

consider and resolve requests for access to SUNSI, and motions for protective orders, in a timely fashion in order to minimize any unnecessary delays in identifying those petitioners who have standing and who have propounded contentions meeting the specificity and basis requirements in 10 CFR part 2.

Attachment 1 to this Order summarizes the general target schedule for processing and resolving requests under these procedures.

*It is so ordered.*

Dated at Rockville, Maryland, this 21st day of April, 2015.

For the Nuclear Regulatory Commission.  
**Annette L. Vietti-Cook,**  
*Secretary of the Commission.*

**Attachment 1—General Target Schedule for Processing and Resolving Requests for Access to Sensitive Unclassified Non-Safeguards Information in this Proceeding**

| Day     | Event/activity  |
|---------|---|
| 0       | Publication of <b>Federal Register</b> notice of hearing and opportunity to petition for leave to intervene, including order with instructions for access requests.   |
| 10      | Deadline for submitting requests for access to Sensitive Unclassified Non-Safeguards Information (SUNSI) with information: supporting the standing of a potential party identified by name and address; describing the need for the information in order for the potential party to participate meaningfully in an adjudicatory proceeding.   |
| 60      | Deadline for submitting petition for intervention containing: (i) demonstration of standing; and (ii) all contentions whose formulation does not require access to SUNSI (+25 Answers to petition for intervention; +7 petitioner/requestor reply).   |
| 20      | U.S. Nuclear Regulatory Commission (NRC) staff informs the requester of the staff's determination whether the request for access provides a reasonable basis to believe standing can be established and shows need for SUNSI. (NRC staff also informs any party to the proceeding whose interest independent of the proceeding would be harmed by the release of the information.) If NRC staff makes the finding of need for SUNSI and likelihood of standing, NRC staff begins document processing (preparation of redactions or review of redacted documents).                                   |
| 25      | If NRC staff finds no "need" or no likelihood of standing, the deadline for petitioner/requester to file a motion seeking a ruling to reverse the NRC staff's denial of access; NRC staff files copy of access determination with the presiding officer (or Chief Administrative Judge or other designated officer, as appropriate). If NRC staff finds "need" for SUNSI, the deadline for any party to the proceeding whose interest independent of the proceeding would be harmed by the release of the information to file a motion seeking a ruling to reverse the NRC staff's grant of access. |
| 30      | Deadline for NRC staff reply to motions to reverse NRC staff determination(s).  |
| 40      | (Receipt +30) If NRC staff finds standing and need for SUNSI, deadline for NRC staff to complete information processing and file motion for Protective Order and draft Non-Disclosure Affidavit. Deadline for applicant/licensee to file Non-Disclosure Agreement for SUNSI.  |
| A       | If access granted: issuance of presiding officer or other designated officer decision on motion for protective order for access to sensitive information (including schedule for providing access and submission of contentions) or decision reversing a final adverse determination by the NRC staff.  |
| A + 3   | Deadline for filing executed Non-Disclosure Affidavits. Access provided to SUNSI consistent with decision issuing the protective order.   |
| A + 28  | Deadline for submission of contentions whose development depends upon access to SUNSI. However, if more than 25 days remain between the petitioner's receipt of (or access to) the information and the deadline for filing all other contentions (as established in the notice of hearing or opportunity for hearing), the petitioner may file its SUNSI contentions by that later deadline.  |
| A + 53  | (Contention receipt +25) Answers to contentions whose development depends upon access to SUNSI.   |
| A + 60  | (Answer receipt +7) Petitioner/Intervenor reply to answers.   |
| >A + 60 | Decision on contention admission.   |

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-74842; File No. SR-NYSEArca-2014-89]

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendments Nos. 1 and 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendments Nos. 1 and 2, To List and Trade Shares of Eight PIMCO Exchange-Traded Funds**

April 29, 2015.

