

7. Applicant asserts that its historical development, its public representations of policy, the activities of its officers and directors, the nature of its assets and its sources of income and revenue, as discussed in the application, demonstrate that it is engaged primarily in a business other than that of investing, reinvesting, owning, holding or trading securities. Applicant thus asserts that it satisfies the criteria for issuing an order under Section 3(b)(2) of the Act.

Applicant's Conditions

Applicant agrees that any order granted pursuant to the application will be subject to the following conditions:

1. Applicant will continue to allocate and use its accumulated cash and investment securities for bona fide business purposes; and
2. Applicant will refrain from investing or trading in securities for short-term speculative purposes.

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. 34-84143; File No. SR-CboeBZX-2018-019]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 3, To List and Trade Shares of Eighteen ADRPLUS Funds of the Precidian ETFs Trust Under Rule 14.11(i), Managed Fund Shares

September 14, 2018.

I. Introduction

On March 5, 2018, Cboe BZX Exchange, Inc. ("Exchange" or "BZX") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares ("Shares") of eighteen ADRPLUS Funds of the Precidian ETFs Trust ("Trust"), under Exchange Rule 14.11(i) ("Managed Fund Shares"). The proposed rule change was published for comment in the *Federal Register* on

March 21, 2018.³ On April 25, 2018, the Commission extended the time period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.⁴ Also on April 25, 2018, the Exchange filed Amendment No. 1 to the proposed rule change.⁵ On May 17, 2018, the Exchange filed Amendment No. 2 to the proposed rule change.⁶ On June 19, 2018, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁷ to determine whether to approve or disapprove the proposed rule change.⁸ On August 14, 2018, the Exchange filed Amendment No. 3 to the proposed rule change.⁹ The Commission

³ See Securities Exchange Act Release No. 82881 (March 15, 2018), 83 FR 12449.

⁴ See Securities Exchange Act Release No. 83102, 83 FR 19126 (May 1, 2018).

⁵ Amendment No. 1, which amended and replaced the proposed rule change in its entirety, is available at: <https://www.sec.gov/comments/sr-cboebzx-2018-019/cboebzx2018019-3551361-162325.pdf>.

⁶ Amendment No. 2, which amended and replaced the proposed rule change in its entirety, is available at: <https://www.sec.gov/comments/sr-cboebzx-2018-019/cboebzx2018019-3665011-162423.pdf>.

⁷ 15 U.S.C. 78s(b)(2)(B).

⁸ See Securities Exchange Act Release No. 83467, 83 FR 29589 (June 25, 2018).

⁹ In Amendment No. 3, which amended and replaced, in its entirety, the proposed rule change as modified by Amendment No. 2, the Exchange: (a) Specified that the derivatives in which the Funds may invest are over-the-counter ("OTC") currency swaps; (b) corrected references to, and specified with greater particularity, the Exchange requirements the Funds would not meet; (c) deleted a representation that the Funds may not meet the requirement of Exchange Rule 14.11(i)(4)(C)(iv)(b) that the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures); (d) modified a trading halt representation to state that the Exchange will also halt trading in the Shares where a market-wide trading halt is declared in the associated Unhedged ADR (as defined herein) and that trading in the Shares will remain halted until trading in the Unhedged ADR resumes; (e) represented that Shares of the Funds would meet and be subject to Exchange Rule 14.11(i)(2)(C); (f) stated that each Fund expects to invest in excess of 95% of its net assets in the Unhedged ADRs, and each Fund expects that the gross notional value of the Currency Hedge (as defined herein) would be equal to the value of the Unhedged ADRs, which would be approximately 50% of the weight of the portfolio (including gross notional exposures); (g) addressed policy concerns related to the Currency Hedge held by the Funds in excess of the limit as provided in the Exchange Rule 14.11(i)(4)(C)(v); (h) modified a representation to state that the Exchange will suspend trading and commence delisting proceedings pursuant to Exchange Rule 14.12 for the Shares if the Unhedged ADR held by a Fund has been suspended from trading or delisted by the Unhedged ADR's listing exchange; (i) stated that the Exchange or Financial Industry Regulatory Authority, Inc. ("FINRA"), on behalf of the Exchange, are able to access, as needed, trade information for certain fixed income instruments

has received no comments on the proposed rule change. This order grants approval of the proposed rule change, as modified by Amendment No. 3.

