

and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2015-088. 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 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2015-088, and should be submitted on or before November 16, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>29</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-27086 Filed 10-23-15; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76200; File No. SR-EDGX-2015-48]

### Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 19.3 To Allow the Listing of Certain Options Based on International Indexes

October 20, 2015.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the

“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 9, 2015, EDGX Exchange, Inc. (the “Exchange” or “EDGX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange filed a proposal to allow the listing of options overlying portfolio depositary receipts and index fund shares (collectively, “ETFs”) that are listed pursuant to generic listing standards on equities exchanges for series of ETFs based on international or global indexes under which a comprehensive surveillance sharing agreement is not required.

The text of the proposed rule change is available at the Exchange's Web site at [www.batstrading.com](http://www.batstrading.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 Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

###### 1. Purpose

The Exchange is proposing to amend Rule 19.3(i) to allow the Exchange's options platform (“EDGX Options”) to

list options overlying ETFs that are listed pursuant to generic listing standards on equities exchanges for series of ETFs based on international or global indexes under which a comprehensive surveillance sharing agreement (“CSSA”) is not required.<sup>5</sup> This proposal will enable the Exchange to list and trade options on ETFs without a CSSA provided that the ETF is listed on an equities exchange pursuant to the generic listing standards that do not require a CSSA pursuant to Rule 19b-4(e) of the Exchange Act.<sup>6</sup> Rule 19b-4(e) provides that the listing and trading of a new derivative securities product by a self-regulatory organization (“SRO”) shall not be deemed a proposed rule change, pursuant to paragraph (c)(1) of Rule 19b-4, if the Commission has approved, pursuant to section 19(b) of the Exchange Act, the SRO's trading rules, procedures, and listing standards for the product class that would include the new derivatives securities product and the SRO has a surveillance program for the product class.<sup>7</sup> In other words, the proposal will amend the listing standards to allow the Exchange to list and trade options on ETFs based on international or global indexes to a similar degree that they are allowed to be listed on several equities exchanges.<sup>8</sup>

Currently, EDGX Options rules allow for the listing and trading of options on Fund Shares. Rule 19.3(i)(1)–(3) provide the listings standards for options on Fund Shares with non-U.S. component stocks, such as Fund Shares based on international or global indexes. Rule 19.3(i)(1) requires that any non-U.S. component stocks of an index or portfolio of stocks on which the Fund Shares are based that are not subject to a CSSA do not in the aggregate represent more than 50% of the weight of the index or portfolio. Rule 19.3(i)(2) requires stocks for which the primary market is in any one country that is not

<sup>5</sup> See, e.g., EDGX Rule 14.2(b)(3); BATS Exchange Rule 14.11(b)(3)(A)(ii); NYSE MKT Rule 1000 Commentary .03(a)(B); NYSE Arca Equities Rule 5.2(j)(3) Commentary .01 (a)(B); and NASDAQ Rule 5705(a)(3)(A)(ii).

<sup>6</sup> 17 CFR 240.19b-4(e).

<sup>7</sup> When relying on Rule 19b-4(e), the SRO must submit Form 19b-4(e) to the Commission within five business days after the SRO begins trading the new derivative securities products. See Exchange Act Release No. 40761 (December 8, 1998), 63 FR 70952 (December 22, 1998).

<sup>8</sup> See EDGX Rule 14.2(b)(3); BATS Rules 14.11(b)(3)(A)(ii); NYSE MKT Rule 1000 Commentary .03(a)(B); NYSE Arca Equities Rule 5.2(j)(3) Commentary .01 (a)(B); and NASDAQ Rule 5705(a)(3)(A)(ii). See also Securities Exchange Act Release Nos. 54739 (November 9, 2006), 71 FR 66993 (SR-Amex-2006-78); 55269 (February 9, 2007), 72 FR 7490 (February 15, 2007) (SR-NASDAQ-2006-050); 55621 (April 12, 2007), 72 FR 19571 (April 18, 2007) (SR-NYSEArca-2006-86)

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>29</sup> 17 CFR 200.30-3(a)(12).

subject to a CSSA do not represent 20% or more of the weight of the index. Rule 19.3(i)(3) requires that stocks for which the primary market is in any two countries that are not subject to a CSSA do not represent 33% or more of the weight of the index.