**I. Introduction**

On August 15, 2014, NYSE Arca, Inc. ("NYSEArca" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant

to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares ("Shares") of the following eight PIMCO exchange-traded funds, pursuant to NYSE Arca Equities Rule 8.600: PIMCO StocksPLUS<sup>®</sup> Absolute Return Exchange-Traded Fund ("StocksPLUS AR Fund"), PIMCO Small Cap StocksPLUS<sup>®</sup> AR Strategy Exchange-Traded Fund ("Small Cap StocksPLUS AR Fund"), PIMCO Fundamental IndexPLUS<sup>®</sup> AR Exchange-Traded Fund ("Fundamental IndexPLUS Fund"), PIMCO Small Company Fundamental IndexPLUS<sup>®</sup> AR Strategy Exchange-Traded Fund ("Small Company Fundamental IndexPLUS Fund"), PIMCO EM Fundamental IndexPLUS<sup>®</sup> AR Strategy Exchange-Traded Fund ("EM Fundamental

IndexPLUS Fund"), PIMCO International Fundamental IndexPLUS<sup>®</sup> AR Strategy Exchange-Traded Fund ("International Fundamental IndexPLUS Fund"), PIMCO EM StocksPLUS<sup>®</sup> AR Strategy Exchange-Traded Fund ("EM StocksPLUS Fund"), and PIMCO International StocksPLUS<sup>®</sup> AR Strategy Exchange-Traded Fund (Unhedged) ("International StocksPLUS Fund") (each a "Fund" and collectively the "Funds"). The proposed rule change was published for comment in the **Federal Register** on September 3, 2014.<sup>3</sup> The Commission received no comments on the proposal. On October 15, 2014, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute

<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. 72937 (Aug. 27, 2014), 79 FR 52385.  
<sup>4</sup> 15 U.S.C. 78s(b)(2).

proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On December 1, 2014, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.<sup>6</sup> On December 23, 2014, the Exchange filed Amendment No. 1 to the proposed rule change, which entirely replaced and superseded its proposal as originally filed.<sup>7</sup> On March 2, 2015, the Commission designated a longer period for Commission action.<sup>8</sup> On April 20, 2015, the Exchange filed Amendment No. 2 to the proposed rule change.<sup>9</sup> The Commission is publishing this notice to

<sup>5</sup> See Securities Exchange Act Release No. 73364, 79 FR 62988 (Oct. 21, 2014). The Commission determined that it was appropriate to designate a longer period within which to take action on the proposed rule change so that it would have sufficient time to consider the proposed rule change. Accordingly, the Commission designated December 2, 2014 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

<sup>6</sup> See Securities Exchange Act Release No. 73706, 79 FR 72223 (Dec. 5, 2014) (“Order Instituting Proceedings”). In the Order Instituting Proceedings, the Commission noted, among other things that questions remained as to whether the Exchange’s proposal is consistent with the requirement of Section (6)(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest.

<sup>7</sup> In Amendment No. 1, the Exchange: (1) Clarified the definition of Fixed Income Instruments; (2) clarified that the types of securities and instruments specified as permitted investments may be economically tied to foreign countries; (3) clarified that the types of securities specified as permitted investments may be denominated in foreign currencies; (4) clarified that the Funds may invest in OTC foreign currency options contracts; (5) eliminated the ability of the Funds to enter into any series of purchase and sale contracts; (6) modified the proposal to exclude from the Funds’ permitted investments variable and floating rate securities and floaters and inverse floaters that are not Fixed Income Instruments, as defined in the proposal; (7) modified the proposal to provide that a Fund may invest up to 20% of its total assets in (a) trade claims, (b) junior bank loans, (c) exchange-traded and OTC-traded structured products, and (d) privately placed and unregistered securities (except that no limit will apply to privately placed and unregistered securities that satisfy the listing requirements in the Exchange’s Rule 5.2(j)(3), Commentary .02(a)(6)); and (8) clarified that each Fund may invest up to 20% of its total assets in senior bank loans.

<sup>8</sup> See Securities Exchange Act Release No. 74407, 80 FR 12228 (Mar. 6, 2015). The Commission designated May 1, 2015 as the date by which it would either approve or disapprove the proposed rule change.

<sup>9</sup> In Amendment No. 2, the Exchange provided more information about the Funds’ use of derivatives, specifying that each Fund may employ derivatives as part of a strategy intended to provide total notional exposure that exceeds the value of the Fund’s net assets. Additionally, the Exchange noted that each Fund will segregate assets determined to be liquid by the Adviser in accordance with procedures established by the Trust’s board and in accordance with the 1940 Act.

solicit comments on Amendments Nos. 1 and 2 from interested persons, and is approving the proposed rule change, as modified by Amendments Nos. 1 and 2, on an accelerated basis.

