

assess the related market risk and impact on firms' liquidity and funding needs arising from inventory holdings.

5. Alternatives to Proposed SIS

One commenter offered an alternative to the proposed SIS.³⁶ The commenter suggested that "FINRA should offer firms the ability to report the dollar amounts to which each haircut category applies."³⁷ The commenter believed that "[t]he haircut category is so much more relevant than the issuer type or even whether the haircut is on a long or short position."³⁸ FINRA disagrees with the commenter and believes that for purposes of understanding market risk associated with firms' inventory positions, issuer type is more appropriate than haircut category. For example, an equity security has different market risk than certain high-yield bonds; however, both types of securities can be in the same haircut category. Therefore, FINRA believes that obtaining information regarding the actual makeup of a firm's inventory positions is best achieved through the proposed SIS.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change; or
- (B) institute proceedings to determine whether the proposed rule change should be 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-FINRA-2014-025 on the subject line.

Paper Comments

- Send paper comments to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-FINRA-2014-025. 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 a.m. and 3 p.m.

Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2014-025 and should be submitted on or before July 17, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁹

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-14942 Filed 6-25-14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72439; File No. SR-NYSEArca-2014-47]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendments No. 2 and No. 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendments No. 1, No. 2, and No. 3 To List and Trade Shares of Fidelity® Corporate Bond ETF Managed Shares Under NYSE Arca Equities Rule 8.600

June 20, 2014.

I. Introduction

On April 16, 2014, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 ("Exchange Act")² and Rule 19b-4 thereunder,³ a proposed rule change to list and trade shares ("Shares") of the Fidelity Corporate Bond ETF ("Fund"). On April 30, 2014, the Exchange filed Amendment No. 1 to the proposed rule change, which amended and replaced the proposed rule change in its entirety.⁴ The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on May 1, 2014.⁵ On June 16, 2014, the Exchange filed Amendment No. 2 to the proposed rule change.⁶ On June 19, 2014, the Exchange filed Amendment No. 3 to the proposed rule change.⁷ The Commission received no

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ Amendment No. 1 replaced SR-NYSEArca-2014-47 as originally filed and supersedes such filing in its entirety.

⁵ See Securities Exchange Act Release No. 72068 (May 1, 2014), 79 FR 25923 ("Notice").

⁶ In Amendment No. 2, the Exchange: (1) Clarified its description of the reference assets that may underlie the derivative investments held by the Fund; (2) deleted a representation that the Fund's investments in preferred securities are generally not expected to be exchange-listed, thus making clearer that the Fund may invest in both exchange-listed and non-exchange-listed preferred securities; (3) clarified that information regarding only U.S. exchange-listed options is available via the Options Price Reporting Authority ("OPRA"); and (4) corrected its characterization of investments such as swaps, forwards and currency-related derivatives by referring to them as "OTC-traded derivative instruments" rather than as "OTC-traded derivative securities."

⁷ In Amendment No. 3, the Exchange: (1) Expanded the list of reference assets underlying the futures contracts which the Fund may hold to include both rates and indexes of rates; (2) added that futures contracts currently overlie both rates and indexes of rates; and (3) deleted an unnecessary

Continued

³⁶ IMS.

³⁷ IMS.

³⁸ IMS.

³⁹ 17 CFR 200.30-3(a)(12).

comments on the proposal. The Commission is publishing this notice to solicit comments on Amendments No. 2 and No. 3 (collectively, "Amendments") from interested persons and is approving the proposed rule change, as modified by Amendments No. 1, No. 2, and No. 3, on an accelerated basis.

II. Description of the Proposed Rule Change

The Exchange has proposed to list and trade the Shares under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares on the Exchange. The Shares will be offered by Fidelity Merrimack Street Trust ("Trust"). The Trust is registered with the Commission as an open-end management investment company.⁸ Fidelity Management & Research Company ("FMR") will be the Fund's manager ("Manager"). Fidelity Investments Money Management, Inc. ("FIMM") and other investment advisers, as described below, will serve as sub-advisers for the Fund ("Sub-Advisers"). FIMM will have day-to-day responsibility for choosing investments for the Fund. FIMM is an affiliate of FMR. Other investment advisers, which also are affiliates of FMR, will assist FMR with foreign investments, including Fidelity Management & Research (U.K.) Inc. ("FMR U.K."), Fidelity Management & Research (Hong Kong) Limited ("FMR H.K."), and Fidelity Management & Research (Japan) Inc. ("FMR Japan"). Fidelity Distributors Corporation ("FDC") will be the distributor for the Fund's Shares. The Exchange represents that the Manager and the Sub-Advisers are not broker-dealers but are affiliated with one or more broker-dealers and have implemented a firewall with respect to such broker-dealers regarding access to information concerning the composition of or changes to the Fund's portfolio and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the Fund's portfolio.⁹

reference to other entities in which the Fund may invest.

