U.S. Treasury securities, which include bills, notes, and bonds issued by the U.S. Treasury, the Fund will value such securities at the price listed at the following sources: Bloomberg, TradeWeb, E-Speed, Tullet Prebon, the U.S. Treasury Department, and/or Interactive Brokers, with the hierarchy of such sources generally in the order listed. If a market price is not readily available from these sources, the Fund will be valued pursuant to the fair value techniques discussed below.

Securities and other assets for which market quotes are not readily available are valued at fair value as determined in good faith by the Board of Trustees or persons acting at their direction. The Board of Trustees has adopted methods for fair valuation, and has delegated to the Adviser the responsibility for applying the valuation methods. In the event that market quotes are not readily available, and the security or asset cannot be valued pursuant to one of the valuation methods, the value of the security or asset will be determined in good faith by the Board of Trustees, generally based upon recommendations provided by the Adviser.

Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, broker quotes), including where events occur after the close of the relevant market, but prior to the published close of the NYSE market close, that materially affect the values of the Fund’s securities or assets. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which the securities trade do not open for trading for the entire day and no other market prices are available. The Board of Trustees has delegated to the Adviser the responsibility for monitoring significant events that may materially affect the values of the Fund’s securities or assets and for determining whether the value of the applicable securities or assets should be re-evaluated in light of such significant events.

When the Fund uses fair value pricing to determine its NAV, securities will not be priced on the basis of quotes from the primary market in which they are traded, but rather may be priced by another method that the Board of Trustees or persons acting at their direction believe reflects fair value. Fair value pricing may require subjective determinations about the value of a security. While the Trust’s policy is intended to result in a calculation of the Fund’s NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined by the Board of Trustees or persons acting at their direction would accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Fund may differ from the value that would be realized if the securities were sold.

Securities lending transactions, repurchase agreements and reverse repurchase agreements transactions will be valued at the combined value of (i) the value of the underlying Fund asset utilized in the transaction and (ii) the relative realized profit value, added daily.

Creation and Redemption of Shares

The Trust will issue and sell Shares of the Fund only in Creation Unit aggregations, and only in aggregations of 25,000 Shares, on a continuous basis through the Distributor, without an initial sales load, at the NAV next determined after receipt, on any business day, of an order in proper form.

The consideration for purchase of Creation Units may consist of: (i) the in-kind deposit of a designated portfolio of securities closely approximating the holdings of the Fund (the “Deposit Securities”), and (ii) an amount of cash denominated in U.S. Dollars (the “Cash Component”) computed as described below. Together, the Deposit Securities and the Cash Component constitute the “Fund Deposit,” which represents the minimum initial and subsequent investment amount for a Creation Unit of the Fund. The Trust expects that Creation Units will be in kind, but may be in cash at the discretion of the Fund as to the extent permitted by the Fund’s Exemptive Order.

The Fund may permit or require the consideration for Creation Units to consist solely of cash. The Fund may permit or require the substitution of an amount of cash denominated in U.S. Dollars (i.e., a “cash in lieu” amount) to be added to the Cash Component to replace any Deposit Security. For example, the Trust reserves the right to permit or require a “cash in lieu” amount where the delivery of the Deposit Security by the Authorized Participant (as described below) would be restricted under the securities laws or where the delivery of the Deposit Security to the Authorized Participant would result in the disposition of the Deposit Security by the Authorized Participant becoming restricted under the securities laws, or in certain other situations.

The Cash Component is sometimes referred to as the “Balancing Amount.” The Cash Component serves the function of compensating for any differences between the NAV per Creation Unit value of the Deposit Securities. If the Cash Component is a positive number (i.e., the NAV per Creation Unit exceeds the value of the Deposit Securities), the Authorized Participant (defined below) will deliver the Cash Component to the Fund; and if the Cash Component is a negative number (i.e., the NAV per Creation Unit is less than the value of the Deposit Securities), the Authorized Participant will receive the Cash Component from the Fund. Computation of the Cash Component excludes any stamp duty tax or other similar fees and expenses payable upon transfer of beneficial ownership of the Deposit Securities, which shall be the sole responsibility of the Authorized Participant.