## II. Description of Proposed Rule Change

### A. In General

The Exchange proposes to list and trade the Shares under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The Shares will be offered by PIMCO ETF Trust (“Trust”),<sup>10</sup> a registered open-end management investment company. Pacific Investment Management Company LLC will be the investment adviser for the Funds (the “Adviser”).<sup>11</sup> Research Affiliates, LLC will be the sub-adviser with respect to the Fundamental IndexPLUS Fund, Small Company Fundamental IndexPLUS Fund, EM Fundamental IndexPLUS Fund, and the International Fundamental IndexPLUS Fund (the “Sub-Adviser”). PIMCO Investments LLC will serve as the distributor for the Funds. State Street Bank & Trust Co. will serve as the custodian and transfer agent for the Funds.

### B. The Exchange’s Description of the Funds

The Exchange has made the following representations and statements in describing the Funds and its investment strategies, including other portfolio holdings and investment restrictions.<sup>12</sup>

<sup>10</sup> The Trust is registered under the 1940 Act. According to the Exchange, on January 27, 2014, the Trust filed with the Commission an amendment to its registration statement on Form N-1A (File Nos. 333-155395 and 811-22250) (“Registration Statements”). In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 28993 (File No. 812-13571) (Nov. 10, 2009).

<sup>11</sup> The Exchange represents that the Adviser is not registered as a broker-dealer, but is affiliated with a broker-dealer. The Exchange further represents that the Adviser will implement a “fire wall” with respect to that broker-dealer affiliate regarding access to information concerning the composition of and changes to the Funds’ portfolios. The Exchange further represents that the Sub-Adviser is not registered as a broker-dealer or affiliated with a broker-dealer. In addition, according to the Exchange, in the event (a) the Adviser or Sub-Adviser becomes, or becomes newly affiliated with, a broker-dealer, or (b) any new adviser or sub-adviser is, or becomes affiliated with, a broker-dealer, the Adviser or any new adviser or Sub-Adviser or new sub-adviser, as applicable, will implement a fire wall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the composition of and changes to the Funds’ portfolios, and will be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the portfolios.

<sup>12</sup> Additional information regarding the Trust, the Funds, and the Shares, including investment strategies, risks, net asset value (“NAV”) calculation, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions, and taxes, among other information, is included in Amendment No. 1 and the Registration Statements, as applicable. See Amendment No. 1, *supra* note 7 and Registration Statements, *supra* note 10.

### 1. Principal Investments of Funds

Each Fund will seek total return that exceeds the total return of its equity securities index benchmark, and under normal circumstances would seek to achieve its investment objective by investing in derivatives overlying its benchmark and a portfolio of Fixed Income Instruments (defined below), which would be managed using an absolute return approach. Typically, the Funds would use derivative instruments as a substitute for taking a position in the underlying asset<sup>13</sup> or as part of a strategy designed to reduce exposure to other risks. The Funds may also use derivative instruments to enhance returns.

“Fixed Income Instruments” are: Securities issued or guaranteed by the U.S. Government, its agencies, or government-sponsored enterprises (“U.S. Government Securities”); corporate debt securities of U.S. and non-U.S. issuers, including convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or “indexed” securities, and event-linked bonds;<sup>14</sup> bank capital and trust preferred securities; loan participations and assignments;<sup>15</sup> delayed funding loans and revolving credit facilities; bank certificates of deposit, fixed time deposits and bankers’ acceptances; repurchase agreements on Fixed Income Instruments and reverse repurchase agreements on Fixed Income Instruments; debt securities issued by states or local governments and their agencies, authorities and other government-sponsored enterprises; obligations of non-U.S. governments or their subdivisions, agencies, and government-sponsored enterprises; and obligations of international agencies or supranational entities. Derivative instruments may include the following: Forwards; exchange-traded and over-

calculation, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions, and taxes, among other information, is included in Amendment No. 1 and the Registration Statements, as applicable. See Amendment No. 1, *supra* note 7 and Registration Statements, *supra* note 10.