II. The Exchange's Description of the Proposal, as Modified by Amendment No. 3¹⁰

The Exchange proposes to list and trade the Shares under Exchange Rule 14.11(i), which governs the listing and trading of Managed Fund Shares. The Funds are a series of, and the Shares will be offered by, the Trust.¹¹ Precidian Funds LLC ("Adviser") will serve as the investment adviser to the Funds.¹²

A. Description of the ADRPLUS Funds

According to the Exchange, each Fund seeks to provide investment results that correspond generally, before fees and expenses, to the price and yield performance of a particular American Depositary Receipt, hedged against

reported to the Trade Reporting and Compliance Engine ("TRACE"); (j) clarified a criterion regarding when an order to redeem creation units of a Fund would be deemed received by the distributor; (k) specified that the Information Circular (as discussed herein) will discuss how information regarding the Disclosed Portfolio (as defined in Exchange Rule 14.11(i)(3)(B)) is disseminated; and (l) made other non-substantive, technical, and clarifying corrections to the proposal. Because Amendment No. 3 clarifies the derivatives in which the Funds may invest, adds specificity to certain requirements, made additional representations, and otherwise does not materially alter the substance of the proposed rule change or raise unique or novel regulatory issues under the Act, Amendment No. 3 is not subject to notice and comment. Amendment No. 3 to the proposed rule change is available at: <https://www.sec.gov/comments/sr-cboebzx-2018-019/cboebzx2018019-4290642-173190.pdf>.

¹⁰ Additional information regarding the Funds, the Trust, and the Shares can be found in Amendment No. 3 and the Registration Statement. See *supra* note 9 and *infra* note 11.

¹¹ The Trust is registered under the Investment Company Act of 1940 ("1940 Act"). See Registration Statement on Form N-1A for the Trust, dated June 14, 2017 (File Nos. 333-171987 and 811-22524) ("Registration Statement"). In addition, the Exchange states that the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 32622 (May 2, 2017) (File No. 812-14584).

¹² The Exchange represents that the Adviser is not a registered broker-dealer and is not affiliated with a broker-dealer. In addition, Adviser personnel who make decisions regarding a Fund's portfolio are subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund's portfolio. The Exchange states that in the event that (a) the Adviser becomes registered as a broker-dealer or 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, it will implement and maintain a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition and/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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

fluctuations in the exchange rate between the U.S. dollar and the local currency of the foreign security underlying the American Depositary Receipt ("Local Currency"). For example, the Anheuser-Busch InBev

SA/NV ADRPLUS Fund seeks to provide investment results that correspond generally, before fees and expenses, to the price and yield performance of Anheuser-Busch InBev SA/NV (ADR), hedged against

fluctuations in the exchange rate between the U.S. dollar and the euro. The following chart includes the underlying company and the Local Currency for each of the Funds.

Fund name	Underlying company	Local currency
Anheuser-Busch InBev SA/NV ADRPLUS Fund	Anheuser-Busch InBev SA/NV	Euro.
AstraZeneca PLC ADRPLUS Fund	AstraZeneca PLC	British pound.
Banco Santander, S.A. ADRPLUS Fund	Banco Santander, S.A.	Euro.
BP P.L.C. ADRPLUS Fund	BP p.l.c	British pound.
British American Tobacco p.l.c. ADRPLUS Fund	British American Tobacco p.l.c	British pound.
Diageo plc ADRPLUS Fund	Diageo plc	British pound.
GlaxoSmithKline plc ADRPLUS Fund	GlaxoSmithKline plc	British pound.
HSBC Holdings Plc ADRPLUS Fund	HSBC Holdings Plc	British pound.
Mitsubishi UFJ Financial Group, Inc. ADRPLUS Fund	Mitsubishi UFJ Financial Group, Inc	Japanese yen.
Novartis AG ADRPLUS Fund	Novartis AG	Swiss franc.
Novo Nordisk A/S (B Shares) ADRPLUS Fund	Novo Nordisk A/S (B Shares)	Danish krone.
Royal Dutch Shell plc (Class A) ADRPLUS Fund	Royal Dutch Shell plc (Class A)	Euro.
Royal Dutch Shell plc (Class B) ADRPLUS Fund	Royal Dutch Shell plc (Class B)	British pound.
Sanofi ADRPLUS Fund	Sanofi	Euro.
SAP AG ADRPLUS Fund	SAP AG	Euro.
Total S.A. ADRPLUS Fund	Total S.A	Euro.
Toyota Motor Corporation ADRPLUS Fund	Toyota Motor Corporation	Japanese yen.
Vodafone Group Plc ADRPLUS Fund	Vodafone Group Plc	British pound.