The Exchange notes that the Commission has previously approved generic listing standards pursuant to Rule 19b-4(e) of the Exchange Act for ETFs based on indexes that consist of stocks listed on U.S. exchanges.<sup>9</sup> In general, the criteria for the underlying component stocks in the international and global indexes are similar to those for the domestic indexes, but with modifications as appropriate for the issues and risks associated with non-U.S. stocks. In addition, the Commission has previously approved the listing and trading of ETFs based on international indexes—those based on non-U.S. component stocks—as well as global indexes—those based on non-U.S. and U.S. component stocks.<sup>10</sup>

In approving ETFs for equities exchange trading, the Commission thoroughly considered the structure of the ETFs, their usefulness to investors and to the markets, and SRO rules that govern their trading. The Exchange believes that allowing the listing of options overlying ETFs that are listed pursuant to the generic listing standards on equities exchanges for ETFs based on international and global indexes and applying Rule 19b-4(e) should fulfill the intended objective of that Rule by allowing options on those ETFs that have satisfied the generic listing standards to commence trading, without the need for the public comment period and Commission approval. The proposed rule has the potential to reduce the time frame for bringing options on ETFs to market, thereby reducing the burdens on issuers and other market participants. The failure of a particular ETF to comply with the generic listing standards under Rule 19b-4(e) would not, however, preclude the Exchange from submitting a separate filing pursuant to section 19(b)(2),<sup>11</sup> requesting Commission approval to list and trade options on a particular ETF. Options on ETFs listed pursuant to these generic standards for international

and global indexes would be traded, in all other respects, under the Exchange's existing trading rules and procedures that apply to options on ETFs and would be covered under the Exchange's surveillance program for options on ETFs.

Pursuant to the proposed rule, the Exchange may list and trade options on an ETF without a CSSA provided that the ETF is listed pursuant to generic listing standards for series of ETFs based on international or global indexes under which a comprehensive surveillance agreement is not required. The Exchange believes that these generic listing standards are intended to ensure that stocks with substantial market capitalization and trading volume account for a substantial portion of the weight of an index or portfolio.

The Exchange believes that this proposed listing standard for options on ETFs is reasonable for international and global indexes, and, when applied in conjunction with the other listing requirements,<sup>12</sup> will result in options overlying ETFs that are sufficiently broad-based in scope and not readily susceptible to manipulation. The Exchange also believes that allowing the Exchange to list options overlying ETFs that are listed on equities exchanges pursuant to generic standards for series of portfolio depository receipts or index fund shares<sup>13</sup> based on international or global indexes under which a CSSA is not required, will result in options overlying ETFs that are adequately diversified in weighting for any single security or small group of securities to significantly reduce concerns that trading in options overlying ETFs based on international or global indexes could become a surrogate for trading in unregistered securities.

The Exchange believes that ETFs based on international and global indexes that have been listed pursuant to the generic standards are sufficiently broad-based enough as to make options overlying such ETFs not susceptible to manipulation. The Exchange believes that the threat of manipulation is sufficiently mitigated for underlying ETFs that have been listed on equities exchanges pursuant to

generic listing standards for series of portfolio depository receipts or index fund shares based on international or global indexes under which a comprehensive surveillance agreement is not required and for the overlying options, that the Exchange does not see the need for CSSA to be in place before listing and trading options on such ETFs. The Exchange notes that its proposal does not replace the need for a CSSA as provided in the current rule. The provisions of the current rule, including the need for a CSSA, remain materially unchanged in the proposed rule and will continue to apply to options on ETFs that are not listed on an equities exchange pursuant to generic listing standards for series of portfolio depository receipts or index fund shares based on international or global indexes under which a comprehensive surveillance agreement is not required. Instead, the proposed rule adds an additional listing mechanism for certain qualifying options on ETFs to be listed on the Exchange.

Finally, the Exchange is also proposing to make several non-substantive changes to the rule text in order to make it easier to read and understand. Specifically, the Exchange is proposing to move paragraph (4) to become paragraph (1), to renumber each of paragraphs (1), (2), (3), (5), and (6) to (B), (C), (D), (E), and (F), respectively, and to make clear that each of the proposed newly numbered paragraphs (B), (C), (D), (E), and (F) apply to the series of Fund Shares that do not meet the criteria proposed in proposed new paragraph (A).

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of section 6(b) of the Act.<sup>14</sup> In particular, the proposal is consistent with section 6(b)(5) of the Act<sup>15</sup> because 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, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest. In particular, the proposed rules have the potential to

<sup>9</sup> See Commentary .03 to Amex Rule 1000 and Commentary .02 to Amex Rule 1000A. See also Securities Exchange Act Release No. 42787 (May 15, 2000), 65 FR 33598 (May 24, 2000).

