

as all other orders during Regular Trading Hours, the proposed rule change will have no effect on the national best prices or trading during Regular Trading Hours. The Exchange also believes the proposed rule change could increase its competitive position outside of the United States by providing investors with an additional investment vehicle with respect to their global trading strategies during times that correspond with parts of regular trading hours outside of the United States.

The Exchange does not believe that the proposed rule change to adopt an opening auction process will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because it will apply to orders and quotes of all market participants in the same manner. The same order types that are not currently accepted prior to the opening, and that do not participate in the opening process, will similarly not be accepted during the Queuing Period or be eligible for trading during the opening rotation.

The Exchange does not believe that the proposed rule change to adopt an opening auction process will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, because it is designed to open series on the Exchange in a fair and orderly manner. The Exchange believes an opening auction process will enhance the openings of series on the Exchange by providing an opportunity for price discovery based on then-current market conditions. The proposed auction process will provide an opportunity for price discovery when a series opens ensure there sufficient liquidity in a series when it opens, and ensure series open at prices consistent with then-current market conditions (at the Exchange and other exchanges) rather than extreme prices that could result in unfavorable executions to market participants. Additionally, as discussed above, the proposed opening auction process is substantially similar to the Cboe Options opening auction process.⁹⁴

The proposed rule change to provide the Exchange with flexibility regarding trading hours for certain products will not impose any burden on competition not necessary or appropriate under the Act, as another options exchange has the same flexibility.⁹⁵

⁹⁴ See Cboe Options Rule 6.2.

⁹⁵ See C2 Rule 6.1.

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

The Exchange neither solicited nor received 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 become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁹⁶ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁹⁷

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:

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-CboeEDGX-2019-027 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.

⁹⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹⁷ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and 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. The Exchange has satisfied this requirement.

All submissions should refer to File Number SR-CboeEDGX-2019-027. 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-CboeEDGX-2019-027 and should be submitted on or before June 3, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹⁸

Eduardo A. Aleman,
Deputy Secretary.

[FR Doc. 2019-09729 Filed 5-10-19; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 33469; 812-14996]

Toroso Investments, LLC and Tidal ETF Trust; Notice of Application

May 8, 2019.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice.

Notice of an application under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from section 15(a) of the Act and rule 18f-2

⁹⁸ 17 CFR 200.30-3(a)(12).

under the Act, as well as from certain disclosure requirements in rule 20a-1 under the Act, Item 19(a)(3) of Form N-1A, Items 22(c)(1)(ii), 22(c)(1)(iii), 22(c)(8) and 22(c)(9) of Schedule 14A under the Securities Exchange Act of 1934, and Sections 6-07(2)(a), (b), and (c) of Regulation S-X (“Disclosure Requirements”). The requested exemption would permit an investment adviser to hire and replace certain sub-advisers without shareholder approval and grant relief from the Disclosure Requirements as they relate to fees paid to the sub-advisers.

APPLICANTS: Tidal ETF Trust (the “Trust”), a Delaware statutory trust registered under the Act as an open-end management investment company with multiple series, and Toroso Investments, LLC (the “Initial Adviser”), a Delaware limited liability company registered as an investment adviser under the Investment Advisers Act of 1940.

FILING DATES: The application was filed on January 9, 2019.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on June 3, 2019, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer’s interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

ADDRESSES: Secretary, U.S. Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. Applicants: Toroso Investments, LLC and Tidal ETF Trust, 898 N Broadway, Suite 2, Massapequa, New York 11758.

FOR FURTHER INFORMATION CONTACT: Jill Corrigan, Senior Counsel, at (202) 551-8929, or Parisa Haghsheenas, Branch Chief, at (202) 551-6723 (Division of Investment Management, Chief Counsel’s Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission’s website by searching for the file number, or for an applicant using the Company name box, at [http://](http://www.sec.gov/search/search.htm)

www.sec.gov/search/search.htm or by calling (202) 551-8090.

