

that the Company considered but declined to participate in, so that the Independent Directors may determine whether all investments made during the preceding quarter, including those investments which the Company considered but declined to participate in, comply with the conditions of the Order. In addition, the Independent Directors will consider at least annually the continued appropriateness for the Company of participating in new and existing Co-Investment Transactions.

10. The Company will maintain the records required by section 57(f)(3) of the Act as if each of the investments permitted under these conditions were approved by the Required Majority under section 57(f) of the Act.

11. No Independent Directors will also be a director, general partner, managing member or principal, or otherwise an "affiliated person" (as defined in the Act) of any Private Fund.

12. The expenses, if any, associated with acquiring, holding or disposing of any securities acquired in a Co-Investment Transaction (including, without limitation, the expenses of the distribution of any such securities registered for sale under the 1933 Act) will, to the extent not payable by an Adviser under any agreement with the Company or the Private Funds, be shared by the Company and the Private Funds in proportion to the relative amounts of the securities held or being acquired or disposed of, as the case may be.

13. Any transaction fee (including break-up or commitment fees but excluding broker's fees contemplated by section 17(e) or 57(k) of the Act or received in connection with a Co-Investment Transaction will be distributed to the Company and the Private Funds on a pro rata basis, based on the amounts they invested or committed, as the case may be, in such Co-Investment Transaction. If any transaction fee is to be held by an Adviser to a Private Fund pending consummation of the Co-Investment Transaction, the fee will be deposited into an account maintained by such Adviser at a bank or banks having the qualifications prescribed in section 26(a)(1) of the Act, and such account will earn a competitive rate of interest that will also be divided pro rata among the Company and the participating Private Funds based on the amounts they invest in such Co-Investment Transaction. None of the Private Funds, Advisers of the Private Funds nor any affiliated person of the Company will receive additional compensation or remuneration of any kind as a result of, or in connection with, a Co-Investment

Transaction (other than (i) in the case of the Company and the participating Private Funds, the pro rata transaction fees described above and fees or other compensation described in condition 2(c)(iii)(C) and (ii) in the case of the Advisers, investment advisory fees paid in accordance with the Advisory Agreements).

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

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014-14204 Filed 6-17-14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72374; File No. SR-EDGX-2014-16]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

June 12, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 2, 2014, EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 its fees and rebates applicable to Members³ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) ("Fee Schedule") to: (i) Delete Flag RC, which routes to the National Stock Exchange, Inc. ("NSX") and adds liquidity; and (ii) make a corrective change to the definition of Average Daily Trading Volume ("ADV") to state that ADV includes shares routed by the Exchange. The text of the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term "Member" is defined as "any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act." See Exchange Rule 1.5(n).

proposed rule change is available on the Exchange's Internet Web site at www.directedge.com, at the Exchange's principal office, and at the Public Reference Room of the Commission.

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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects 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 its Fee Schedule to: (i) Delete Flag RC, which routes to the NSX and adds liquidity; and (ii) make a corrective change to the definition of ADV to state that ADV includes shares routed by the Exchange.

Flag RC

The Exchange proposes to amend its Fee Schedule to delete Flag RC, which routes to the NSX and adds liquidity, in response to the NSX's announcement that it will cease market operations and its last day of trading will be Friday, May 30, 2014.⁴ The Exchange currently charges a fee of \$0.0001 per share in securities priced at or above \$1.00 and no fee in securities priced below \$1.00 for Members' orders that yield Flag RC. The fee for orders that yield Flag RC represents a pass through of the rate that DE Route, the Exchange's affiliated routing broker-dealer, is charged for routing orders that add liquidity to NSX. As of June 1, 2014, the Exchange, via DE Route, will no longer be able to route orders to NSX because it ceased operations, and, therefore, proposes to remove Flag RC from its Fee Schedule.

