Holding Period, it would be critically important that the firm be able to cancel its orders from Nasdaq and re-allocate those shares to other venues.\textsuperscript{96} This commenter stated that it does not believe any market participants would be harmed in such a circumstance.\textsuperscript{97}

In Amendment No. 2, the Exchange responded that MELOs may be cancelled at any time, including during the Holding Period, to allow members to effectively manage risk.\textsuperscript{98} The Exchange also acknowledged that the potential exists for some participants to use MELOs in a way that conflicts with the stated intention of the order type to allow longer term investors the opportunity to safely find like-minded counterparties at the midpoint on Nasdaq.\textsuperscript{99} For this reason, the Exchange represented that MELOs would be subject to real-time surveillance to determine if the order type is being abused by market participants.\textsuperscript{100} The Exchange also stated that it plans to implement a process, at the same time as the implementation of MELOs, to monitor the use of MELOs, with the intent to apply additional measures, as necessary, to ensure that their usage is appropriately tied to the intent of the order type.\textsuperscript{101} According to the Exchange, this process may include metrics tied to participant behavior, such as the percentage of MELOs cancelled prior to completion of the Holding Period, the average duration of MELOs, and the percentage of MELOs where the NBBO midpoint is within the limit price when received.\textsuperscript{102} The Exchange also stated that manipulative abuse is subject to potential disciplinary action under the Exchange’s rules, and other behavior that frustrates the purposes of the MELO order type may be subject to penalties or other requirements to discourage such behavior, should it occur.\textsuperscript{103}

The Commission believes that the Exchange’s proposed measures are reasonably designed to deter potential improper use of the proposed MELO order type. In particular, the Commission notes that the Exchange has represented that it will conduct real-time surveillance to monitor the use of MELOs and ensure that such usage is appropriately tied to the intent of the order type.\textsuperscript{104} Moreover, importantly, the Exchange will measure the metrics noted above that reflect participant behavior with respect to MELOs, such as the percentage of a participant’s MELOs that are cancelled prior to the completion of the Holding Period.\textsuperscript{105} As the Exchange represented in its filing, the Commission expects the Exchange to continue to evaluate whether additional measures may be necessary to ensure that MELOs are used in a manner consistent with the intended purpose of the order type.\textsuperscript{106}

IV. Solicitation of Comments on Amendment No. 3 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 3 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–2017–074 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–NASDAQ–2017–074 on the subject line.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,\textsuperscript{107} that the proposed rule change (SR–NASDAQ–2017–074), as modified by Amendment Nos. 1, 2, and 3, be, and hereby is, approved on an accelerated basis.

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33043; 812–14882]

Corporate Capital Trust, Inc., et al.

March 8, 2018.


Action: Notice.

\textsuperscript{96} See id.
\textsuperscript{97} See id.
\textsuperscript{98} See Amendment No. 2 at 8.
\textsuperscript{99} See id. at 22.
\textsuperscript{100} See id. at 22.
\textsuperscript{101} See id.
\textsuperscript{102} See id.
\textsuperscript{103} See id. at 23.
\textsuperscript{104} See id. at 22–23.
\textsuperscript{105} See id. at 22.
\textsuperscript{106} See id.
Notice of application for an order to amend a prior order under sections 17(d) and 57(i) of the Investment Company Act of 1940 (the “Act”) and rule 17d–1 under the Act permitting 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 amend a prior order that permits certain business development companies (“BDCs”) and registered closed-end investment companies (“closed-end funds”) to co-invest in portfolio companies with each other and with affiliated investment funds and accounts.