⁸ The Trust is registered under the 1940 Act. On April 17, 2014, the Trust filed with the Commission an amendment to its registration statement on Form N-1A under the Securities Act of 1933 (15 U.S.C. 77a) ("1933 Act") and the 1940 Act relating to the Fund (File Nos. 333-186372 and 811-22796) ("Registration Statement"). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement. 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. 30513 (May 10, 2013) ("Exemptive Order") (File No. 812-14104).

⁹ See Commentary .06 to NYSE Arca Equities Rule 8.600. The Exchange represents that in the

The Exchange has made the following representations and statements regarding the Fund.¹⁰

Fidelity Corporate Bond ETF

The Fund will seek a high level of current income and normally¹¹ and will invest at least 80% of its assets in investment-grade corporate bonds and other corporate debt securities. The Fund may hold uninvested cash or may invest in cash equivalents such as money market securities, shares of short-term bond exchanged-traded funds registered under the 1940 Act ("ETFs"),¹² or mutual funds or money market funds, including Fidelity central funds (which are special types of investment vehicles created by Fidelity for use by the Fidelity funds and other advisory clients).¹³ FMR also may invest the Fund's assets in debt securities of foreign issuers in addition to securities of domestic issuers.

Other Investments

While FMR normally will invest at least 80% of assets of the Fund in investment-grade corporate bonds and other corporate debt securities, as described above, FMR may invest up to 20% of the Fund's assets in other

event (a) the Manager or any of the Sub-Advisers become registered as a broker-dealer or become newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, they will implement a firewall with respect to their relevant personnel or broker-dealer affiliate regarding access to information concerning the composition of or changes to the portfolio and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

¹⁰ Additional information regarding the Trust, the Fund, the Shares, investment strategies, investment restrictions, risks, net asset value ("NAV") calculation, creation and redemption procedures, fees, portfolio holdings, disclosure policies, distributions, and taxes, among other information, is included in the Notice and the Registration Statement, as applicable. See Notice and Registration Statement, *supra* notes 5 and 8, respectively.

¹¹ The term "normally" includes, but is not limited to, the absence of adverse market, economic, political, or other conditions, including extreme volatility or trading halts in the fixed-income 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, labor disruption, or any similar intervening circumstance.

¹² ETFs, which will be listed on a national securities exchange, include the following: Investment Company Units (as described in NYSE Arca Equities Rule 5.2(j)(3)); Portfolio Depository Receipts (as described in NYSE Arca Equities Rule 8.100); and Managed Fund Shares (as described in NYSE Arca Equities Rule 8.600). See Notice, *supra* note 5, at 25924.

¹³ It is currently expected that the Fund will only invest in central funds that are money market funds. See *id.*

securities and financial instruments, as summarized below.¹⁴

In addition to corporate debt securities, the debt securities in which the Fund may invest are U.S. Government securities; repurchase agreements and reverse repurchase agreements; mortgage- and other asset-backed securities; loans; loan participations, loan assignments, and other evidences of indebtedness, including letters of credit, revolving credit facilities, and other standby financing commitments; structured securities; stripped securities; municipal securities; sovereign debt obligations; obligations of international agencies or supranational entities; and other securities believed to have debt-like characteristics, including hybrid securities, which may offer characteristics similar to those of a bond security such as stated maturity and preference over equity in bankruptcy. (The securities described in the preceding sentence, along with corporate debt securities, are collectively referred to herein as "Debt Securities".)

The Fund may invest in securities of other investment companies, including shares of ETFs registered under the 1940 Act, closed-end investment companies (which include business development companies), unit investment trusts, and open-end investment companies. In addition, the Fund may invest in other exchange-traded products ("ETPs") such as commodity pools.¹⁵ It is anticipated that the Fund's investments in other ETFs and ETPs will generally be limited to fixed-income ETFs and ETPs.