ADV

The Exchange proposes to make a corrective change to the definition of ADV to state that a Member's ADV *does*

⁴ See Securities Exchange Act Release No. 72107 (May 6, 2014), 79 FR 27017 (May 12, 2014) (SR-NSX-2014-14) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Cease Trading on Its Trading System).

include shares that are routed to other trading centers. The Exchange determines the liquidity adding rebate that it will provide to Members based on the Exchange's tiered pricing structure based on the calculation of ADV, and/or average daily Total Consolidated Volume.⁵ On May 1, 2014, the Exchange harmonized its definition of ADV with that contained in the BATS Exchange, Inc. ("BATS") and BATS-Y Exchange, Inc. ("BYX") fee schedules by amending the definitions of ADV to state that routed shares are not included in ADV calculation.⁶

The Exchange's Fee Schedule currently states that Flag 7, which is yielded on orders routed during the pre and post market sessions, is considered when determining the liquidity adding rebate that the Exchange will provide to Members based on its tiered pricing structure. In harmonizing its definition of ADV with BATS and BYX, the Exchange mistakenly included a provision that excluded routed shares from the definition of ADV, thereby creating a conflict with the above provision in the Fee Schedule stating that Flag 7 is considered when determining the liquidity adding rebate under its tiered pricing structure. The Exchange now seeks to make a corrective change to the definition of ADV to state that routed orders are included in a Member's ADV calculation. The proposed rule change is designed to resolve a conflict in the Fee Schedule between the definition of ADV and the inclusion of orders that yield Flag 7 when determining the liquidity adding rebate under its tiered pricing structure. The Exchange notes that its proposal conforms to an existing practice and does not modify the fees or rebate that the Exchange has been providing its Members for achieving tier-based pricing.

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on June 2, 2014.

⁵ As provided in the Fee Schedule, "TCV" is currently defined as the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated, excluding volume on any day that the Exchange experiences an Exchange System Disruption or the Russell Reconstitution Day.

⁶ See Securities Exchange Act Release No. 72002 (April 23, 2014), 79 FR 24028 (April 29, 2014) (SR-EDGX-2014-10). The Exchange also amended the definition of ADV to exclude shares on: (i) Any day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during Regular Trading Hours ("Exchange System Disruption"); and (ii) the last Friday in June (the "Russell Reconstitution Day"). *Id.*

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁷ in general, and furthers the objectives of Section 6(b)(4),⁸ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities.

Flag RC

The Exchange believes that its proposal to delete Flag RC in its Fee Schedule represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities. The proposed change is in response to NSX's announcement that it will cease market operations and its last day of trading will Friday, May 30, 2014.⁹ As of June 1, 2014, the Exchange, via DE Route, will no longer be able to route orders to NSX and, therefore, proposes to remove Flag RC from its Fee Schedule. The Exchange believes that the proposed amendment is intended to make the Fee Schedule clearer and less confusing for investors and eliminate potential investor 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.

ADV

The Exchange believes that correcting an inadvertent error in the definition of ADV with regard to routed orders is reasonable because it will increase the level of transparency on the Exchange's Fee Schedule and improve the Exchange's ability to effectively convey the criteria necessary to achieve tier-based pricing and resolve a conflict in the Fee Schedule between the definition of ADV and the inclusion of orders that yield Flag 7 when determining the liquidity adding rebate under its tiered pricing structure. The Exchange notes that its proposal conforms to an existing practice and does not modify the rebates or fees that the Exchange provides its Members for achieving tier-based pricing. The Exchange has historically in practice and will continue to include routed shares when calculating a Member's ADV by including orders that yield Flag 7 when determining the liquidity adding rebate under its tiered

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(4).

⁹ See Securities Exchange Act Release No. 72107 (May 6, 2014), 79 FR 27017 (May 12, 2014) (SR-NSX-2014-14) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Cease Trading on Its Trading System).

pricing structure. Other than this correction, which resolves a conflict in the Fee Schedule, the remainder of the definition of ADV would remain unchanged. Lastly, the Exchange also believes that these proposed amendments are non-discriminatory because they apply uniformly to all Members.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes its proposed amendments to its Fee Schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor EDGX's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

