was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [10] and Rule 19b–4(f)(6) thereunder.[11]

A proposed rule change filed under Rule 19b–4(f)(6) [12] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[13] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately. The Exchange notes that the proposed rule change is merely relocating certain rules to its shell rulebook—which includes corresponding updates to rule numbers, cross-references, and other references—in order to conform these rules to the shell rulebook upon the technology migration explained above. The Exchange believes that the proposed rule change will make its rules easier to read and understand for all investors. The Exchange also asserts that the relocation of the rules explained above will not impose any significant burden on competition as the substance of the rules remains unchanged. The Commission agrees that allowing this proposed rule change to become operative upon filing in order to facilitate the Exchange's technology migration—without changing the substance of these Exchange Rules—is consistent with the protection of investors and the public interest. For this reason, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.[14]

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 change 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–CBOE–2019–090 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–CBOE–2019–090. 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 offices 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–CBOE–2019–090, and should be submitted on or before November 7, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2019–22590 Filed 10–16–19; 8:45 am]

BILLING CODE 8011–01–P

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's 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 Commission has waived that requirement in this case.

[12] 17 CFR 240.19b–4(f)(6).

[13] 17 CFR 240.19b–4(f)(6)(iii).

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

[15] 17 CFR 200.30–3(a)(12), (59).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87278; File No. SR–NYSEArca–2019–68]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Permit the Listing and Trading of Shares Under NYSE Arca Rule 8.600–E of the Overlay Shares Large Cap Equity ETF, Overlay Shares Small Cap Equity ETF, Overlay Shares Foreign Equity ETF, Overlay Shares Core Bond ETF and Overlay Shares Municipal Bond ETF

October 10, 2019.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the ''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on September 27, 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 and II below, which Items have been prepared by the Exchange. 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 permit the listing and trading of shares under NYSE Arca Rule 8.600–E of the Overlay Shares Large Cap Equity ETF, Overlay Shares Small Cap Equity ETF, Overlay Shares Foreign Equity ETF, Overlay Shares Core Bond ETF and Overlay Shares Municipal Bond ETF, each a series of the Listed Funds Trust, notwithstanding that the Funds' investments do not meet the requirements of Commentary .01(d)(2) to Rule 8.600–E.

The proposed rule change is available on the Exchange's website at

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, 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 to permit the listing and trading under NYSE Arca Rule 8.600–E (''Managed Fund Shares'')[4] of shares (''Shares'') of the Overlay Shares Large Cap Equity ETF, Overlay Shares Small Cap Equity ETF, Overlay Shares Foreign Equity ETF, Overlay Shares Core Bond ETF and Overlay Shares Municipal Bond ETF (each a ''Fund'' and, collectively, the ''Funds''), each a series of the Listed Funds Trust (the ''Trust''), notwithstanding that the Funds' investments do not meet the requirements of Commentary .01(d)(2) to Rule 8.600–E.

The Shares are offered by the Trust, which is registered with the Commission as an open-end management investment company consisting of multiple investment series.[5] Each Fund is a series of the Trust.

Liquid Strategies, LLC (the ''Adviser'') is the investment adviser to the Funds. Commentary .06 to Rule 8.600–E provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect and maintain a ''fire wall'' between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment company portfolio.[6] In addition, Commentary .06 further requires that personnel who make decisions on the investment company's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the applicable investment company portfolio. The Adviser is not a registered broker-dealer, and the Adviser is not affiliated with broker-dealers. In addition, the Adviser's 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 a Fund's portfolio. 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.

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services, will serve as administrator and transfer agent for the Funds. Foreside Fund Services, LLC will serve as the Funds' distributor. U.S. Bank National Association is the custodian of the Trust (the ''Custodian'').

Investment Objective of the Funds

According to the Registration Statement, the investment objective of each Fund is total return. Each Fund is an actively-managed exchange-traded fund (''ETF'') that seeks to achieve its objective principally by (1) investing in one or more other ETFs[7] that seek to obtain exposure to the performance of a specific segment of the equity or fixed income market (*e.g.,* large cap U.S. equities or investment-grade corporate bonds) or directly in the securities held by such ETFs, and (2) selling and purchasing listed put options to generate income to the Fund (together, the ''Overlay Strategy'').