The Fund may invest in inverse ETFs (also called "short ETFs" or "bear ETFs"), shares of which are expected to increase in value as the value of the underlying benchmark decreases.

The Fund also may invest in leveraged ETFs, which seek to deliver multiples or inverse multiples of the performance of an index or other benchmark they track and which use derivatives in an effort to amplify the returns of the underlying index or benchmark.

The Fund may invest in exchange-traded notes ("ETNs"), which are a type of senior, unsecured, unsubordinated debt security that is issued by a financial institution and that pays a return based on the performance of a reference asset. It is anticipated that the

¹⁴ The Fund's holdings of investment-grade corporate bonds and other corporate debt securities are generally expected to be U.S. dollar denominated. See *id.*

¹⁵ See Amendment No. 3, *supra* note 7.

Fund's investments in other ETNs will generally be limited to fixed-income ETNs. The Fund may invest in leveraged ETNs.

The Fund may invest in American Depositary Receipts ("ADRs") as well as other "hybrid" forms of ADRs, including European Depositary Receipts ("EDRs") and Global Depositary Receipts ("GDRs"), which are certificates evidencing ownership of shares of a foreign issuer.¹⁶

FMR may make investments in derivatives—regardless of whether the Fund may own the asset, instrument, or components of the index underlying the derivative, as applicable (e.g., a swap based on the Barclays U.S. Credit Bond Index)—and in forward-settling securities. The Fund's derivative investments, as described further below, may reference: Corporate debt securities; Debt Securities; rates; currencies; commodities; indexes related to corporate debt securities, Debt Securities, rates, currencies, securities prices, or commodities prices; specific assets or securities or baskets thereof; a basket of issuers or assets or an index of assets; a benchmark, asset class, or designated security or interest-rate indicator; or futures contracts (including commodity futures contracts).

The Fund may conduct foreign currency transactions on a spot (i.e., cash) or forward basis (i.e., by entering into forward contracts to purchase or sell foreign currencies). The Fund may invest in options and futures relating to foreign currencies.

The Fund may invest in exchange-listed futures. The exchange-listed futures contracts in which the Fund may invest will have various types of underlying instruments, including specific assets or securities, baskets of assets or securities, commodities or commodities indexes, indexes of securities prices, indexes of rates, or rates.¹⁷

The Fund may invest in U.S. exchange-traded option, as well as over-the-counter ("OTC") options. The OTC options in which the Fund may invest will have various types of underlying instruments, including specific assets or securities, baskets of assets or securities, indexes of securities or commodities prices, and futures contracts (including commodity futures contracts). To the extent that the Fund invests in OTC options, not more than 10% of the net assets of the Fund in the aggregate shall

consist of futures contracts or exchange-traded options contracts whose principal market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

The Fund may also buy and sell options on swaps (swaptions), which are generally options on interest-rate swaps. The Fund may hold swap agreements, a portion of which may be cleared swaps. The Fund may enter into, among other things, interest rate swaps (where the parties exchange a floating rate for a fixed rate), asset swaps (e.g., where parties combine the purchase or sale of a bond with an interest rate swap), total return swaps, and credit default swaps.

The Fund may invest in lower-quality Debt Securities. Lower-quality Debt Securities include all types of debt instruments, including debt securities of foreign issuers, that have poor protection with respect to the payment of interest and repayment of principal, and they may be in default.

The Fund may invest in preferred securities. Preferred securities, which may take the form of preferred stock, represent an equity or ownership interest in an issuer that pays dividends at a specified rate and have precedence over common stock in the payment of dividends.

The Fund may invest in real estate investment trusts ("REITs"). The Fund may invest in exchange-listed and non-exchange-listed REITs.

The Fund may invest in restricted securities, which are subject to legal restrictions on their sale.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposal to list and trade the Shares is consistent with the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange.¹⁸ In particular, the Commission finds that the proposed rule change, as modified by Amendments No. 1, No. 2, and No. 3, is consistent with Section 6(b)(5) of the Exchange Act,¹⁹ which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, 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 notes that the Fund and the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 to be listed and traded on the Exchange.

