POSTAL SERVICE

Product Change—Priority Mail Express Negotiated Service Agreement

AGENCY: Postal Service™.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule’s Competitive Products List.

DATES: Date of required notice: April 2, 2019.

FOR FURTHER INFORMATION CONTACT: Elizabeth Reed, 202–268–3179.


Elizabeth Reed,
Attorney, Corporate and Postal Business Law.

BILLING CODE 7710–12–P

POSTAL SERVICE

Product Change—Priority Mail Negotiated Service Agreement

AGENCY: Postal Service™.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule’s Competitive Products List.

DATES: Date of required notice: April 2, 2019.

FOR FURTHER INFORMATION CONTACT: Elizabeth Reed, 202–268–3179.


Elizabeth Reed,
Attorney, Corporate and Postal Business Law.

BILLING CODE 7710–12–P

POSTAL SERVICE

Product Change—Parcel Return Negotiated Service Agreement

AGENCY: Postal Service™.

ACTION: Notice.

SUMMARY: The Postal Service gives notice of filing a request with the Postal Regulatory Commission to add a domestic shipping services contract to the list of Negotiated Service Agreements in the Mail Classification Schedule’s Competitive Products List.

DATES: Date of required notice: April 2, 2019.

FOR FURTHER INFORMATION CONTACT: Elizabeth Reed, 202–268–3179.


Elizabeth Reed,
Attorney, Corporate and Postal Business Law.

BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to Certain Changes Regarding Investments of the PGIM Ultra Short Bond ETF Under NYSE Arca Rule 8.600–E

March 27, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”) and Rule 19b–4 thereunder, notice is hereby given that, on March 13, 2019, NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III 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 Substance of the Proposed Rule Change

The Exchange proposes certain changes regarding investments of the PGIM Ultra Short Bond ETF (the “Fund”), a series of PGIM ETF Trust (the “Trust”), under NYSE Arca Rule 8.600–E (“Managed Fund Shares”). The proposed change is available on the Exchange’s website at www.nyre.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, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes certain changes, described below under “Application of Generic Listing Requirements,” regarding investments of the Fund. The shares (“ Shares”) of the Fund commenced trading on the Exchange on April 10, 2018 pursuant to the generic listing standards under .01 to NYSE Arca Rule 8.600–E (“Managed Fund Shares”).

The Commission has previously approved two proposed rule changes regarding certain changes that would result in the portfolio for the Fund not meeting all of the “generic” listing requirements of Comment.01 to NYSE Arca Rule 8.600–E applicable to the listing of Managed Fund Shares.

PGIM Investments LLC (the “Advisor”) is the investment adviser for the Fund. PGIM Fixed Income (the “Subadviser”), a unit of PGIM, Inc., is the subadviser to the Fund. The Advisor and the Subadviser are indirect wholly-owned subsidiaries of Prudential Financial, Inc.

2. Additional or Revised Explanatory Material

As stated in the First Prior Order, the investment objective of the Fund seeks to provide total return through a combination of current income and capital appreciation, consistent with preservation of capital. The Fund seeks to achieve its investment objective by investing primarily in a portfolio of U.S. dollar denominated short-term fixed, variable and floating rate debt instruments. Under normal market conditions, the Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in a portfolio of financial instruments consisting of (i) the Principal Investment Instruments (as defined in the First Prior Order) and (ii) derivatives (as described in the Prior Orders) that (A) provide exposure to such Principal Investment Instruments, or (B) are used to enhance returns, manage portfolio duration, or manage the risk of securities price fluctuations, as described in the Prior Orders.

Application of Generic Listing Requirements

The Exchange proposes that, in addition to the requirement approved by the Commission in the First Prior Order that Private ABS/MBS (as defined below) will, in the aggregate, not exceed more than 20% of the total assets of the Fund, the Fund will not invest more than 20% of its total assets in U.S. or foreign collateralized debt obligations (“CDOs”). The Exchange also proposes that Private ABS/MBS will not be required to comply with the requirements of Comment.01(b)(4) to NYSE Arca Rule 8.600–E.

The Registration Statement as necessary to conform to the representations in this filing. 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. 31095 (June 24, 2014) (File No. 812–14267). The term “normal market conditions” is defined in NYSE Arca Rules 5.2–E(c)(5). As described in the First Prior Order, among the Fund’s Principal Investment Instruments are asset-backed securities ("ABS"), including mortgage-backed securities ("MBS") and collateralized loan obligations ("CLOs") and collateralized bond obligations ("CBOs").

CDOs are excluded from the definition of ABS and, for purposes of this proposed rule change only, are comprised exclusively of collateralized loan obligations ("CLOs") and collateralized bond obligations ("CBOs"). CLOs are securities issued by a trust or other special purpose entity that are backed by a diversified pool of loans of U.S. banks and participations in loans by U.S. banks that are unsecured or secured by collateral other than real estate. CBOs are securities issued by a trust or other special purpose entity that are backed by a diversified pool of fixed income securities issued by U.S. or foreign governmental entities or fixed income securities issued by U.S. or corporate issuers. CDOs are distinguished from ABS because they are collateralized by bank loans or by corporate or government fixed income securities and not by...
would be excluded from the 20% limit on Private ABS/MBS but would be subject to a separate limit of 20%, measured with respect to the total assets of the Fund.\textsuperscript{13} The Exchange believes that this 20% limitation will help the Fund maintain portfolio diversification and will reduce manipulation risk.\textsuperscript{14} In addition, the Fund’s investment in CDOs will be subject to the Fund’s liquidity procedures as adopted by the Board, and the Adviser does not expect that investments in CDOs of up to 20% of the total assets of the Fund will have any material impact on the liquidity of the Fund’s investments.