Overlay Shares Large Cap Equity ETF

According to the Registration Statement, under normal market conditions,[8] at least 80% of the Overlay Shares Large Cap Equity ETF's net assets, plus borrowings for investment purposes, will be invested in one or more other ETFs that seek to obtain exposure to equity securities of large-cap companies or directly in the securities held by such ETFs. For purposes of the foregoing, the Overlay Shares Large Cap Equity ETF defines ''large-cap companies'' as those within the range of capitalizations of the S&P 500 Index. The Overlay Shares Large Cap Equity ETF will count investments in ETFs that invest at least 80% of their net assets, plus borrowings for investment purposes, in equity securities of large-cap companies (as defined above) as investments in ETFs

[4] A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a–1) (''1940 Act'') organized as an open-end investment company or similar entity that invests in a portfolio of securities selected by its investment adviser consistent with its investment objectives and policies. In contrast, an open-end investment company that issues Investment Company Units, listed and traded on the Exchange under NYSE Arca Rule 5.2–E(j)(3), seeks to provide investment results that correspond generally to the price and yield performance of a specific foreign or domestic stock index, fixed income securities index or combination thereof.

[5] The Trust is registered under the 1940 Act. On June 26, 2019, the Trust filed with the Securities and Exchange Commission (''SEC'' or Commission'') its registration statement on Form N–1A under the Securities Act of 1933 (15 U.S.C. 77a), and under the 1940 Act relating to the Funds (File Nos. 333–215588 and 811–23226) (''Registration Statement''). The description of the operation of the Trust and of the Funds and Shares herein is based, in part, on the Registration Statement. There are no permissible holdings for the Funds that are not described in this proposal. The Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. *See* Investment Company Act Release No. 33596 (August 20, 2019) (order).

[6] An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the ''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.

[7] For purposes of this filing, the term ''ETFs'' means Investment Company Units (as described in NYSE Arca Rule 5.2–E(j)(3)); Portfolio Depositary Receipts (as described in NYSE Arca Rule 8.100–E); and Managed Fund Shares (as described in NYSE Arca Rule 8.600–E). All ETFs will be listed and traded in the U.S. on a national securities exchange. The Funds will not invest in inverse or leveraged (*e.g.,* 2X, −2X, 3X or −3X) ETFs.

[8] The term ''normal market conditions'' is defined in NYSE Arca Rule 8.600–E(c)(5).

that seek to obtain exposure to equity securities of large-cap companies.

Overlay Shares Small Cap Equity ETF

According to the Registration Statement, under normal market conditions, at least 80% of the Overlay Shares Small Cap Equity ETF's net assets, plus borrowings for investment purposes, will be invested in one or more other ETFs that seek to obtain exposure to equity securities of small-cap companies or directly in the securities held by such ETFs. For purposes of the foregoing, the Overlay Shares Small Cap Equity ETF defines ''small-cap companies'' as those within the range of capitalizations of the Russell 2000 Index. The Overlay Shares Small Cap Equity ETF will count investments in ETFs that invest at least 80% of their net assets, plus borrowings for investment purposes, in equity securities of small-cap companies (as defined above) as investments in equity securities of small-cap companies.

Overlay Shares Foreign Equity ETF

According to the Registration Statement, under normal market conditions, at least 80% of the Overlay Shares Foreign Equity ETF's net assets, plus borrowings for investment purposes, will be invested in one or more other ETFs that seek to obtain exposure to equity securities of non-U.S. companies or directly in the securities held by such ETFs. For purposes of the foregoing, the Overlay Shares Foreign Equity ETF defines ''securities of non-U.S. companies'' as those that are principally traded on a non-U.S. exchange, are issued by companies incorporated in a non-U.S. country, or depositary receipts representing such securities. The Overlay Shares Foreign Equity ETF will count investments in ETFs that invest at least 80% of their net assets, plus borrowings for investment purposes, in securities of non-U.S. companies (as defined above) as investments in securities of non-U.S. companies.

