

secondary market trading in shares does not involve a Fund as a party and will not result in dilution of an investment in shares, and (b) to the extent different prices exist during a given trading day, or from day to day, such variances occur as a result of third-party market forces, such as supply and demand. Therefore, applicants assert that secondary market transactions in shares will not lead to discrimination or preferential treatment among purchasers. Finally, applicants represent that share market prices will be disciplined by arbitrage opportunities, which should prevent shares from trading at a material discount or premium from NAV.

6. With respect to Funds that hold non-U.S. Portfolio Instruments and that effect creations and redemptions of Creation Units in kind, applicants request relief from the requirement imposed by section 22(e) in order to allow such Funds to pay redemption proceeds within fifteen calendar days following the tender of Creation Units for redemption. Applicants assert that the requested relief would not be inconsistent with the spirit and intent of section 22(e) to prevent unreasonable, undisclosed or unforeseen delays in the actual payment of redemption proceeds.

7. Applicants request an exemption to permit Funds of Funds to acquire Fund shares beyond the limits of section 12(d)(1)(A) of the Act; and the Funds, and any principal underwriter for the Funds, and/or any broker or dealer registered under the Exchange Act, to sell shares to Funds of Funds beyond the limits of section 12(d)(1)(B) of the Act. The application's terms and conditions are designed to, among other things, help prevent any potential (i) undue influence over a Fund through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits in sections 12(d)(1)(A) and (B) of the Act.

8. Applicants request an exemption from sections 17(a)(1) and 17(a)(2) of the Act to permit a person who is an affiliated person, as defined in section 2(a)(3) of the Act ("Affiliated Person"), or an affiliated person of an Affiliated Person ("Second-Tier Affiliate"), of the Funds, solely by virtue of certain ownership interests, to effectuate purchases and redemptions in-kind. The deposit procedures for in-kind purchases of Creation Units and the redemption procedures for in-kind redemptions of Creation Units will be the same for all purchases and redemptions and Deposit Instruments

and Redemption Instruments will be valued in the same manner as those Portfolio Instruments currently held by the Funds. Applicants also seek relief from the prohibitions on affiliated transactions in section 17(a) to permit a Fund to sell its shares to and redeem its shares from a Fund of Funds, and to engage in the accompanying in-kind transactions with the Fund of Funds.² The purchase of Creation Units by a Fund of Funds directly from a Fund will be accomplished in accordance with the policies of the Fund of Funds and will be based on the NAVs of the Funds.

9. Applicants also request relief to permit a Feeder Fund to acquire shares of another registered investment company managed by the Adviser having substantially the same investment objectives as the Feeder Fund ("Master Fund") beyond the limitations in section 12(d)(1)(A) and permit the Master Fund, and any principal underwriter for the Master Fund, to sell shares of the Master Fund to the Feeder Fund beyond the limitations in section 12(d)(1)(B).

10. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Section 12(d)(1)(f) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

² The requested relief would apply to direct sales of shares in Creation Units by a Fund to a Fund of Funds and redemptions of those shares. Applicants, moreover, are not seeking relief from section 17(a) for, and the requested relief will not apply to, transactions where a Fund could be deemed an Affiliated Person, or a Second-Tier Affiliate, of a Fund of Funds because an investment adviser to the Funds is also an investment adviser to a Fund of Funds.

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

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83359; File No. SR-NYSE-2018-22]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Content of the NYSE Best Quote & Trades Data Feed

June 1, 2018.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that on May 18, 2018, New York Stock Exchange LLC ("NYSE" or the "Exchange") 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 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the content of the NYSE Best Quote & Trades ("NYSE BQT") data feed. The proposed rule change is available on the Exchange's website at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below,

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 proposes to amend the content of NYSE BQT to include data feeds from the Exchange's affiliate, NYSE National, Inc. ("NYSE National"). The Exchange recently filed a proposed rule change to establish NYSE National market data feeds, including NYSE National BBO ("NYSE National BBO") and NYSE National Trades ("NYSE National Trades")⁴ and now proposes to amend the content of the NYSE BQT market data feed to include NYSE National BBO and NYSE National Trades.