<sup>13</sup> Derivatives may be purchased with a small fraction of the assets that would be needed to purchase the benchmark index securities directly, and the remainder of the Funds’ assets may be invested in Fixed Income Instruments. Although the Funds generally will not invest directly in benchmark index component stocks, the Funds may invest in stocks and exchange-traded funds.

<sup>14</sup> Such investments will constitute only up to 20% of a Fund’s total assets.

<sup>15</sup> Such investments will constitute only up to 20% of a Fund’s total assets.

the-counter (“OTC”) options contracts; exchange-traded futures contracts; exchange-traded and OTC swap agreements; exchange-traded and OTC options on futures contracts; and OTC options on swap agreements.<sup>16</sup>

## 2. Other Investments of the Funds

While each of the Funds, under normal circumstances,<sup>17</sup> will invest in investments as described above, the Funds may also invest in other certain investments as described below.

The Funds may invest in securities and instruments that are economically tied to foreign (non-U.S.) countries. The Funds may invest in securities denominated in foreign (non-U.S.) currencies and in U.S. dollar-denominated securities of foreign (non-U.S.) issuers, subject to applicable limitations set forth in the proposed rule change. With respect to the Funds’ absolute return investments, each Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets. With respect to the Funds’ absolute return investments, each Fund may invest up to 25% of its total assets in securities and instruments that are economically tied to emerging market countries.

Each of the Funds may also engage in foreign currency transactions on a spot (cash) basis or forward basis, and each of the Funds may invest in foreign currency futures contracts and options contracts. The Funds may enter into these contracts to hedge against foreign exchange risk, to increase exposure to a foreign currency, or to shift exposure to foreign currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Funds will engage in such transactions at any given time or from time to time.

The Funds may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis and may engage in short sales.

<sup>16</sup> All investment guidelines and limitations will apply to a Fund’s aggregate investment exposure to a particular type of investment that is the subject of the guideline or limitation, whether that exposure is obtained through direct holdings or through derivative instruments.

<sup>17</sup> The term “under normal circumstances” 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.

## 3. Additional Investment Limits of the Funds

Each of the Funds may invest up to 10% of its total assets in preferred stocks, convertible securities, and other equity-related securities. Each Fund may invest up to 20% of its total assets in: (i) Trade claims; (ii) junior bank loans; (iii) exchange-traded and OTC-traded structured products, including credit-linked securities and commodity-linked notes; and (iv) privately placed and unregistered securities. This 20% limitation, however, does not apply to privately placed and unregistered securities that comply with the generic fixed income initial listing requirements in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02(a)(6).<sup>18</sup>

Each Fund may, with up to 20% of its total assets, enter into repurchase agreements on instruments other than Fixed Income Instruments. Each Fund may also, with up to 20% of its total assets, enter into reverse repurchase agreements on instruments other than Fixed Income Instruments, subject to the Fund’s limitations on borrowings.

Each Fund may invest up to 20% of its total assets in “high yield securities” or unrated securities determined by PIMCO to be of comparable quality (except that within this limitation, the Fund may invest in mortgage-related securities rated below B).

Each Fund may invest up to 20% of its assets in mortgage-related and other asset-backed securities, although this 20% limitation does not apply to securities issued or guaranteed by Federal agencies or U.S. government sponsored instrumentalities. Each Fund may invest up to 20% of its total assets in senior bank loans.

## III. Discussion and Commission’s Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act<sup>19</sup> and the rules and regulations thereunder applicable to a national securities exchange.<sup>20</sup> In particular, the Commission finds that the proposal is consistent with Section

<sup>18</sup> NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 provides for listing on the Exchange pursuant to Rule 19b-4(e) under the Act of a series of Units with an underlying index or portfolio of Fixed Income Securities meeting specified criteria. Units meeting these criteria can be listed and traded on the Exchange without Commission approval of each individual product pursuant to Section 19(b)(2) of the Act.

<sup>19</sup> 15 U.S.C. 78f.

<sup>20</sup> In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

6(b)(5) of the Act,<sup>21</sup> which requires, among other things, that the Exchange’s rules be designed to promote just and equitable principles of trade, 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. The Commission also finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act,<sup>22</sup> which sets forth Congress’ finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for, and transactions in, securities.