BNY Mellon, through the National Securities Clearing Corporation (“NSCC”), will make available on each business day, prior to the opening of business (subject to amendments) on the Exchange (currently 9:30 a.m. E.T.), the identity and the required number of each Deposit Security and the amount of the Cash Component (or Cash Deposit) to be included in the current Fund Deposit (based on information at the end of the previous business day). Such Fund Deposit will be applicable in order to effect creations of Creation Unit aggregations of the Fund until such time as the next-announced composition of the Deposit Securities is made available. BNY Mellon, through the NSCC, will also make available on each business day, prior to the opening of business of the Exchange (currently 9:30 a.m. E.T.), the list of the names and the quantity of each security to be included (based on information at the end of the previous business day) (“Fund Securities”) in order to affect redemptions of Creation Unit aggregations of the Fund until such time as the next-announced composition of the Fund Securities is
made available. Fund Securities received on redemption may not be identical to Deposit Securities that are applicable to creations of Creation Units.

To be eligible to place orders with the Distributor and to create a Creation Unit of the Fund, an entity must be a Depository Trust Company (“DTC”) participant, such as a broker-dealer, bank, trust company, clearing corporation or certain other organization, some of whom (and/or their representatives) own DTC (each a “DTC Participant”). DTC acts as a securities depository for the Shares. The DTC Participant must have executed an agreement with the Distributor with respect to creations and redemptions of Creation Units (“Participant Agreement”). A DTC Participant that has executed a Participant Agreement is referred to as an “Authorized Participant.” Investors should contact the Distributor for the names of Authorized Participants that have signed a Participant Agreement. All Shares of the Fund, however created, will be entered on the records of DTC in the name of DTC or its nominee and deposited with, or on behalf of, DTC.

All orders to create Shares must be placed for one or more Creation Units. Orders must be transmitted by an Authorized Participant pursuant to procedures set forth in the Participant Agreement. The date on which an order to create Creation Units (or an order to redeem Creation Units, as discussed below) is placed is referred to as the “Transmittal Date.” Orders must be transmitted by an Authorized Participant by telephone or other transmission method acceptable to the Distributor pursuant to procedures set forth in the Participant Agreement. Economic or market disruptions or changes, or telephone or other communication failure, may impede the ability to reach the Distributor or an Authorized Participant.

The process to redeem Creation Units works much like the process to purchase Creation Units, but in reverse. Orders to redeem Creation Units of the Fund must be delivered through an Authorized Participant. Investors other than Authorized Participants are responsible for making arrangements for a redemption request to be made through an Authorized Participant. Orders must be accompanied or followed by the requisite number of Shares of the Fund specified in such order, which delivery must be made to the Distributor no later than 10:00 a.m. E.T. on the next business day following the Transmittal Date.

Availability of Information

The Fund’s Web site (www.tbil.co), which will be publicly available prior to the public offering of Shares, will include a form of the prospectus for the Fund that is filed. The Web site will include additional quantitative information updated on a daily basis, including, for the Fund, on a per Share basis: (1) The prior business day’s reported NAV, mid-point of the bid/ask spread at the time of calculation of such NAV (the “Bid/Ask Price”), a calculation of the premium and discount of the Bid/Ask Price against the NAV, and daily trading volume; and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid/Ask Price against the NAV within appropriate ranges, for each of the four previous calendar quarters. On each business day, before commencement of trading in Shares in the Regular Market Session, the Fund will disclose on its Web site (www.tbil.co) the identities and quantities of the portfolio of securities and other assets (the “Disclosed Portfolio” as defined in Nasdaq Rule 5735(c)(2)) held by the Fund that will form the basis for the Fund’s calculation of NAV at the end of the business day. On a daily basis the Disclosed Portfolio will include, as applicable, each portfolio security and other financial instruments of the Fund with the following information on the Fund’s Web site: Ticker symbol, CUSIP number or other identifier, if any; a description of the holding (including the type of holding); the identity of the security or other asset or instrument underlying the holding, if any; quantity held (as measured by, for example, par value; maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and the percentage weighting of the holdings in the Fund’s portfolio). The Web site information will be publicly available at no charge. The Fund’s disclosure of securities lending transactions and repurchase and reverse repurchase agreements will include information regarding the income being accrued on such instruments/transactions expressed in a percentage relative to the NAV published by the Fund.

A basket composition file, which will include the security names and quantities of securities and other assets required to be delivered in exchange for Fund Shares, if applicable, together with estimates and actual cash components, will be publicly disseminated prior to the opening of the Exchange via the NSCC. The basket will represent one Creation Unit of the Fund. The NAV of the Fund will normally be determined as of the close of the regular trading session on the Exchange (ordinarily 4:00 p.m. E.T.) on each business day. Authorized Participants may refer to the basket composition file for information regarding debt instruments and any other instrument that may comprise the Fund’s basket on a given day.