Overlay Shares Core Bond ETF

According to the Registration Statement, under normal market conditions, at least 80% of the Overlay Shares Core Bond ETF's net assets, plus borrowings for investment purposes, will be invested in one or more other ETFs that seek to obtain exposure to bonds or directly in the securities held by such ETFs. The Overlay Shares Core Bond ETF will count investments in ETFs that invest at least 80% of their net assets, plus borrowings for investment purposes, in bonds as investments in bonds.

Overlay Shares Municipal Bond ETF

According to the Registration Statement, under normal market conditions, at least 80% of the Overlay Shares Municipal Bond ETF's net assets, plus borrowings for investment purposes, will be invested in one or more other ETFs that seek to obtain exposure to municipal bonds and will not hold municipal bonds directly. The Overlay Shares Municipal Bond ETF will count investments in ETFs that invest at least 80% of their net assets, plus borrowings for investment purposes, in municipal bonds as investments in municipal bonds.

The Overlay Strategy

According to the Registration Statement, the Overlay Strategy seeks to generate income for a Fund by utilizing a ''put spread'' consisting of the sale of exchange-listed put options (''Short Puts'') on the S&P 500 Index with a notional value up to 100% of a Fund's net assets and the purchase of an identical number of put options (''Long Puts'') on the S&P 500 Index with a lower strike price with a notional value up to 100% of a Fund's net assets. Each Fund will seek to generate income from the sale of put options and purchase of put options with a lower strike price to hedge against a decline in the U.S. equity market.

The options sold and bought by each Fund will typically have an expiration date within one to two weeks of their purchase date, although each Fund may sell and buy options with a longer time-to-expiration. The strike price of the Short Puts will be less than the value of the S&P 500 Index at the time such options are sold, and the strike price of the Long Puts will be less than the strike price of the Short Puts. The difference between such strike prices is based on the Adviser's judgment as to the level of expected volatility in the market prior to the options' expiration. Because the Long Puts will have a lower strike price than the Short Puts, the Long Puts are not expected to completely protect the Fund from a decline in the S&P 500 Index.

Each Fund may also hold cash and cash equivalents.[9]

Application of Generic Listing Requirements

The Exchange submits this proposal in order to list and trade Shares of each Fund and to allow each Fund to hold listed derivatives, in particular put options on the S&P 500 Index, in a manner that does not comply with Commentary .01(d)(2) to Rule 8.600–E.[10] Otherwise, each Fund will comply with all other listing requirements of the Generic Listing Standards [11] for Managed Fund Shares on an initial and continued listing basis.[12]

The market for options contracts on the S&P 500 Index (''S&P 500 Index Options'') is highly liquid.[13] In August 2019, approximately 1.488 million options contracts on the S&P 500 Index were traded per day, which is more than $430 billion in notional volume traded on a daily basis. The Exchange believes that the liquidity in the S&P 500 Index Options markets mitigates the concerns that Commentary .01(d)(2) to Rule 8.600–E is intended to address and that such liquidity would prevent the Shares from being susceptible to manipulation.

In addition, the Exchange believes that sufficient protections are in place to

[9] For purposes of this filing, cash equivalents means the securities included in Commentary .01(c) to NYSE Arca Rule 8.600–E.

[10] Commentary .01(d)(2) to Rule 8.600–E provides that ''the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and 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).'' The Funds do not meet the generic listing standards because they fail to meet the requirement of Commentary .01(d)(2) that prevents the aggregate gross notional value of listed derivatives based on any single underlying reference asset from exceeding 30% of the weight of the portfolio (including gross notional exposures) and the requirement that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures).

[11] For purposes of this proposal, the term ''Generic Listing Standards'' means the generic listing rules for Managed Fund Shares under Commentary .01 to Rule 8.600–E.