Summary of the Application

1. The Initial Adviser is the investment adviser to the Aware Ultra-Short Duration Enhanced Income ETF (the “Initial Fund”), a series of the Trust, pursuant to an investment management agreement with the Trust (“Investment Management Agreement”).¹ Under the terms of the Investment Management Agreement, the Adviser, subject to the supervision of the board of trustees of the Trust (“Board”), will provide continuous investment management of the assets of each Subadvised Fund. Consistent with the terms of the Investment Management Agreement, the Adviser may, subject to the approval of the Board, delegate portfolio management responsibilities of all or a portion of the assets of a Subadvised Fund to one or more Sub-Advisers.² The Adviser will continue to have overall responsibility for the management and investment of the assets of each Subadvised Fund. The Adviser will evaluate, select, and recommend Sub-Advisers to manage the assets of a Subadvised Fund and will oversee, monitor and review the Sub-Advisers and their performance and

¹ Applicants request relief with respect to the Initial Fund, as well as to any future series of the Trust and any other existing or future registered open-end management investment company or series thereof that, in each case, is advised by the Initial Adviser or any entity controlling, controlled by, or under common control with, the Initial Adviser or its successors (each, also an “Adviser”), uses the multi-manager structure described in the application, and complies with the terms and conditions set forth in the application (each, a “Subadvised Fund”). For purposes of the requested order, “successor” is limited to an entity that results from a reorganization into another jurisdiction or a change in the type of business organization. Future Subadvised Funds may be operated as a master-feeder structure pursuant to section 12(d)(1)(E) of the Act. In such a structure, certain series of the Trust (each, a “Feeder Fund”) may invest substantially all of their assets in a Subadvised Fund (a “Master Fund”) pursuant to section 12(d)(1)(E) of the Act. No Feeder Fund will engage any sub-advisers other than through approving the engagement of one or more of the Master Fund’s sub-advisers.

² As used herein, a “Sub-Adviser” for a Subadvised Fund is (1) an indirect or direct “wholly owned subsidiary” (as such term is defined in the Act) of the Adviser for that Subadvised Fund, or (2) a sister company of the Adviser for that Subadvised Fund that is an indirect or direct “wholly-owned subsidiary” of the same company that, indirectly or directly, wholly owns the Adviser (each of (1) and (2) a “Wholly-Owned Sub-Adviser” and collectively, the “Wholly-Owned Sub-Advisers”), or (3) not an “affiliated person” (as such term is defined in section 2(a)(3) of the Act) of the Subadvised Fund, any Feeder Fund invested in a Master Fund, the Trust, or the Adviser, except to the extent that an affiliation arises solely because the Sub-Adviser serves as a sub-adviser to a Subadvised Fund (“Non-Affiliated Sub-Advisers”).

recommend the removal or replacement of Sub-Advisers.

2. Applicants request an exemption to permit the Adviser, subject to Board approval, to hire certain Sub-Advisers pursuant to Sub-Advisory Agreements and materially amend existing Sub-Advisory Agreements without obtaining the shareholder approval required under section 15(a) of the Act and rule 18f-2 under the Act.³ Applicants also seek an exemption from the Disclosure Requirements to permit a Subadvised Fund to disclose (as both a dollar amount and a percentage of the Subadvised Fund’s net assets): (a) The aggregate fees paid to the Adviser and any Wholly-Owned Sub-Adviser; (b) the aggregate fees paid to Non-Affiliated Sub-Advisers; and (c) the fee paid to each Affiliated Sub-Adviser (collectively, Aggregate Fee Disclosure).⁴

3. Applicants agree that any order granting the requested relief will be subject to the terms and conditions stated in the application. Such terms and conditions provide for, among other safeguards, appropriate disclosure to Subadvised Funds’ shareholders and notification about sub-advisory changes and enhanced Board oversight to protect the interests of the Subadvised Funds’ shareholders.

4. Section 6(c) 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 provisions of the Act, or any rule thereunder, if such relief is necessary or appropriate in the public interest and consistent with the protection of investors and purposes fairly intended by the policy and provisions of the Act. Applicants believe that the requested relief meets this standard because, as further explained in the application, the Investment Management Agreement will remain subject to shareholder approval, while the role of the Sub-Advisers is substantially equivalent to that of individual portfolio managers, so that requiring shareholder approval of Sub-Advisory Agreements would impose unnecessary delays and expenses on the Subadvised Funds. Applicants believe that the requested relief from the

³ The requested relief will not extend to any sub-adviser, other than a Wholly-Owned Sub-Adviser, who is an affiliated person, as defined in section 2(a)(3) of the Act, of the Subadvised Fund, of any Feeder Fund, or of the Adviser, other than by reason of serving as a sub-adviser to one or more of the Subadvised Funds (“Affiliated Sub-Adviser”).