In addition, the First Prior Order stated that the Fund will not comply with the requirement that securities that in aggregate account for at least 90% of the fixed income weight of the portfolio meet one of the criteria in Commentary .01(b)(4), and, instead, fixed income securities that do not meet any of the criteria in Commentary .01(b)(4) will not exceed 10% of the total assets of the Fund. As stated above, the Exchange proposes to modify this representation to state that the Private ABS/MBS, which will be limited to 20% of the Fund’s total assets, will not be required to comply with the criteria in Commentary .01(b)(4)(a) through (e) to NYSE Arca Rule 8.600–E. Therefore, fixed income securities that do not meet the criteria in Commentary .01(b)(4) will not exceed 10% of the total assets of the Fund, excluding Private ABS/MBS.\textsuperscript{15} CDOs also would not be subject to the criteria in Commentary .01(b)(4)(a) through (e) but would be subject to a limit of 20%, measured with respect to the total assets of the Fund. The Exchange notes that the Commission has previously approved the listing of Managed Fund Shares with similar investment objectives and strategies without imposing requirements that a certain percentage of such funds’ securities meet one of the criteria set forth in Commentary .01(b)(4).\textsuperscript{16}

Deviations from the generic requirements are necessary for the Fund to achieve its investment objective in a manner that is cost-effective and that maximizes investors’ returns. Further, the proposed alternative requirements are narrowly tailored to allow the Fund to achieve its investment objective in a manner that is consistent with the principles of Section 6(b)(5) of the Act. As a result, it is in the public interest to approve listing and trading of Shares of the Fund on the Exchange pursuant to the requirements set forth herein.

In addition, the Fund’s investment in Private ABS/MBS and CDOs will be subject to the Fund’s liquidity risk management program as approved by the Fund’s board of directors.\textsuperscript{17} The liquidity procedures generally include public disclosure by the Fund of its liquidity and redemption practices. The Fund’s holdings in Private ABS/MBS and CDOs would be encompassed within the Fund’s liquidity risk management program.

Except for the changes noted above, all other representations made in the Prior Orders remain unchanged. All terms referenced but not defined in this proposed rule change are defined in the Prior Orders.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) of the Act that an exchange have rules that are 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, in general, to protect investors and the public interest.

As described above, deviations from the generic requirements of Commentary .01(b) to Rule 8.600–E are necessary for the Fund to achieve its investment objective in a manner that is cost-effective and that maximizes investors’ returns. Further, the proposed alternative requirements are narrowly tailored to allow the Fund to achieve its investment objective in a manner that is consistent with the principles of Section 6(b)(5) of the Act. As a result, it is in the public interest to approve continued listing and trading of Shares of the Fund on the Exchange pursuant to the requirements set forth herein.

The Fund will not meet the requirement that at least 90% of the fixed income weight of the Fund’s portfolio meet one of the criteria in Commentary .01(b)(4)(a) through (e) to Rule 8.600–E because some Private ABS/MBS cannot satisfy the criteria in Commentary .01(b)(4)(a) through (e). The Exchange proposes, in the alternative, to require that Fund’s investments in fixed income securities that do not meet the criteria in Commentary .01(b)(4) will not exceed 10% of the total assets of the Fund, excluding Private ABS/MBS.\textsuperscript{18} CDOs also would not be subject to the criteria in Commentary .01(b)(4)(a) through (e) but would be subject to a 20% limit of 20%, measured with respect to the total assets of the Fund. The Exchange believes that this alternative limitation is appropriate because the criteria in Commentary .01(b)(4)(a) through (e) do not appear to be designed for structured finance vehicles such as Private ABS/MBS, and the overall weight of Private ABS/MBS held by the Fund will be limited to 20% of the total assets of the Fund’s portfolio, as described above.

As discussed above, the Exchange proposes that CDOs will not be deemed to be included in the definition of ABS for purposes of the limitation in Commentary .01(b)(5) to NYSE Arca Rule 8.600–E and, as a result, will not be subject to the restriction on aggregate holdings of Private ABS/MBS. However, the Fund’s holdings in CDOs will be limited such that they do not account, in the aggregate, for more than 20% of the total assets of the Fund. The Exchange believes that the 20% limit on the Fund’s holdings in CDOs will help to ensure that the Fund maintains a

\textsuperscript{13} See note 13, supra.
diversified portfolio and will mitigate the risk of manipulation. In addition, the Fund’s investment in CDOs will be subject to the Fund’s liquidity procedures as adopted by the Board, and the Adviser does not expect that investments in CDOs of up to 20% of the total assets of the Fund will have any material impact on the liquidity of the Fund’s investments.

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

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 purpose of the Act. The Exchange believes that the proposed rule change will facilitate listing and trading of shares of another actively managed ETF that principally holds fixed income securities, and that will enhance competition among market participants, to the benefit of investors and the marketplace.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate 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 the 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–NYSEArca–2019–14 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–2019–14. 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 reformat 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–NYSEArca–2019–14 and should be submitted on or before April 23, 2019.

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

Eduardo A. Aleman,
Deputy Secretary.

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BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rules 900.3NY, 925.1NY, and 971.1NY

March 27, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”) and Rule 19b–4 thereunder, notice is hereby given that on March 14, 2019, NYSE American LLC (“NYSE American” or the “Exchange”) filed with the Securities and Exchange Commission (the “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 Substance of the Proposed Rule Change

The Exchange proposes to to [sic] amend Rules 900.3NY (Orders Defined) and 925.1NY (Market Maker Quotes) to add a new order type and quotation designation and to make conforming changes to Rule 971.1NY (Single-Leg Electronic Cross Transactions). The proposed rule change is available on the Exchange’s website at www.nysė.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, of the most significant parts of such statements.

See note 15, supra.