Quotation and last-sale information for the Shares will be available via the Consolidated Tape Association (“CTA”) high-speed line. In addition, the Portfolio Indicative Value (“PIV”) as defined in NYSE Arca Equities Rule 8.600(c)(3), will be widely disseminated at least every fifteen seconds during the NYSE Arca Core Trading Session by one or more major market data vendors.<sup>23</sup> On a daily basis, the Funds will disclose for each portfolio holding, as applicable to the type of holding, the following information on the Funds’ Web site: Ticker symbol, CUSIP number or other identifier, if any; a description of the holding (including the type of holding, such as the type of swap); the identity of the security or other asset or instrument underlying the holding,<sup>24</sup> if any; for options, the option strike price; quantity held (as measured by, for example, par value, notional value or number of shares, contracts or units); maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and the percentage weighting of the holding in the portfolio. The Web site information will be publicly available at no charge.

In addition, a basket composition file, which includes the security names and share quantities required to be delivered in exchange for each of the Funds’ Shares, together with estimates and actual cash components, will be publicly disseminated daily prior to the opening of the Exchange via National Securities Clearing Corporation. The NAV of each of the Funds will be

<sup>21</sup> 15 U.S.C. 78f(b)(5).

<sup>22</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).

<sup>23</sup> The Exchange understands that several major market data vendors display or make widely available PIV taken from CTA or other data feeds.

<sup>24</sup> Derivatives that reference or allow delivery of more than one asset, such as U.S. Treasury futures, will name the underlying asset generically.

determined as of the close of trading (normally 4:00 p.m., Eastern Time) on each day the Exchange is open for business.

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. Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers. Intra-day and closing prices of equity securities traded on a national securities exchange, including common stocks, preferred stocks, securities convertible into stocks, closed-end funds, exchange traded-funds, and other equity-related securities, as well as any options (including options on futures) and futures, will be available from the exchange on which those securities and instruments are traded. U.S. exchange-traded options quotation and last sale information is available via the Options Price Reporting Authority. Intra-day and closing price information for Fixed Income Instruments will be available from major market data vendors. In addition, price information for debt securities and other financial instruments, forwards, OTC options, swaps, money market instruments, trade claims, privately placed and unregistered securities, bank loans, and structured products held by each Fund will be available through major market data vendors. Price information regarding other investment company securities will be available from on-line information services and from the Web site for the applicable investment company security. The Trust's Web site will include a form of the prospectus for each of the Funds and additional data relating to NAV and other applicable quantitative information for the Funds.

The Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. Trading in Shares will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable,<sup>25</sup> and trading in

the Shares will be subject to NYSE Arca Equities Rule 8.600(d)(2)(D), which sets forth additional circumstances under which trading in the Shares may be halted. The Exchange states that it has a general policy prohibiting the distribution of material, non-public information by its employees. Consistent with NYSE Arca Equities Rule 8.600(d)(2)(B)(ii), the Commission notes that the Reporting Authority must implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material, non-public information regarding the actual components of each Fund's portfolio. In addition, the Exchange states that the Adviser is affiliated with a broker-dealer and that the Adviser will implement a fire wall with respect to that broker-dealer affiliate regarding access to information concerning the composition of and changes to the Funds' portfolios.<sup>26</sup> The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by 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.<sup>27</sup> The Exchange further 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 of federal securities laws applicable to

all relevant factors in exercising its discretion to halt or suspend trading in the Shares.

<sup>26</sup> See *supra* note 7. The Exchange states that an investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 ("Advisers Act"). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients, as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

<sup>27</sup> The Exchange states that FINRA surveils trading on the Exchange pursuant to a regulatory services agreement and that the Exchange is responsible for FINRA's performance under this regulatory services agreement.

trading on the Exchange. Moreover, prior to the commencement of trading, the Exchange states that it will inform its Equity Trading Permit Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares.

The Commission notes that the Shares and the Funds must comply with the initial and continued listing criteria in NYSE Arca Equities Rule 8.600 for the Shares to be listed and traded on the Exchange. The Exchange represents that it deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. In support of this proposal, the Exchange has also made the following representations:

(1) The Shares will be subject to NYSE Arca Equities Rule 8.600, which sets forth the initial and continued listing criteria applicable to Managed Fund Shares.