⁴ For any Subadvised Fund that is a Master Fund, the relief would also permit any Feeder Fund invested in that Master Fund to disclose Aggregate Fee Disclosure.

Disclosure Requirements meets this standard because it will improve the Adviser's ability to negotiate fees paid to the Sub-Advisers that are more advantageous for the Subadvised Funds.

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

Eduardo A. Aleman,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85794; File No. SR-CboeBYX-2019-007]

Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Amending Rule 11.13 (Order Execution and Routing) and Fee Schedule To Delete References to TRIM2 and SWPB Routing Options

May 7, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 29, 2019, Cboe BYX Exchange, Inc. ("Exchange" or "BYX") 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 filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ 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

Cboe BYX Exchange, Inc. (the "Exchange" or "BYX") proposes to amend Rule 11.13 (Order Execution and Routing), as well as its Fee Schedule, to delete references to the TRIM2 and SWPB routing options. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/byx/), at the Exchange's Office of the Secretary,

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 aspects 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 Rule 11.13(b)(3)(G) (Other Routing Strategies) to delete the TRIM2 routing option. The Exchange also proposes to amend its fee schedule to delete references to the TRIM2 routing options under fee codes BJ and C, as well as the "Routing Tier" under footnote 3. Additionally, the Exchange proposes to amend Rule 11.13(b)(3)(I) (SWP) to delete the SWPB routing option and to delete references to SWPB in the fee schedule under fee code SW and under footnote 9. The Exchange intends to implement the proposed rule changes on May 1, 2019.

Currently, Rule 11.13(b)(3)(G) provides for the routing options under which an order checks the System⁵ for available shares if so instructed by the entering User⁶ and then is sent to destinations on the applicable System routing table. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them.⁷ Rule 11.13(b)(3)(G) currently includes TRIM2 as one of such routing

⁵ The "System" is the Exchange's electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away. *See* Exchange Rule 1.5(aa).

⁶ The term "User" is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3." *See* Exchange Rule 1.5(cc).

⁷ The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. *See* Exchange Rule 11.13(b)(3).

options.⁸ In addition, current fee code BJ is yielded on orders routed to EDGA using TRIM, TRIM2 or SLIM routing strategy⁹ and fee code C is yielded on orders routed to BX using Destination Specific, TRIM, TRIM2 or SLIM routing strategy.¹⁰ Also, current footnote 3 provides for additional rebate per share for orders yielding fee code C (thus inclusive of a TRIM2 routing strategy) if a Member achieves certain criteria.

Current Rule 11.13(b)(3)(I) provides for SWP routing options. SWP is a routing option under which an order checks the System for available displayed shares and then is sent to destinations on the System routing table. SWP orders route only to Protected Quotations and only for displayed size. Specifically, the current rule provides for two forms of SWP routing, SWPA and SWPB. A SWPA order routes to destinations on the System routing table even if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations, whereas an entire SWPB order will be cancelled back to a User immediately if at the time of entry there is an insufficient share quantity in the SWPB order to fulfill the displayed size of all Protected Quotations. Moreover, current fee code SW is yielded on orders routed using Parallel T, SWPA or SWPB routing strategies,¹¹ and current footnote 9 describes the fees charged for orders yielding fee code SW that remove liquidity in securities priced below \$1.00 for Parallel T, SWPA or SWPB routed executions.

The Exchange has determined that because few Users elect the TRIM2 routing option and the SWPB routing option, which often experiences no usage for extended periods of time, the current demand does not warrant the infrastructure and ongoing maintenance expenses required to support these products. Therefore, the Exchange now proposes to delete TRIM2 as a routing option under Rule 11.13(b)(3)(G)(v) and SWPB as a routing option under Rule 11.13(b)(3)(I). The Exchange proposes to amend the Rule formatting accordingly, changing current subparagraph (b)(3)(G)(vi) to subparagraph 11.13(b)(3)(G)(v). The Exchange also proposes to amend its fee schedule to delete references to the TRIM2 routing option under fee codes BJ and C, as well

⁸ TRIM2 routing strategy currently sends orders to: BYX + DRT + BX + EDGA. *See also* note 3.

⁹ Orders that yield fee code BJ receive a rebate of \$0.0024 per share.

¹⁰ Orders that yield fee code C receive a rebate of \$0.0010 per share.

¹¹ Orders that yield fee code SW receive a discounted fee of \$0.0033 per share.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).