In addition, an estimated value, defined in Rule 5735 as the “Intraday Indicative Value” (as defined in Nasdaq Rule 5753(c)(3)), that reflects an estimated intraday value of the Fund’s portfolio, will be disseminated. Moreover, the Intraday Indicative Value, available on the NASDAQ OMX Information LLC proprietary index data service, will be based upon the current value for the components of the Disclosed Portfolio and will be updated and widely disseminated by one or more major market data vendors at least every 15 seconds during the Regular Market Session.

The dissemination of the Intraday Indicative Value, together with the Disclosed Portfolio, will allow investors to determine the value of the underlying portfolio of the Fund on a daily basis and to provide a close estimate of that value throughout the trading day. Investors can also obtain the Trust’s Statement of Additional Information

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17 The Bid/Ask Price of the Fund will be determined using the midpoint of the highest bid and the lowest offer on the Exchange as of the time of calculation of such Fund’s NAV. The records relating to Bid/Ask Prices will be retained by the Fund and its service providers.
18 See Nasdaq Rule 4120(b)(4) (describing the three trading sessions on the Exchange: (1) Pre-Market Session from 4 a.m. to 9:30 a.m. E.T.; (2) Regular Market Session from 9:30 a.m. to 4 p.m. or 4:15 p.m. E.T.; and (3) Post-Market Session from 4 p.m. or 4:15 p.m. to 8 p.m. E.T.).
19 Nasdaq Rule 5735(c)(2) states that the term “Disclosed Portfolio” means the identities and quantities of the securities and other assets held by the Investment Company that will form the basis for the calculation of net asset value at the end of the business day.
20 Under accounting procedures to be followed by the Fund, trades made on the prior business day (“T-1”) will be held and reflected in NAV on the current business day (“T+1”). Notwithstanding the foregoing, portfolio trades that are executed prior to the opening of the Exchange on any business day may be booked and reflected in NAV on such business day. Accordingly, the Fund will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.
21 This is the Regular Market Session. See NASDAQ Rule 4120(b)(6).
22 Currently, the NASDAQ OMX Global Index Data Service (“GIDS”) is the NASDAQ OMX global index data feed service, offering real-time updates, daily summary messages, and access to widely followed indexes and ETFs. GIDS provides investment professionals with the daily and historical information needed to track or trade NASDAQ OMX indexes, listed ETFs or third-party partner indexes and ETFs.
participants at the same time. will be made available to all market
issuer of the Shares that the NAV per
continued listing criteria applicable to
holdings disclosure policies,
investment strategies, risks, creation and
other investors.
Additional information regarding the
and trading volume of the Shares will be
continually available on a real-time basis throughout the day on brokers’
computer screens and other electronic
services. The previous day’s closing
price and trading volume information for
the Shares will be published daily in the
financial section of newspapers.
Quotation and last sale information for
the Shares will be available via
NASDAQ proprietary quote and trade
services, as well in accordance with the
Unlisted Trading Privileges and the
Consolidated Tape Association plans, as
applicable.
Securities lending transactions,
repurchase agreements and reverse
repurchase agreements transactions will
be priced at the combined value of (i)
the value of the underlying Fund asset
utilized in the transaction and (ii) the
relative realized profit value, added
daily.
Intra-day, executable price quotations
on U.S. Treasury Securities are available through subscription services such as
Bloomberg, TradeWeb, E-Speed, Tullett
Prebon, the U.S. Treasury Department,
and/or Interactive Brokers, which can be
accessed by Authorized Participants and
other investors.
Additional information regarding the
Fund and the Shares, including
investment strategies, risks, creation and
redemption procedures, fees, Fund
holdings disclosure policies,
distribution and taxes will be included in the
Registration Statement.
Initial and Continued Listing
The Shares will be subject to Rule
5735, which sets forth the initial and
continued listing criteria applicable to
Managed Fund Shares. The Exchange
represents that, for initial and/or
Managed Fund Shares. The Exchange
will consider all relevant factors in exercising its discretion to
halt or suspend trading in the Shares of the Fund. NASDAQ will halt trading in the
Shares under the conditions specified in NASDAQ Rules 4120 and
4121, including the trading pauses
under NASDAQ Rules 4120(a)(11) and
(12). Trading may be halted because of
market conditions or for reasons that, in
the view of the Exchange, make trading
in the Shares inadvisable. These may
include: (1) The extent to which trading
is not occurring in the securities and
other assets constituting the Disclosed
Portfolio of the Fund; or (2) whether
other unusual conditions or
circumstances detrimental to the
maintenance of a fair and orderly
market are present. Trading in the
Shares will also be subject to Rule
5735(d)(2)(D), which sets forth
circumstances under which Shares of the
Fund may be halted.
Trading Rules
NASDAQ deems the Shares to be
equity securities, thus rendering trading
in the Shares subject to NASDAQ’s
existing rules governing the trading of
equity securities. NASDAQ will allow
trading in the Shares from 4:00 a.m.
until 8:00 p.m. E.T. The Exchange has
appropriate rules to facilitate
transactions in the Shares during all
trading sessions. As provided in
NASDAQ Rule 5735(b)(3), the minimum
price variation for quoting and entry of
orders in Managed Fund Shares traded
on the Exchange is $0.01.
Surveillance
The Exchange represents that trading
in the Shares will be subject to the
existing trading surveillances, administered by both NASDAQ and also
the Financial Industry Regulatory
Authority (“FINRA”) on behalf of the
Exchange, which are designed to detect
violations of Exchange rules and
applicable federal securities laws. The
Exchange represents that these
procedures are adequate to properly
monitor Exchange trading of the Shares
in all trading sessions and to deter and
detect violations of Exchange rules and
applicable federal securities laws.
The surveillances referred to above
generally focus on detecting securities
trading outside their normal patterns,
which could be indicative of
manipulative or other violent activity.