<sup>10</sup> See, e.g., Securities Exchange Act Release Nos. 50189 (August 12, 2004), 69 FR 51723 (August 20, 2004) (approving the listing and trading of certain Vanguard International Equity Index Funds); 44700 (August 14, 2001), 66 FR 43927 (August 21, 2001) (approving the listing and trading of series of the iShares Trust based on certain S&P global indexes).

<sup>11</sup> 15 U.S.C. 78s(b)(2).

<sup>12</sup> All of the other listing criteria under the Exchange's rules will continue to apply to any options listed pursuant to the proposed rule change.

<sup>13</sup> The Exchange notes that the proposed rule text differs slightly from that of other exchanges in order to make clear that the rule applies to ETFs that have been listed on equities exchanges pursuant to generic listing standards for series of "portfolio depository receipts or index fund shares" rather than "portfolio depository receipts and index fund shares." Such difference does not represent a substantive difference from the rules of other Exchanges. See *infra* note 16.

<sup>14</sup> 15 U.S.C. 78f(b).

<sup>15</sup> 15 U.S.C. 78f(b)(5).

reduce the time frame for bringing options on ETFs to market, thereby reducing the burdens on issuers and other market participants. The Exchange also believes that enabling the listing and trading of options on ETFs pursuant to this new listing standard will benefit investors by providing them with valuable risk management tools. The Exchange notes that its proposal does not replace the need for a CSSA as provided in the current rule. The provisions of the current rule, including the need for a comprehensive surveillance sharing agreement, remain materially unchanged in the proposed rule and will continue to apply to options on ETFs that are not listed on an equities exchange pursuant to generic listing standards for series of portfolio depositary receipts or index fund shares based on international or global indexes under which a comprehensive surveillance agreement is not required. Instead, the proposed rule adds an additional listing mechanism for certain qualifying options on ETFs to be listed on the Exchange in a manner that 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, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange also believes that the proposed non-substantive organizational changes are reasonable, fair, and equitable because they are designed to make the rule easier to comprehend. As noted above, the proposed non-substantive changes do not change the need for a CSSA as provided in the current rule. The provisions of the current rule, including the need for a CSSA, remain materially unchanged in the proposed rule and will continue to apply to options on ETFs that are not listed on an equities exchange pursuant to generic listing standards for series of portfolio depositary receipts or index fund shares based on international or global indexes under which a comprehensive surveillance agreement is not required. These non-substantive changes to the rules are intended to make the rules clearer and less confusing for participants and investors and to eliminate potential confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market

system, and, in general, protecting investors and the public interest.

#### *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. To the contrary, the proposed rule change is a competitive change that is substantially similar to recent rule changes by other options exchanges, such as MIAX Options Exchange ("MIAX"), NASDAQ OMX PHLX, LLC ("Phlx"), and International Stock Exchange LLC ("ISE").<sup>16</sup> The Exchange notes that the Exchange's affiliate, BATS Exchange, Inc. ("BATS") also filed a similar rule change earlier this year.<sup>17</sup> Furthermore, the Exchange believes this proposed rule change will benefit investors by providing additional methods to trade options on ETFs, and by providing them with valuable risk management tools. Specifically, the Exchange believes that market participants on the Exchange would benefit from the introduction and availability of options on ETFs in a manner that is similar to equities exchanges and will provide investors with a venue on which to trade options on these products. For all the reasons stated above, the Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will enhance competition.

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

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

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has

<sup>16</sup> See, e.g., Securities Exchange Act Release Nos. 74509 (March 13, 2015), 80 FR 14425 (March 19, 2015) (SR-MIAX-2015-04); 74553 (March 20, 2015), 80 FR 16072 (March 26, 2015) (SR-Phlx-2015-27); and 74832 (April 29, 2015), 80 FR 25738 (May 5, 2015) (SR-ISE-2015-16).

<sup>17</sup> See Securities Exchange Act Release No. 75166 (June 12, 2015), 80 FR 34946 (June 18, 2015) (SR-BATS-2015-43).

become effective pursuant to section 19(b)(3)(A)(iii) of the Act<sup>18</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>19</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing,<sup>20</sup> Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.<sup>21</sup> The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange has stated that waiver of the operative delay will permit the Exchange to list and trade certain ETF options on the same basis as other options markets.<sup>22</sup> The Commission believes the waiver of the operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>23</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 change 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

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>19</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change.