[12] The Exchange notes that this proposed rule change is similar to previous rule changes involving Managed Fund Shares with similar exposures to a single underlying reference asset. *See* Securities Exchange Act Release No. 86773 (August 27, 2019), 84 FR 46051 (September 3, 2019) (SR–CboeBZX–2019–077); Securities Exchange Act Release No. 83146 (May 1, 2018), 83 FR 20103 (May 7, 2018) (SR–CboeBZX–2018–029); Securities Exchange Act Release No. 80529 (April 26, 2017), 82 FR 20506 (May 2, 2017) (SR–BatsBZX–2017–14). *See also* Securities Exchange Act Release No. 82906 (March 20, 2018), 83 FR 12992 (March 26, 2018) (SR–CboeBZX–2017–012) (order approving the listing and trading of the LHA Market State Tactical U.S. Equity ETF); Securities Exchange Act Release No. 83679 (July 20, 2018), 83 FR 35505 (July 26, 2018) (SR–BatsBZX–2017–72) (Notice of Filing of Amendment No. 4 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 4 Thereto, to List and Trade Shares of the Innovator S&P 500 Buffer ETF Series, Innovator S&P 500 Power Buffer ETF Series, and Innovator S&P 500 Ultra Buffer ETF Series Under Rule 14.11(i)).

[13] S&P 500 Index [sic] are traded on the Cboe Exchange, Inc. (''Cboe Options''). The Exchange, Cboe Options and all other national securities exchanges are members of the Intermarket Surveillance Group (''ISG'').

protect against market manipulation of the Shares and S&P 500 Index Options for several reasons: (i) The diversity, liquidity, and market cap of the securities underlying the S&P 500 Index; (ii) the significant liquidity in the market for S&P 500 Index Options; and (iii) surveillance by the Exchange, options exchanges [14] and the Financial Industry Regulatory Authority (''FINRA'') designed to detect violations of the federal securities laws and self-regulatory organization (''SRO'') rules. The Exchange has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the Shares less readily susceptible to manipulation. Further, the Exchange believes that because the S&P 500 Index Options in each Fund's portfolio will be acquired in extremely liquid and highly regulated markets,[15] the Shares are less readily susceptible to manipulation.

As noted above, S&P 500 Index Options are among the most liquid options in the world and derive their value from the actively traded S&P 500 Index components. The contracts are cash-settled with no delivery of stocks or ETFs, and trade in competitive auction markets with price and quote transparency. The Exchange believes the highly regulated options markets and the broad base and scope of the S&P 500 Index make securities that derive their value from that index less susceptible to market manipulation in view of market capitalization and liquidity of the S&P 500 Index components, price and quote transparency, and arbitrage opportunities.

The Exchange believes that the liquidity of the markets for securities in the S&P 500 Index and S&P 500 Index Options is sufficiently great to deter fraudulent or manipulative acts associated with the Funds' Shares price. Coupled with the extensive surveillance programs of the Exchange and other SROs described below, the Exchange does not believe that trading in the Shares would present manipulation concerns.

All of the options contracts held by the Funds will trade on Cboe Options, a member of ISG.

Availability of Information

The Funds' website (*www.overlayshares.com*) will include the prospectus for each of the Funds that may be downloaded. The Funds' website will include ticker, CUSIP and exchange information, along with additional quantitative information updated on a daily basis, including, for each Fund: (1) The prior Business Day's net asset value (''NAV'') per share and the market closing price or mid-point of the bid/ask spread at the time of calculation of such NAV per share (the ''Bid/Ask Price''),[16] and a calculation of the premium or discount of the market closing price or Bid/Ask Price against such NAV per share; and (2) a table showing the number of days of such premium or discount for the most recently completed calendar year, and the most recently completed calendar quarters since that year (or the life of Fund, if shorter). On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, each Fund will disclose on its website the Disclosed Portfolio as defined in NYSE Arca Rule 8.600–E(c)(2) that forms the basis for each Fund's calculation of NAV at the end of the business day.

On a daily basis, the Funds will disclose the information required under NYSE Arca Rule 8.600–E(c)(2) to the extent applicable. The website information will be publicly available at no charge.