According to the Exchange, each Fund will hold only: (i) Shares of an American Depositary Receipt ("Unhedged ADR") listed on a U.S. national securities exchange; (ii) OTC currency swaps that hedge against fluctuations in the exchange rate between the U.S. dollar and the Local Currency ("Currency Hedge"); and (iii) cash and cash equivalents.¹³

The Trust is required to comply with Rule 10A-3 under the Act¹⁴ for the initial and continued listing of the Shares of each Fund. In addition, the Exchange represents that the Shares of each Fund will meet and be subject to all other requirements of the Generic Listing Standards, as defined below, and other applicable continued listing requirements for Managed Fund Shares under Exchange Rule 14.11(i), such as the listing requirements regarding the Disclosed Portfolio (including the

requirement that the Disclosed Portfolio and the net asset value ("NAV") will be made available to all market participants at the same time);¹⁵ and the requirements regarding intraday indicative value,¹⁶ suspension of trading or removal,¹⁷ trading halts,¹⁸ disclosure,¹⁹ firewalls,²⁰ and surveillance.²¹ Further, at least 100,000 Shares of each Fund will be outstanding upon the commencement of trading.²²

B. The Exchange's Policy Discussion

According to the Exchange, the Funds will provide investors with the opportunity to easily eliminate currency exposure that they may not even realize exists with Unhedged ADRs without having to transact in the currency derivatives market. The Exchange believes that this would confer a significant benefit to investors and the broader marketplace by adding transparency and simplifying the process of eliminating risk from an investor's portfolio.

The Exchange believes that while the Funds would not meet the generic

listing standards for Managed Fund Shares ("Generic Listing Standards"), in particular Exchange Rules

14.11(i)(4)(C)(i)(a)(3)–(4)²³ and 14.11(i)(4)(C)(v),²⁴ the policy issues that those rules are intended to address are otherwise mitigated by the structure, holdings, and purpose of the Funds.²⁵ According to the Exchange, Exchange Rule 14.11(i)(4)(C)(i)(a)(3) is intended to ensure that no single equity security constitutes too concentrated of a position in a series of Managed Fund Shares, and Exchange Rule 14.11(i)(4)(C)(i)(a)(4) is similarly intended to diversify the holdings of a series of Managed Fund Shares. The Exchange believes that these policy concerns are mitigated as they relate to the Funds because: (i) The Unhedged ADR will meet the market cap and liquidity requirements of Exchange Rules 14.11(i)(4)(C)(i)(a)(1) and (2); and

¹³ For purposes of this filing and consistent with Exchange Rule 14.11(i)(4)(C)(iii), cash equivalents are short-term instruments with maturities of less than three months that include only the following: (i) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities; (ii) certificates of deposit issued against funds deposited in a bank or savings and loan association; (iii) bankers acceptances, which are short-term credit instruments used to finance commercial transactions; (iv) repurchase agreements and reverse repurchase agreements; (v) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest; (vi) commercial paper, which are short-term unsecured promissory notes; and (vii) money market funds.

¹⁴ 17 CFR 240.10A-3.

¹⁵ See Exchange Rules 14.11(i)(4)(A)(ii) and 14.11(i)(4)(B)(ii).

¹⁶ See Exchange Rule 14.11(i)(4)(B)(i).

¹⁷ See Exchange Rule 14.11(i)(4)(B)(iii).

¹⁸ See Exchange Rule 14.11(i)(4)(B)(iv). The Exchange will also halt trading in a Fund where a market-wide trading halt is declared in the associated Unhedged ADR and trading in the Fund will remain halted until trading in the Unhedged ADR resumes.

¹⁹ See Exchange Rule 14.11(i)(6).

²⁰ See Exchange Rule 14.11(i)(7).

²¹ See Exchange Rule 14.11(i)(2)(C).

²² See Exchange Rule 14.11(i)(4)(A)(i).

²³ The Exchange represents that the Funds will not meet: (i) The requirement under Exchange Rule 14.11(i)(4)(C)(i)(a)(3) that the most heavily weighted component stock shall not exceed 30% of the equity weight of the portfolio; and (ii) the requirement under Exchange Rule 14.11(i)(4)(C)(i)(a)(4) that the equity portion of the portfolio shall include a minimum of 13 component stocks.