24 FINRA surveils trading on the Exchange pursuant to a regulatory services agreement. The
Exchange is responsible for FINRA’s performance under this regulatory services agreement.
When such situations are detected,
surveillance analysis follows and
investigations are opened, where
appropriate, to review the behavior of
all relevant parties for all relevant
trading violations.
FINRA may, if applicable, obtain
information via the Intermarket
Surveillance Group (“ISG”)25 from
other exchanges that are members of
ISG. FINRA, on behalf of the Exchange,
will communicate as needed regarding
trading in the Shares and FINRA may
obtain trading information regarding
trading in the Shares from such markets
and other entities. In addition, the
Exchange, if applicable, may obtain
information regarding trading in the
Shares from markets and other entities
that are members of ISG, or with which
the Exchange has in place a
comprehensive surveillance sharing
agreement.
In addition, the Exchange also has a
general policy prohibiting the
distribution of material, non-public
information by its employees.

Information Circular
Prior to the commencement of
trading, the Exchange will inform its
members in an Information Circular of
the special characteristics and risks
associated with trading the Shares.
Specifically, the Information Circular will discuss the following: (1) The
procedures for purchases and
redemptions of Shares in Creation Units
(and that Shares are not individually
redeemable); (2) NASDAQ Rule 2111A,
which imposes suitability obligations on
NASDAQ members with respect to
trading in the Shares under the conditions
imposed by the Act; (3) FINRA
surveils trading on the Exchange pursuant to a regulatory services agreement. The
Exchange is responsible for FINRA’s performance under this regulatory services agreement.

25 For a list of the current members of ISG, see
https://www.isgportal.org/home.html.
any exemptive, no-action and interpretive relief granted by the Commission from any rules under the Act.

Additionally, the Information Circular will disclose the trading hours of the Shares of the Fund and the applicable NAV calculation time for the Shares. The Information Circular will also disclose that information about the Shares of the Fund will be publicly available on the Fund’s Web site.26

2. Statutory Basis

NASDAQ believes that the proposal is consistent with section 6(b) of the Act in general and section 6(b)(5) of the Act in particular in that it is 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 facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that the Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. In addition, a large amount of information will be publicly available regarding the Fund and the Shares, thereby promoting market transparency. Moreover, the Intraday Indicative Value, available on the NASDAQ OMX Information LLC proprietary index data service, will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Regular Market Session. On each business day, before commencement of trading in Shares in the Regular Market Session on the Exchange, the Fund will disclose on its Web site the Disclosed Portfolio of the Fund that will form the basis for the Fund’s calculation of NAV at the end of the business day. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers’ computer screens and other electronic services, and quotation and last sale information for the Shares will be available via NASDAQ proprietary quote and trade services. Intra-day price information will be available through subscription services, such as Bloomberg, Thomson Reuters, which can be accessed by Authorized Participants and other investors.