Investors can also obtain the Trust's Statement of Additional Information (''SAI''), the Funds' Shareholder Reports, and the Funds' Forms N–CSR and Forms N–CEN. The Funds' SAI and Shareholder Reports will be available free upon request from the Trust, and those documents and the Form N–CSR, Form N–PX, Form N–PORT and Form N–CEN may be viewed on-screen or downloaded from the Commission's website at *www.sec.gov.*

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. 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.

Quotation and last sale information for the Shares and ETFs and other exchange traded equities will be available via the Consolidated Tape Association (''CTA'') high-speed line. In addition, the Portfolio Indicative Value (''PIV''), as defined in NYSE Arca Rule 8.600–E(c)(3), will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session.

The intra-day, closing and settlement prices of exchange-traded options will be readily available from the Options Price Reporting Authority (''OPRA''), Cboe Options' website, automated quotation systems, published or other public sources, or online information services such as Bloomberg or Reuters.

Additionally, FINRA's Trade Reporting and Compliance Engine (''TRACE'') will be a source of price information for certain fixed income securities to the extent transactions in such securities are reported to TRACE.

Price information regarding U.S. government securities and other cash equivalents generally may be obtained from brokers and dealers who make markets in such securities or through nationally recognized pricing services through subscription agreements.

Quotation and last sale information for equity securities of non-U.S. companies will be available from the exchanges on which they trade and from major market data vendors, as applicable.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of a Fund.[17] Trading in Shares of each Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12–E have been reached. 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. Trading in the Funds' Shares also will be subject to Rule 8.600–E(d)(2)(D) (''Trading Halts'').

Trading Rules

The Exchange 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. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m., E.T. in accordance with NYSE Arca Rule 7.34–E (Early, Core, and Late

[14] The Exchange and all nine U.S. options exchanges are members of the Option Regulatory Surveillance Authority, which was established in 2006 to provide efficiencies in looking for insider trading and serves as a central organization to facilitate collaboration in insider trading investigations for the U.S. options exchanges.

[15] All exchange-listed securities that the Funds may hold will trade on a market that is a member of the ISG and the Funds will not hold any non-exchange-listed equities or options. For a list of the current members of ISG, *see www.isgportal.org. See also* note 13, *supra.*

[16] The Bid/Ask Price of a 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 NAV. The records relating to Bid/Ask Prices will be retained by a Fund and its service providers.

[17] *See* NYSE Arca Rule 7.12–E.

Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6–E, the minimum price variation (''MPV'') for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is $0.01, with the exception of securities that are priced less than $1.00 for which the MPV for order entry is $0.0001.

With the exception of the requirements of Commentary .01(d)(2) (with respect to listed derivatives) as described above, the Shares of each Fund will conform to the initial and continued listing criteria under NYSE Arca Rule 8.600–E. Consistent with Commentary .06 of NYSE Arca Rule 8.600–E, the Adviser will implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of each Fund's portfolio. The Exchange represents that, for initial and continued listing, the Funds will be in compliance with Rule 10A–3 [18] under the Act, as provided by NYSE Arca Rule 5.3–E. The Exchange will obtain a representation from the issuer of the Shares that the NAV per Share for each Fund will be calculated daily and that the NAV and the Disclosed Portfolio for each Fund will be made available to all market participants at the same time.

Surveillance

The Exchange believes that its surveillance 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. The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by FINRA on behalf of the Exchange or by regulatory staff of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws. The Exchange represents that these 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 federal securities laws applicable to trading on the Exchange.[19]

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, exchange-traded options and equities with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in such securities and financial instruments from such markets and other entities. The Exchange may obtain information regarding trading in such securities and financial instruments from markets and other entities that are members of ISG. In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolio or reference assets, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares of the Funds on the Exchange.

The issuer must notify the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E (m).

Information Bulletin

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 Rule 9.2–E(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 Early and Late Trading Sessions when an updated PIV will not be calculated or publicly disseminated; (4) how information regarding the PIV and the Disclosed Portfolio 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.