Applicants: Corporate Capital Trust, Inc. (“CCT I”), a BDC; Corporate Capital Trust II (“CCT II”), a BDC; KKR Income Opportunities Fund (“KIO”), a closed-end fund; FS/KKR Advisor, LLC (“FS/KKR Advisor”); KKR Credit Advisors (US) LLC (“KKR Credit”); the investment advisory subsidiaries and relying advisers of KKR Credit set forth on Schedule A to the application (collectively, with FS/KKR Advisor and KKR Credit, the “Existing KKR Credit Advisers”); KKR Capital Markets Holdings L.P. and its capital markets subsidiaries and other indirect, wholly- or majority-owned subsidiaries of KKR & Co. L.P. (“KKR & Co.”); the “Existing KKR Credit Subsidiaries.”; and the Existing Affiliated Funds set forth on Schedule A to the application (collectively, the “KKM Companies”);

KKR Financial Holdings LLC (“KFN”) and its wholly-owned subsidiaries set forth on Schedule A to the application (together with wholly-owned subsidiaries of KFN that may be formed in the future, the “KFN Subsidiaries.”); and

the Existing Affiliated Funds set forth on Schedule A to the application.

Filing Dates: The application was filed on March 6, 2018.

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 writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on April 2, 2018, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer’s interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

ADDITIONAL 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 for an applicant using the Company name box, at http://www.sec.gov/search/search.htm or by calling (202) 551–8090.

Applicants’ Representations:

1. On June 19, 2017, the Applicants received an order under Sections 17(d) and 57(i) of the Act and Rule 17d–1 thereunder, permitting certain joint transactions that otherwise may be prohibited by Sections 17(d) and 57(a)(4) and Rule 17d–1 (the “Prior Order”). Unless stated otherwise, defined terms used in the application have the meanings provided in the application for the Prior Order (the “Prior Application”).

2. The Applicants seek an order (the “Order”) to amend the Prior Order to extend the relief granted therein to Future Regulated Entities whose investment adviser is a KKR Credit Adviser. Applicants also seek to amend the Prior Order to add FS/KKR Advisor as an Applicant and to remove CML Fund Advisors Company and CML Fund Advisors II, LLC as Applicants.

3. FS/KKR Advisor is a Delaware limited liability company, and, prior to relying on the requested relief, will be registered as an investment adviser under the Advisers Act and controlled by KKR Credit.

4. Applicants state that the legal analysis in the Prior Application is equally applicable to this application.

Applicants’ Conditions:

If the Order is granted, the Conditions of the Prior Order, as stated in the Prior Application, will remain in effect.


Per the Order, the term “Future Regulated Entity” would mean a closed-end management investment company (a) that is registered under the Act or has elected to be regulated as a BDC and (b) whose investment adviser is a KKR Credit Adviser that is registered as an investment adviser under the Advisers Act of 1940 (the “Advisers Act”).

CML Fund Advisors Company and CML Fund Advisors II, LLC currently serve as investment adviser to CCT I and CCT II, respectively.

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

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2018–05072 Filed 3–12–18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33042; 812–14849]

Nationwide Fund Advisors and ETF Series Solutions

March 8, 2018.

AGENCY: Securities and Exchange Commission (“Commission”).

ACTION: Notice.

Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 22(e) of the Act and rule 22c–1 under the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act, and under section 12(d)(1)(J) of the Act for an exemption from sections 12(d)(1)(A) and 12(d)(1)(B) of the Act. The requested order would permit (a) actively-managed series of certain open-end management investment companies (“Funds”) to issue shares redeemable in large aggregations only (“Creation Units”); (b) secondary market transactions in Fund shares to occur at negotiated market prices rather than at net asset value (“NAV”); (c) certain Funds to pay redemption proceeds, under certain circumstances, more than seven days after the tender of shares for redemption; (d) certain affiliated persons of a Fund to deposit securities into, and receive securities from, the Fund in connection with the purchase and redemption of Creation Units; (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the Funds (“Funds of Funds”) to acquire shares of the Funds; and (f) certain Funds (“Feeder Funds”) to create and redeem Creation Units in-kind in a master-feeder structure.

APPLICANTS: Nationwide Fund Advisors (the “Initial Adviser”), a business trust organized under the laws of the state of Delaware registered as an investment adviser under the Investment Advisers Act of 1940, ETF Series Solutions (the “Trust”), a Delaware statutory trust registered under the Act as an open-end