The Commission finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Exchange Act,²⁰ 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 and underlying equity securities that are U.S. exchange listed—including ETFs, ETPs, ETNs, and ADRs; exchange-traded REITs; exchange-traded preferred securities; and exchange-traded convertible securities—will be available via the Consolidated Tape Association ("CTA") high speed line. Quotation and last-sale information for U.S. exchange-listed securities and futures will be available from the exchange on which they are listed. Quotation and last-sale information for U.S. exchange-listed options will be available via the OPRA.²¹

Quotation information for OTC-Traded Securities, OTC-traded derivative instruments (such as options, swaps, forwards, and currency-related derivatives), and investment company securities (excluding ETFs), may be obtained from brokers and dealers who make markets in such instruments or through nationally recognized pricing services through subscription agreements.²² The U.S. dollar value of foreign securities, instruments, and currencies can be derived by using foreign currency exchange rate quotations obtained from nationally recognized pricing services.

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.²³ 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.²⁴

In addition, the Portfolio Indicative Value, as defined in NYSE Arca Equities

¹⁶ The Fund will invest only in ADRs, EDRs and GDRs that are traded on an exchange that is a member of the Intermarket Surveillance Group ("ISG") or with which the Exchange has in place a comprehensive surveillance sharing agreement.

¹⁷ See Amendment No. 3, *supra* note 7.

¹⁸ 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).

¹⁹ 15 U.S.C. 78f(b)(5).

²⁰ 15 U.S.C. 78k-1(a)(1)(C)(iii).

²¹ See Amendment No. 2, *supra* note 6.

²² See *id.*

²³ See Notice, *supra* note 5, 79 FR at 25930.

²⁴ See *id.*

Rule 8.600(c)(3), will be widely disseminated by one or more major market-data vendors at least every 15 seconds during the Core Trading Session.²⁵ The dissemination of the Portfolio Indicative Value, together with the Disclosed Portfolio, will allow investors to determine the approximate value of the underlying portfolio of the Fund on a daily basis and will provide a close estimate of that value throughout the trading day.²⁶

The net asset value (“NAV”) of the Fund for the Shares will be calculated after 4:00 p.m. Eastern time each trading day.²⁷ The Trust’s Web site (www.fidelity.com), which will be publicly available, will include a form of the prospectus for the Fund that may be downloaded. The Trust’s Web site will include additional quantitative information updated on a daily basis, including, on a per Share basis for the Fund, (a) the prior business day’s NAV and the market closing price or, if that is unavailable, the mid-point of the bid/ask spread at the time of calculation of such NAV (the “Bid/Ask Price”),²⁸ and (b) a calculation of the premium or discount of the market closing price or, if that is unavailable, the Bid/Ask Price against the NAV.

Further, the Commission believes that the proposal to list and trade the Shares is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately and to prevent trading when a reasonable degree of transparency cannot be assured. On each business day, before commencement of trading in Shares in the Core Trading Session (9:30 a.m. Eastern time to 4:00 p.m. Eastern time) on the Exchange, the Fund will disclose on the Trust’s Web site the Disclosed Portfolio, as defined in NYSE Arca Equities Rule 8.600(c)(2), that will form the basis for the Fund’s calculation of NAV at the end of the business day.²⁹

²⁵ Several major market data vendors display or make widely available Portfolio Indicative Values taken from the CTA or other data feeds. *See id.* at 25931.

²⁶ *See id.*

²⁷ *See id.* at 25931–32.

²⁸ The Bid/Ask Price of the Fund’s Shares will be determined using the mid-point of the highest bid and the lowest offer on the Exchange as of the time of calculation of the Fund’s NAV. The records relating to Bid/Ask Prices will be retained by the Fund and its service providers.

²⁹ *See id.* at 25930. On a daily basis, the Fund will disclose for each portfolio security and other financial instrument of the Fund the following information: ticker symbol (if applicable), name of security or financial instrument, number of shares (if applicable) and dollar value of each of the securities and financial instruments held in the portfolio, and percentage weighting of the security and financial instrument in the portfolio. The Web

The Commission notes that the Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time.³⁰

In addition, the Fund will make available through the NSCC on each business day, prior to the opening of trading on the NYSE (currently 9:30 a.m. Eastern time), the list of the names and the required number of shares of each Deposit Security and the amount of the Cash Component (or Cash Deposit) to be included in the current Portfolio Deposit (based on information at the end of the previous business day) for the Fund.³¹ The Portfolio Deposit will be applicable, subject to any adjustments, in order to effect purchases of Creation Units until such time as the next-announced Portfolio Deposit composition is made available.³²