The NYSE BQT⁵ data feed currently provides a unified view of best bid and offer ("BBO") and last sale information for the Exchange and its affiliates, NYSE Arca, Inc. ("NYSE Arca") and NYSE American LLC ("NYSE American") and consists of data elements from six existing market data feeds: NYSE Trades,⁶ NYSE BBO,⁷ NYSE Arca Trades,⁸ NYSE Arca BBO,⁹ NYSE American Trades¹⁰ and NYSE American BBO.¹¹

NYSE BBO, NYSE Arca BBO, and NYSE American BBO are existing data feeds that distribute on a realtime basis the same BBO information that NYSE, NYSE Arca, and NYSE American, respectively, report under the Consolidated Quotation ("CQ") Plan for inclusion in the CQ Plan's consolidated quotation information data stream. NYSE Trades, NYSE Arca Trades, and

NYSE American Trades are existing data feeds that distribute on a real-time basis the same last sale information that NYSE, NYSE Arca, and NYSE American, respectively, report under the Consolidated Tape Association ("CTA") Plan for inclusion in the CTA Plan's consolidated data streams.

The NYSE BQT data feed has three channels: One channel for the last sale data (the "last sale channel"); another channel for the BBO data (the "best quotes channel"); and a third channel for consolidated volume data (the "consolidated volume channel").

The last sale channel provides an aggregation of the same data that is currently available through NYSE Trades, NYSE Arca Trades, and NYSE American Trades. With this proposed rule change, the last sale channel would also include data available through NYSE National Trades.

The best quotes channel provides the NYSE BQT BBO, which is the best quote from among the NYSE BBO, NYSE Arca BBO, and NYSE MKT BBO based on the following criteria, in order:

- *Price:* The exchange with the highest bid or the lowest offer has overall priority;
- *Size:* The largest size takes precedence when multiple exchanges submit the same bid and/or offer price; and
- *Time:* The earliest time takes precedence when multiple exchanges submit the same bid and/or offer price with the same sizes.

With this proposed rule change, the best quotes channel would also include data available through NYSE National BBO.

For each security, the best quotes channel would only include one best bid and one best offer from among the four exchanges. The NYSE BQT BBO would be marked with a market center ID identifying the exchange from which the BBO originated.

The consolidated volume channel carries consolidated volume for all listed equities in a manner consistent with the requirements for redistributing such data as set forth in the securities information processor plans.

As it does today, NYSE BQT would also provide related data elements for NYSE National, such as trade and security status updates (e.g., trade corrections and trading halts).

The Exchange believes that NYSE BQT would continue to provide high-quality, comprehensive last sale and BBO data for the Exchange, NYSE Arca, NYSE American, and now, NYSE National, in a unified view and would respond to subscriber demand for such a product.

With respect to cost, the Exchange will file a separate rule filing to amend the fees for NYSE BQT.¹² To ensure that vendors could continue to compete with the Exchange by creating the same product as NYSE BQT and selling it to their clients, the Exchange would continue to charge its clients for the NYSE BQT feed an amount that represents the cost to a market data vendor to obtain the underlying data feeds, plus an access fee to perform an aggregation and consolidation function that the Exchange performs in creating NYSE BQT. The Exchange believes that a competing vendor could create and offer a product similar to the proposed NYSE BQT data feed at a similar cost. For these reasons, the Exchange continues to believe that vendors could readily offer a product similar to NYSE BQT on a competitive basis.

The Exchange will announce the date through a market data notice that the amended NYSE BQT feed that includes NYSE National BBO and NYSE National Trades data would be available and by when a subscriber must subscribe to NYSE National BBO and NYSE National Trades to continue receiving NYSE BQT. This proposed change to NYSE BQT will not be operative until NYSE National has established the NYSE National BBO and NYSE National Trades and related fees via a proposed rule change(s) and NYSE National has re-launched operations.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)¹³ of the Act ("Act"), in general, and furthers the objectives of Section 6(b)(5)¹⁴ of the Act, in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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, and it is not designed to permit unfair discrimination among customers, brokers, or dealers. This proposal is in keeping with those principles in that it promotes increased transparency through the dissemination of the NYSE BQT market data feed to those interested in receiving it.

The NYSE BQT data feed is a product that relies on the Exchange's receipt of

⁴ See SR-NYSENat-2018-09.

⁵ See Securities Exchange Act Release No. 73553 (November 6, 2014), 79 FR 67491 (November 13, 2014) (Notice of Amendment No. 1 and Order Granting Accelerated Approval to a Proposed Rule Change, as Modified by Amendment No. 1, To Establish the NYSE Best Quote and Trades Data Feed).

⁶ See Securities Exchange Act Release Nos. 59290 (Jan. 23, 2009), 74 FR 5707 (Jan. 30, 2009) (SR-NYSE-2009-05); 59606 (Mar. 19, 2009), 74 FR 13293 (Mar. 26, 2009) (SR-NYSE-2009-04).