Flag RC

The Exchange believes that its proposal to delete Flag RC in its Fee Schedule would not affect intermarket nor intramarket competition because this change is not designed to amend any fee or rebate or alter the manner in which the Exchange assesses fees or calculates rebates. It is simply proposed in response to NSX announcement that it will cease market operations and its last day of trading will be Friday, May 30, 2014.¹⁰

ADV

The Exchange believes that correcting an inadvertent error in the definition of ADV would not impose a burden on intermarket or intramarket competition because it simply conforms to an existing practice by resolving a conflict in the Fee Schedule and does not modify the rebates or fees that the Exchange provides its Members for achieving tier-based pricing. The Exchange has historically in practice and will continue to include routed shares when calculating a Member's ADV by including orders that yield Flag 7 when determining the liquidity adding rebate under its tiered pricing structure. Other than this correction, the

¹⁰ See Securities Exchange Act Release No. 72107 (May 6, 2014), 79 FR 27017 (May 12, 2014) (SR-NSX-2014-14) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Cease Trading on Its Trading System).

remainder of the definition of ADV would remain unchanged.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(2)¹² thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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-EDGX-2014-16 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-2014-16. 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 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-2014-16, and should be submitted on or before July 9, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-14197 Filed 6-17-14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72382; File No. SR-NASDAQ-2014-041]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Approving a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To List and Trade of Shares of the First Trust Enhanced Short Maturity ETF of First Trust Exchange-Traded Fund IV

June 12, 2014.

I. Introduction

On April 11, 2014, The NASDAQ Stock Market LLC ("Exchange" or "Nasdaq") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change relating to the listing and trading of shares ("Shares") of the First Trust Enhanced Short Maturity ETF ("Fund") of First Trust Exchange-Traded Fund IV ("Trust"). On April 24, 2014, the Exchange filed Amendment No. 1 to the proposed rule

change.³ The Commission published for comment in the **Federal Register** notice of the proposed rule change, as modified by Amendment No. 1 thereto, on May 1, 2014.⁴ The Commission received no comments on the proposed rule change. This order approves the proposed rule change, as modified by Amendment No. 1 thereto.

II. Description of the Proposed Rule Change

The Exchange proposes to list and trade Shares pursuant to Nasdaq Rule 5735, which governs the listing and trading of Managed Fund Shares.⁵ The Exchange deems the Shares to be equity securities, rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.⁶

The Shares will be offered by the Trust, which is organized as a Massachusetts business trust and is registered with the Commission as an investment company.⁷ First Trust Advisors L.P. is the investment adviser ("Adviser") to the Fund. First Trust Portfolios L.P. is the principal underwriter and distributor of the Shares ("Distributor"). The Bank of New York Mellon Corporation will act as the administrator, accounting agent, custodian, and transfer agent to the Fund. The Adviser is affiliated with the

³ In Amendment No. 1, the Exchange: (1) Clarified that the Fund (defined below) will limit its investments in asset-backed securities and non-agency mortgage-backed securities (in the aggregate) to 20% of its net assets; (2) modified its description of how asset-backed or mortgage-backed securities will be priced in certain circumstances; and (3) made certain grammatical corrections.

⁴ See Securities Exchange Act Release No. 72030 (April 25, 2014), 79 FR 24765 ("Notice").

⁵ Under Nasdaq's Rules, a Managed Fund Share is a security that (a) represents an interest in a registered investment company ("Investment Company") organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company's investment adviser consistent with the Investment Company's investment objectives and policies; (b) is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value; and (c) when aggregated in the same specified minimum number, may be redeemed at a holder's request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined net asset value. See Nasdaq Rule 5735(c)(1).

⁶ See Notice, *supra* note 4, 79 FR at 24770.

⁷ The Trust is registered under the Investment Company Act of 1940 ("1940 Act"). See Post-Effective Amendment No. 66 to Registration Statement on Form N-1A for the Trust, dated April 10, 2014 (File Nos. 333-174332 and 811-22559) ("Registration Statement"). The Exchange represents that the Trust has obtained certain exemptive relief under the 1940 Act. See Investment Company Act Release No. 30029 (April 10, 2012) (File No. 812-13795) ("Exemptive Order").

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(2).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.