Further, the Commission notes that personnel who make decisions on the Fund’s portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the open-end fund’s portfolio.³³

The Exchange represents that the Manager and the Sub-Advisers are not broker-dealers but are affiliated with one or more broker-dealers and have implemented a firewall with respect to such broker-dealers regarding access to information concerning the composition of or changes to the Fund’s portfolio and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the Fund’s portfolio.³⁴ The Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares.³⁵ Trading in Shares will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached.

site information will be publicly available at no charge. Under accounting procedures followed by the Fund, trades made on the prior business day (“T”) will be booked and reflected in NAV on the current business day (“T+1”). Accordingly, the Fund will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day. *See id.*

³⁰ *See id.* at 25931.

³¹ *See id.* at 25929.

³² *See id.*

³³ *See* NYSE Arca Equities Rule 8.600(d)(2)(B)(ii).

³⁴ *See supra* note 9 and accompanying text.

³⁵ *See* NYSE Arca Equities Rule 7.12.

Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which trading is not occurring in the securities or the financial instruments constituting the Disclosed Portfolio of the Fund; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. Trading in the Shares will be subject to NYSE Arca Equities Rule 8.600(d)(2)(D), which sets forth circumstances under which Shares may be halted.

The Exchange has represented that the Shares are deemed to be equity securities, thus rendering trading in the Shares subject to the Exchange’s rules governing the trading of equity securities.³⁶

In support of this proposal, the Exchange has made additional representations, including:

(1) The Shares will conform to the initial and continuing listing criteria under NYSE Arca Equities Rule 8.600.

(2) The Exchange’s surveillance 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 applicable federal securities laws.³⁷

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

³⁶ *See* NYSE Arca Equities Rule 8.600(d)(2)(C)(ii).

³⁷ The Financial Industry Regulatory Authority (“FINRA”) surveils trading on the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement. *See* Notice, *supra* note 5, 79 FR at 25931.

behalf of the Exchange, is able to access, as needed, trade information for certain fixed-income securities held by the Fund reported to FINRA's Trade Reporting and Compliance Engine.

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

(5) Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin ("Bulletin") of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (2) 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; (3) 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; (4) how information regarding the Portfolio Indicative Value is disseminated; (5) 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 (6) trading information.

(6) For initial and continued listing, the Fund will be in compliance with Rule 10A-3 under the Exchange Act,³⁸ as provided by NYSE Arca Equities Rule 5.3.³⁹

(7) The Fund's investments will be consistent with its investment objective.

(8) The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment), including Rule 144A securities deemed illiquid by the Manager or Sub-Advisers. The Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of the Fund's net assets are held in illiquid assets.

(9) A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange.

This order is based on all of the Exchange's representations, including those set forth above and in the Notice.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with the Exchange Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning whether the Amendments 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. Please include File Number SR-NYSEArca-2014-47 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-2014-47. 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-2014-47, and should be submitted on or before July 17, 2014.

V. Accelerated Approval of Proposed Rule Change as Modified by Amendments No. 1, No. 2, and No. 3

The Commission finds good cause to approve the proposed rule change, as modified by Amendments Nos. 1, No. 2, and No. 3, prior to the thirtieth day after the date of publication of notice in the **Federal Register**. Amendment No. 2 supplements the proposed rule change by describing more clearly and specifically certain of the securities and financial instruments in which the Fund may invest, including the availability of price information for those investments. This additional information about the Fund's underlying investments assisted the Commission's analysis regarding the intraday trading of the Shares. Amendment No. 3 supplements the proposed rule change by adding that the futures contracts in which the Fund may invest may overlie both rates or indexes of rates. This additional information regarding the underlying investments of the Fund assisted the Commission analysis regarding the other investments which may be made by the Fund. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act, to approve the proposed rule change, as modified by Amendments No. 1, No. 2, and No. 3, on an accelerated basis.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,⁴⁰ that the proposed rule change, as modified by Amendments No. 1, No. 2, and No. 3 (SR-NYSEArca-2014-47), be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴¹

Kevin M. O'Neill,

Deputy Secretary.

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³⁸ 17 CFR 240.10A-3.

³⁹ See Notice, *supra* note 5, 79 FR at 25931.

⁴⁰ 15 U.S.C. 78s(b)(2).

⁴¹ 17 CFR 200.30-3(a)(12).