⁷ See Securities Exchange Act Release No. 62181 (May 26, 2010), 75 FR 31488 (June 3, 2010) (SR-NYSE-2010-30).

⁸ See Securities Exchange Act Release Nos. 59289 (Jan. 23, 2009), 74 FR 5711 (Jan. 30, 2009) (SR-NYSEArca-2009-06); and 59598 (Mar. 18, 2009), 74 FR 12919 (Mar. 25, 2009) (SR-NYSEArca-2009-05).

⁹ See Securities Exchange Act Release No. 62188 (May 27, 2010), 75 FR 31484 (June 3, 2010) (SR-NYSEArca-2010-23).

¹⁰ See Securities Exchange Act Release No. 62187 (May 27, 2010), 75 FR 31500 (June 3, 2010) (SR-NYSEAmex-2010-35).

¹¹ See Securities Exchange Act Release No. 62187 (May 27, 2010), 75 FR 31500 (June 3, 2010) (SR-NYSEAmex-2010-35).

¹² See SR-NYSE-2018-24.

¹³ 15 U.S.C. 78f(b).

¹⁴ 15 U.S.C. 78f(b)(5).

underlying data, which is available to all market participants, before it can aggregate and consolidate information to create the NYSE BQT; this is a process that a vendor could also perform. Accordingly, the Exchange is not the only distributor of the NYSE BQT data feed.

The Exchange believes that the proposed rule change is consistent with Rule 603 of Regulation NMS,¹⁵ which provides that any national securities exchange that distributes information with respect to quotations for or transactions in an NMS stock [sic] do so on terms that are not unreasonably discriminatory. In adopting Regulation NMS, the Commission granted self-regulatory organizations (“SROs”) and broker dealers increased authority and flexibility to offer new and unique market data to consumers of such data. It was believed that this authority would expand the amount of data available to users and consumers of such data and also spur innovation and competition for the provision of market data.

The Exchange further notes that the existence of alternatives to the Exchange’s product, including real-time consolidated data, free delayed consolidated data, and proprietary data from other sources, as well as the continued availability of the Exchange’s separate data feeds, ensures that the Exchange is not unreasonably discriminatory because vendors and subscribers can elect these alternatives as their individual business cases warrant. Additionally, the Exchange has taken into consideration its affiliated relationship with NYSE Arca, NYSE American and NYSE National in its design of the NYSE BQT data feed to assure that similarly situated competing vendors would be able to offer a similar product on the same terms as the Exchange, both from the perspective of latency and cost.

The Exchange believes that NYSE BQT offers an alternative to the use of consolidated data products and proprietary data products such as NASDAQ Basic and NLS Plus. NASDAQ Basic, which is offered by The NASDAQ Stock Market, Inc. (“NASDAQ”) provides best bid and offer and last sale information for all U.S. exchange-listed securities (including NYSE and its affiliates) based on liquidity within NASDAQ, as well as trades reported to the FINRA/NASDAQ Trade Reporting Facility (“TRF”), including NASDAQ last sale, NASDAQ BBO, NASDAQ opening and closing prices, and other market status

information.¹⁶ Further, NLS Plus provides all trade data from NASDAQ, the FINRA/NASDAQ TRF, NASDAQ BX, and NASDAQ PSX, as well as consolidated volume information as part of each trade message.¹⁷

Cboe Global Markets, Inc. (“Cboe”) also offers a market data product that provides a unified view of the aggregated quote and trade updates for all the Cboe equity exchanges.¹⁸ The Exchange believes that NYSE BQT offers a competitive alternative to the two existing NASDAQ products and the Cboe product.

In addition, this proposal would not permit unfair discrimination because NYSE BQT will continue to be available to all of the Exchange’s customers through SFTI and market data vendors on an equivalent basis. In addition, any customer that wished to continue to be able to purchase one or more of the individual underlying data feeds would be able to do so.

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

In accordance with Section 6(b)(8) of the Act,¹⁹ the Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change will enhance competition because it would enable the Exchange to include NYSE National BBO and NYSE National Trades as part of NYSE BQT, thereby enabling it to better compete with market data products offered by NASDAQ and Cboe.²⁰ As noted above, the Exchange already offers NYSE BQT and this proposed rule change simply amends the content of the current market data product to include data elements from two additional data feeds from the Exchange’s affiliate, NYSE National. Although the Exchange, NYSE Arca, NYSE American and NYSE National are the exclusive distributors of the eight BBO and Trades feeds from which certain data elements are taken to create NYSE BQT, the Exchange would not be the exclusive distributor of the aggregated and consolidated information that would compose the

¹⁶ See NASDAQ Basic, available at <http://business.nasdaq.com/intel/market-data-feeds/Equities-Market-Data/basic>.