²⁴ The Exchange represents that the Funds may not meet the requirement under Exchange Rule 14.11(i)(4)(C)(v) that the aggregate gross notional value of OTC derivatives shall not exceed 20% of the weight of the portfolio (including gross notional exposures).

²⁵ The Exchange represents that each Fund expects to invest in excess of 95% of its net assets in the Unhedged ADRs. Each Fund expects that the gross notional value of the Currency Hedge would be equal to the value of the Unhedged ADRs, which would be approximately 50% of the weight of the portfolio (including gross notional exposures).

(ii) the intended function of the Funds is to eliminate currency exposure risk for a single security, which means that the Funds are necessarily concentrated. The Exchange also believes that the creation and redemption mechanism will provide a near frictionless arbitrage opportunity that would minimize the risk of manipulation of either the Unhedged ADR or the applicable Fund and, thus, mitigate the manipulation concerns that Exchange Rules 14.11(i)(4)(C)(i)(a)(3) and (4) were intended to address. According to the Exchange, the policy issues that Exchange Rule 14.11(i)(4)(C)(v) is intended to address are also mitigated by the way that the Funds would use OTC currency swaps. The Exchange states that the rule is intended to mitigate concerns regarding the manipulability of a particular underlying reference asset or derivatives contract and to minimize counterparty risk. While the Currency Hedge positions taken by the Funds would not meet the Generic Listing Standards related to OTC derivatives holdings, the Exchange believes that the policy concerns about limiting exposure to potentially manipulable underlying reference assets that the Generic Listing Standards are intended to address are otherwise mitigated by the liquidity in the underlying spot currency market. The Exchange represents that the Funds will attempt to limit counterparty risk in OTC currency swaps by: (i) Entering into such contracts only with counterparties the Advisor believes are creditworthy; (ii) limiting a Fund's exposure to each counterparty; and (iii) monitoring the creditworthiness of each counterparty and the Fund's exposure to each counterparty on an ongoing basis. The Exchange believes that counterparty risk associated with OTC currency swaps is further mitigated because the currency swaps are settled on a daily basis and, thus, the counterparty risk for any particular swap is limited in two ways—first, counterparty credit exposure is always limited to a 24 hour period and, second, the exposure of the swap is only to the movement in the currencies over that same 24 hour period.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposal to list and trade the Shares, as modified by Amendment No. 3, is consistent with the Act and the rules and regulations thereunder applicable to a national

securities exchange.²⁶ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,²⁷ 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 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 Act²⁸ 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. As noted above, each Fund will comply with the requirements for Managed Fund Shares under Exchange Rule 14.11(i) related to Disclosed Portfolio, NAV (including the requirement that the Disclosed Portfolio and the NAV will be made available to all market participants at the same time), and the intraday indicative value. The intraday, closing and settlement prices of exchange-traded portfolio assets, which include only Unhedged ADRs, will be readily available from the securities exchanges on which such Unhedged ADRs are traded, automated quotation systems, published or other public sources, or online information services such as Bloomberg or Reuters. Intraday price quotations on OTC currency swaps are available from major broker-dealer firms and from third-parties, which may provide prices free with a time delay or in real-time for a paid fee. Price information for cash equivalents will be available from major market data vendors. Each Fund's Disclosed Portfolio will be available on the issuer's website (www.precidian.com) free of charge. Information regarding market price and trading volume of the Shares will be continuously available throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume for the Shares will be published daily in the financial section of newspapers. Each Fund's

website will include the prospectus for the applicable Fund and additional information related to NAV and other applicable quantitative information.

The Commission further 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. Trading in the Shares may be halted for market conditions or for reasons that, in the view of the Exchange, make trading inadvisable. The Exchange will also halt trading in a Fund where a market-wide trading halt is declared in the associated Unhedged ADR, and trading in the Fund will remain halted until trading in the Unhedged ADR resumes.

In addition, the Exchange represents that the Adviser is not a registered broker-dealer and is not affiliated with a broker-dealer.²⁹

Trading in the Shares will be subject to the Exchange's surveillance procedures, which are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. The Exchange represents that trading in the Shares will be subject to the Exchange's existing rules governing the trading of equity securities.

All Unhedged ADRs will be listed on a U.S. national securities exchange, all of which are members of the Intermarket Surveillance Group ("ISG") or are exchanges with which the Exchange has in place a comprehensive surveillance

²⁹ See *supra* note 12. The Commission also notes that 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.