<sup>20</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>21</sup> *Id.*

<sup>22</sup> See *supra* notes 16 and 17.

<sup>23</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

• Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-EDGX-2015-48 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-EDGX-2015-48. 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 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; 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-EDGX-2015-48, and should be submitted on or before November 16, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**Brent J. Fields,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76202; File No. SR-NYSEArca-2015-77]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To List and Trade Shares of the First Trust Heitman Global Prime Real Estate ETF Under NYSE Arca Equities Rule 8.600

October 20, 2015.

#### I. Introduction

On August 28, 2015, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares ("Shares") of the First Trust Heitman Global Prime Real Estate ETF (the "Fund,") under NYSE Arca Equities Rule 8.600. The proposed rule change was published for comment in the *Federal Register* on September 17, 2015.<sup>3</sup> On October 1, 2015, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>4</sup> The Commission received no comments on the proposed rule change. The Commission is publishing this notice to solicit comments on Amendment No. 1 from interested persons, and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### II. The Exchange's Description of the Proposed Rule Change<sup>5</sup>

The Exchange proposes to list and trade the Shares under NYSE Arca

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 75901 (September 11, 2015), 80 FR 55892 ("Notice").

<sup>4</sup> In Amendment No. 1, the Exchange: (1) identified the investment objective of the Fund; (2) clarified the scope of the Fund's permitted investments; (3) modified its description of the Fund's Share redemption process; (4) supplemented its description of the availability of price information for the Shares and the underlying assets; (5) identified another entity as the administrator, custodian, and transfer agent for the Fund; and (6) made other technical changes. Amendment No. 1 is available at: <http://www.sec.gov/rules/sro/nysearca/2015/34-75901-amendment1.pdf>.

<sup>5</sup> The Commission notes that additional information regarding the Trust, the Fund, its investments, and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, calculation of net asset value ("NAV"), distributions, and taxes, among other things, can be

found in the Notice and the Registration Statement, as applicable. See Notice, *supra* note 3, and Registration Statement, *infra* note 6.

<sup>6</sup> The Exchange states that the Trust is registered under the 1940 Act. According to the Exchange, on August 27, 2014, the Trust filed an amendment to the Trust's registration statement on Form N-1A under the Securities Act of 1933 (the "1933 Act") (15 U.S.C. 77a), and under the 1940 Act relating to the Fund (File Nos. 333-174332 and 811-22559) (the "Registration Statement"). The Exchange states that the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 28468 (October 27, 2008) (File No. 812-13477).

<sup>7</sup> The term "under normal market conditions" includes, but is not limited to, the absence of extreme volatility or trading halts in the equity 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.

<sup>8</sup> The Fund's investments in Real Estate Securities and certain non-U.S. companies (as referred to below under "Non-Principal Investments") may be in the form of Depositary Receipts, which include American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts. All Depositary Receipts in which the Fund invests will be traded on a U.S. or a non-U.S. exchange.

#### Principal Investments

The Exchange states that, under normal market conditions,<sup>7</sup> at least 80% of the Fund's net assets in the following U.S. and non-U.S. exchange-traded real estate securities: Real estate investment trusts ("REITs"), real estate operating companies ("REOCs") and common stocks or "Depositary Receipts" of companies primarily engaged in the real estate industry (collectively, "Real Estate Securities").<sup>8</sup> The Fund may invest in non-U.S. securities (including securities of certain non-U.S. companies), which include securities issued or guaranteed by companies

found in the Notice and the Registration Statement, as applicable. See Notice, *supra* note 3, and Registration Statement, *infra* note 6.

<sup>6</sup> The Exchange states that the Trust is registered under the 1940 Act. According to the Exchange, on August 27, 2014, the Trust filed an amendment to the Trust's registration statement on Form N-1A under the Securities Act of 1933 (the "1933 Act") (15 U.S.C. 77a), and under the 1940 Act relating to the Fund (File Nos. 333-174332 and 811-22559) (the "Registration Statement"). The Exchange states that the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 28468 (October 27, 2008) (File No. 812-13477).

<sup>7</sup> The term "under normal market conditions" includes, but is not limited to, the absence of extreme volatility or trading halts in the equity 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.

<sup>8</sup> The Fund's investments in Real Estate Securities and certain non-U.S. companies (as referred to below under "Non-Principal Investments") may be in the form of Depositary Receipts, which include American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts. All Depositary Receipts in which the Fund invests will be traded on a U.S. or a non-U.S. exchange.

<sup>24</sup> 17 CFR 200.30-3(a)(12).