(2) The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.

(3) FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares, exchange-traded options, equity securities, futures and options on futures with other markets and other entities that are members of ISG, and FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares, exchange-traded options, equity securities, futures and options on futures from these markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, exchange-traded options, equity securities, futures and options on futures from ISG member markets or markets with which the Exchange has in place a comprehensive surveillance sharing agreement.

(4) With respect to its exchange-traded equity securities investments, the Funds will invest not more than 10% of its net assets in equity securities that trade in markets that are neither members of the ISG nor parties to a comprehensive surveillance sharing agreement with the Exchange. To the extent that any of the Funds invest in futures contracts or exchange-traded options, not more than 10% of such investments will be in futures contracts or exchange-traded options whose principal trading market is neither a member of ISG nor a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

(5) Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an

<sup>25</sup> These reasons may include: (1) The extent to which trading is not occurring in the securities or the financial instruments composing the Disclosed Portfolio of the Funds; or (2) the presence of other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market. With respect to trading halts, the Exchange may consider

Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (a) The procedures for purchases and redemptions of Shares in creation units (and that Shares are not individually redeemable); (b) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its Equity Trading Permit Holders to learn the essential facts relating to every customer prior to trading the Shares; (c) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated Portfolio Indicative Value will not be calculated or publicly disseminated; (d) how information regarding the Portfolio Indicative Value and Disclosed Portfolio is disseminated; (e) the requirement that Equity Trading Permit Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information.

(6) For initial and continued listing, the Funds will be in compliance with Rule 10A-3 under the Act,<sup>28</sup> as provided by NYSE Arca Equities Rule 5.3.

(7) Each of the Funds may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment).

(8) A minimum of 100,000 Shares for each of the Funds will be outstanding at the commencement of trading on the Exchange.

This approval order is based on all of the Exchange's representations, including those set forth above and in Amendments Nos. 1 and 2.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendments Nos. 1 and 2, is consistent with Section 6(b)(5) of the Act<sup>29</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Solicitation of Comments on Amendments Nos. 1 and 2

Interested persons are invited to submit written data, views, and arguments concerning whether Amendments Nos. 1 and 2 are consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or

- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2014-89 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-NYSEArca-2014-89. 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-NYSEArca-2014-89 and should be submitted on or before May 26, 2015.

#### V. Accelerated Approval of Proposed Rule Change as Modified by Amendments Nos. 1 and 2

The Commission finds good cause to approve the proposed rule change, as modified by Amendments Nos. 1 and 2, prior to the thirtieth day after the date of publication of notice of the amendments in the **Federal Register**. Amendment No. 1 modifies the proposed rule change by, among other things, limiting each Fund's investments trade claims, junior bank loans, exchange-traded and OTC-traded structured products, and certain privately placed and unregistered securities. Additionally, Amendment No. 2 modifies the proposed rule change by expanding the description of the Funds' use of derivatives. The

Commission believes that these changes should facilitate arbitrage opportunities, which may result in narrower spreads between the market prices of the Shares and the intraday values of the Funds' portfolios. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>30</sup> to approve the proposed rule change, as modified by Amendments Nos. 1 and 2, on an accelerated basis.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>31</sup> that the proposed rule change as modified by Amendments Nos. 1 and 2 (SR-NYSEArca-2014-89) be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>32</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-10412 Filed 5-4-15; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74830; File No. SR-DTC-2015-003]

### Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change Regarding the Acknowledgment of End-of-Day Net-Net Settlement Balances by Settling Banks

April 29, 2015.

Pursuant to section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act") and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on April 15, 2015, The Depository Trust Company ("DTC") 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 DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of proposed revisions to the DTC Settlement Service Guide ("Guide") to provide that any Settling Bank that does not timely acknowledge its end-of-day

<sup>30</sup> 15 U.S.C. 78s(b)(2).

<sup>31</sup> 15 U.S.C. 78s(b)(2).

<sup>32</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>28</sup> 17 CFR 240.10A-3.

<sup>29</sup> 15 U.S.C. 78f(b)(5).