²⁶ 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).

²⁷ 15 U.S.C. 78f(b)(5).

²⁸ 15 U.S.C. 78k-1(a)(1)(C)(iii).

sharing agreement.³⁰ The Exchange may obtain information regarding trading in the Funds and Unhedged ADRs held by each Fund via the ISG, from other exchanges that are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement. Additionally, the Exchange or FINRA, on behalf of the Exchange, are able to access, as needed, trade information for certain fixed income instruments reported to TRACE.

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 made the following representations:

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

(2) Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares, and these procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws.

(3) Each of the Funds will hold only: (i) Shares of an Unhedged ADR listed on a U.S. national securities exchange; (ii) OTC currency swaps that hedge against fluctuations in the exchange rate between the U.S. dollar and the Local Currency; and (iii) cash and cash equivalents.

(4) The U.S. national securities exchanges on which the Unhedged ADRs will be listed are members of ISG or are exchanges with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange may obtain information regarding trading in the Funds and Unhedged ADRs held by each Fund via the ISG, from other exchanges that are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement. Additionally, the Exchange or FINRA, on behalf of the Exchange, are able to access, as needed, trade information for certain fixed income instruments reported to TRACE.

(5) The Funds will attempt to limit counterparty risk in OTC currency swaps by: (i) Entering into such contracts only with counterparties the Advisor believes are creditworthy; (ii) limiting a Fund's exposure to each counterparty; and (iii) monitoring the creditworthiness of each counterparty and the Fund's exposure to each counterparty on an ongoing basis.

(6) Other than Exchange Rules 14.11(i)(4)(C)(i)(a)(3)–(4) and 14.11(i)(4)(C)(v), the Shares of each Fund will meet and be subject to all requirements of the Generic Listing Standards and other applicable continued listing requirements for Managed Fund Shares under Exchange Rule 14.11(i), such as the listing requirements regarding the Disclosed Portfolio (including the requirement that the Disclosed Portfolio and NAV will be made available to all market participants at the same time); and the requirements regarding intraday indicative value, suspension of trading or removal, trading halts, disclosure, firewalls, and surveillance.

(7) Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (i) The procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (ii) Exchange Rule 3.7, which imposes suitability obligations on Exchange members with respect to recommending transactions in the Shares to customers; (iii) how information regarding the intraday indicative value and Disclosed Portfolio is disseminated; (iv) the risks involved in trading the Shares during the Pre-Opening and After Hours Trading Sessions when an updated intraday indicative value will not be calculated or publicly disseminated; (v) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (vi) trading information.

(8) The Exchange will suspend trading and commence delisting proceedings pursuant to Exchange Rule 14.12 for a Fund if the Unhedged ADR held by a Fund has been suspended from trading or delisted by the Unhedged ADR's listing exchange.

(9) The Trust is required to comply with Rule 10A–3 under the Act³¹ for the

initial and continued listing of the Shares of each Fund.

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

In addition, the Exchange represents that all statements and representations made in this filing regarding the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of reference assets and intraday indicative values, and the applicability of Exchange listing rules specified in this filing shall constitute continued listing requirements for the Funds. In addition, the Trust, on behalf of the Funds, has represented to the Exchange that it will advise the Exchange of any failure by a Fund or the Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If a Fund or the Shares are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12.

This approval order is based on all of the Exchange's representations, including those set forth above and in Amendment No. 3. For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 3, is consistent with Section 6(b)(5) of the Act³² and Section 11A(a)(1)(C)(iii) of the Act³³ and the rules and regulations thereunder applicable to a national securities exchange.³⁴

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³⁵ that the proposed rule change (SR-CboeBZX–2018–019), as modified by Amendment No. 3, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁶

Eduardo A. Aleman,
Assistant Secretary.

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³⁰ For a list of the current members and affiliate members of ISG, see www.isgportal.com. The Exchange notes that not all components of the Disclosed Portfolio for a Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

³¹ 17 CFR 240.10A–3.

³² 15 U.S.C. 78f(b)(5).

³³ 15 U.S.C. 78k–1(a)(1)(C)(iii).

³⁴ As noted above, on June 19, 2018, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change. No comments were received in connection with that order instituting proceedings. See *supra* note 7.

³⁵ 15 U.S.C. 78s(b)(2).

³⁶ 17 CFR 200.30–3(a)(12).