¹⁷ See NLS Plus, available at <http://www.nasdaqtrader.com/Trader.aspx?id=NLSplus>.

¹⁸ See https://markets.cboe.com/us/equities/market_data_products/bats_one/. The Cboe Equities One Premium Feed also includes five levels of aggregate depth information for all four Cboe exchanges.

¹⁹ 15 U.S.C. 78f(b)(8).

²⁰ See *supra* notes 16–18.

amended NYSE BQT data feed. Vendors would be able, if they chose, to create a data feed with the same information as NYSE BQT and distribute it to their clients on a level-playing field with respect to latency and cost as compared to the Exchange’s product.

With respect to latency, the Exchange, NYSE Arca, NYSE American and NYSE National are located in the same data center in Mahwah, New Jersey. The system creating and supporting the NYSE BQT data feed would need to obtain the eight underlying data feeds from the four exchanges before it could aggregate and consolidate information to create NYSE BQT and then distribute it to end users. Likewise, a competing market data vendor co-located at the Exchange’s Mahwah, New Jersey facility could perform the aggregation and consolidation function in the Mahwah facility and redistribute a competing product from that location to similarly situated customers on a level-playing field with respect to the speed that the Exchange could create and redistribute the NYSE BQT data feed.

The Exchange believes that NYSE BQT will continue to promote competition among exchanges by offering an alternative to NASDAQ Basic, NLS Plus and Cboe Equities One Feed.²¹ For these reasons, the Exchange believes that NYSE BQT will continue to promote, rather than unnecessarily or inappropriately burden, competition for market data products that are offered in the capacity as a vendor and are not core exchange market data products.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the 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 become effective pursuant to Section 19(b)(3)(A) of the Act²² and Rule 19b–4(f)(6) thereunder.²³

²¹ See *supra* notes 16–18.

²² 15 U.S.C. 78s(b)(3)(A).

²³ 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

¹⁵ 17 CFR 242.603.

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act²⁴ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)²⁵ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative upon filing. The Exchange states that waiver of the operative delay would be consistent with the protection of investors and the public interest because it will allow the Exchange to provide an amended NYSE BQT market data feed that will include the NYSE National Market Data Feeds immediately upon launch of NYSE National, which the Exchange states is intended in May 2018, and will further allow the Exchange to compete directly with the similar NASDAQ and Cboe market data products on a timely basis. The Commission believes that waiving the 30-day 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 as operative upon filing.²⁶

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 necessary or appropriate in the public interest, for the protection of investors, or 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 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:

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, or such shorter time as designated by the Commission.

²⁴ 17 CFR 240.19b-4(f)(6).

²⁵ 17 CFR 240.19b-4(f)(6)(iii).

²⁶ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-NYSE-2018-22 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-NYSE-2018-22. 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 website (<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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2018-22, and should be submitted on or before June 28, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

Eduardo A. Aleman,
Assistant Secretary.

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BILLING CODE 8011-01-P

²⁷ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-233, OMB Control No. 3235-0223]

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Extension:

Rule 17f-2

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 17f-2 (17 CFR 270.17f-2), entitled "Custody of Investments by Registered Management Investment Company," was adopted in 1940 under section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(f)) (the "Act"), and was last amended materially in 1947. Rule 17f-2 establishes safeguards for arrangements in which a registered management investment company ("fund") is deemed to maintain custody of its own assets, such as when the fund maintains its assets in a facility that provides safekeeping but not custodial services.¹ The rule includes several recordkeeping or reporting requirements. The fund's directors must prepare a resolution designating not more than five fund officers or responsible employees who may have access to the fund's assets. The designated access persons (two or more of whom must act jointly when handling fund assets) must prepare a written notation providing certain information about each deposit or withdrawal of fund assets, and must transmit the notation to another officer or director designated by the directors. An independent public accountant must verify the fund's assets three times each year, and two of those examinations must be unscheduled.²

¹ The rule generally requires all assets to be deposited in the safekeeping of a "bank or other company whose functions and physical facilities are supervised by Federal or State authority." The fund's securities must be physically segregated at all times from the securities of any other person.

² The accountant must transmit to the Commission promptly after each examination a certificate describing the examination on Form N-17f-2. The third (scheduled) examination may coincide with the annual verification required for every fund by section 30(g) of the Act (15 U.S.C. 80a-29(g)).