The Fund’s Web site will include a form of the prospectus for the Fund and additional data relating to NAV and other applicable quantitative information. Trading in Shares of the Fund will be halted under the conditions specified in NASDAQ Rules 4120 and 4121 or because of market conditions or for reasons that, in view of the Exchange, make trading in the Shares inadvisable, and trading in the Shares will be subject to NASDAQ Rule 5735(d)(2)(D), which sets forth circumstances under which Shares of the Fund may be halted. In addition, as noted above, investors will have ready access to information regarding the Fund’s holdings, the Intraday Indicative Value, the Disclosed Portfolio, and quotation and last sale information for the Shares.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of actively-managed exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, FINRA, on behalf of the Exchange, if applicable will communicate as needed regarding trading in the Shares with other markets and other entities that are members of ISG and FINRA may obtain trading information regarding trading in the Shares from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. Furthermore, as noted above, investors will have ready access to information regarding the Fund’s holdings, the Intraday Indicative Value, the Disclosed Portfolio, and quotation and last sale information for the Shares.

For the above reasons, NASDAQ believes the proposed rule change is consistent with the requirements of section 6(b)(5) of the Act.

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 Exchange believes that the proposed rule change will facilitate the listing and trading of an additional type of actively-managed exchange-traded fund that will enhance competition among market participants, to the benefit of investors and the marketplace.

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

Written comments were neither solicited nor received.

26 Additionally, the Information Circular will also reference that the Fund is subject to various fees and expenses described in the Registration Statement.
III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will: (a) By order approve or disapprove such proposed rule change; or (b) institute proceedings to determine whether the proposed rule change should be 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–NASDAQ–2015–089 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, Station Place, 100 F Street NE., Washington, DC 20549.

All submissions should refer to File Number SR–NASDAQ–2015–089. 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 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 the filing also will be available for inspection and copying at the principal office of NASDAQ. 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–NASDAQ–2015–089 and should be submitted on or before September 9, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.2

Brent J. Fields,
Secretary.

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SEcurities and EXChange COMMISSION


SeCtional 19(b)(1) of the Securities EXchange Act of 1934

The Exchange proposes to amend Rule 79A to delete Supplementary Material .20 requiring Prior Floor Official Approval Before a Designated Market Maker Can Initiate Certain Trades More Than One or Two Dollars Away From the Last Sale.

PUBLIC NOTICE. Pursuant to section 19(b)(1)1 of the Securities Exchange Act of 1934 (“Act”)2 and Rule 19b–4 thereunder,3 notice is hereby given that on July 29, 2015, New York Stock Exchange LLC (“NYSE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 Rule 79A to delete Supplementary Material .20 requiring Prior Floor Official approval before a Designated Market Maker (“DMM”) can initiate certain trades more than one or two dollars away from the last sale. The text of the proposed rule change is available on the Exchange’s Web site at www.nyse.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 self-regulatory organization 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 those 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 parts of such statements.

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

1. Purpose

The Exchange proposes to amend Rule 79A to delete Supplementary Material .20, which requires prior Floor Official approval for certain DMM dealer trades more than one or two dollars away from the last sale, and to make conforming amendments to Rules 48, 80C and 9217 to delete references to Rule 79A.20.

Background

Currently, except with respect to inactively traded securities the Exchange shall from time to time identify, Rule 79A.20(a) requires DMMs to obtain prior Floor Official approval for all transactions in stocks by the DMM as dealer (when the market is slow4) or transactions in which the DMM as dealer is reaching across the market5 (when the market is fast) that are made at (i) $1.00 or more away from the last sale when such last sale is under $20 per share or (ii) $2.00 or more away from the last sale when such last sale is at $20 per share or over. The Rule also provides that in unusual market situations, a Floor Governor, Senior Floor Official, or Executive Floor


For purposes of the Rule, the NYSE is considered a “slow” market when displaying a bid or offer (or both) that is not entitled to protection of Rule 611 under Regulation NMS. See Rule 79A.20(a). DMM dealer transactions in slow markets include the opening, reopening, and closing transactions.

5 A DMM reaches across the market when the DMM buys from the NYSE offer or sells to the NYSE bid.