In addition, the Bulletin will reference that the Funds are subject to various fees and expenses described in the Registration Statement. The Bulletin will discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. The Bulletin will also disclose that the NAV for the Shares will be calculated after 4:00 p.m., Eastern time each trading day.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) [20] 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.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest in that the Shares will meet each of the initial and continued listing criteria in Commentary .01 to NYSE Arca Rule 8.600–E, with the exception of Commentary .01(d)(2) to NYSE Arca Rule 8.600–E, which requires that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and 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

[18] 17 CFR 240.10A–3.

[19] FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

[20] 15 U.S.C. 78f(b)(5).

exposures).[21] Commentary .01(d)(2) to NYSE Arca Rule 8.600–E is intended to ensure that a fund is not subject to manipulation by virtue of significant exposure to a manipulable underlying reference asset by establishing concentration limits among the underlying reference assets for listed derivatives held by a particular fund. The Exchange notes that this proposed rule change is similar to previous rule changes involving Managed Fund Shares with similar exposures to a single underlying reference asset.[22]

The market for S&P 500 Index Options is highly liquid. In August 2019, approximately 1.488 million options contracts on the S&P 500 Index were traded per day, which is more than $430 billion in notional volume traded on a daily basis. The Exchange believes that the liquidity in the S&P 500 Index Options markets mitigates the concerns that Commentary .01(d)(2) to Rule 8.600–E is intended to address and that such liquidity would prevent the Shares from being susceptible to manipulation.

In addition, the Exchange believes that sufficient protections are in place to protect against market manipulation of the Shares and S&P 500 Index Options for several reasons: (i) The diversity, liquidity, and market cap of the securities underlying the S&P 500 Index; (ii) the significant liquidity in the market for S&P 500 Index Options; and (iii) surveillance by the Exchange, options exchanges and FINRA designed to detect violations of the federal securities laws and SRO rules. The Exchange has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the Shares less readily susceptible to manipulation. Further, the Exchange believes that because the S&P 500 Index Options in each Fund's portfolio will be acquired in extremely liquid and highly regulated markets, the Shares are less readily susceptible to manipulation.

The Exchange believes that its surveillance 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. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, exchange-traded options and equities with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in such securities and financial instruments from such markets and other entities. The Exchange may obtain information regarding trading in such securities and financial instruments from markets and other entities that are members of ISG. In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

As noted above, S&P 500 Index Options are highly liquid and derive their value from the actively traded S&P 500 Index components. The Exchange believes the highly regulated options markets and the broad base and scope of the S&P 500 Index make securities that derive their value from the S&P 500 Index less susceptible to market manipulation in view of market capitalization and liquidity of the components of the S&P 500 Index, price and quote transparency, and arbitrage opportunities.

The Exchange believes that the liquidity of the markets for securities in the S&P 500 Index, S&P 500 Index Options, and other related derivatives is sufficiently great to deter fraudulent or manipulative acts associated with the Funds' Shares price. The Exchange also believes that such liquidity is sufficient to support the creation and redemption mechanism. Coupled with the extensive surveillance programs of the SROs described above, the Exchange does not believe that trading in the Funds' Shares would present manipulation concerns.

All of the options contracts held by the Funds will trade on Cboe Options, a member of ISG.

The Exchange represents that, except as described above, the Funds will meet and be subject to all other requirements of the Generic Listing Standards and other applicable continued listing requirements for Managed Fund Shares under Rule 8.600–E, including those requirements regarding the Disclosed Portfolio, Portfolio Indicative Value, suspension of trading or removal, trading halts, disclosure, and firewalls. The Trust is required to comply with Rule 10A–3 under the Act for the initial and continued listing of the Shares of each Fund.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

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 notes that the proposed rule change will permit the listing and trading of additional types of Managed Fund Shares 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

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) of the Act[23] and Rule 19b–4(f)(6) thereunder.[24]

[21] As noted above, the Exchange is submitting this proposal because the Funds would not meet the requirements of Commentary .01(d)(2) to Rule 8.600–E which prevents the aggregate gross notional value of listed derivatives based on any single underlying reference asset from exceeding 30% of the weight of the portfolio (including gross notional exposures) and the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets from exceeding 65% of the weight of the portfolio (including gross notional exposures).

[22] *See* note 12, *supra.*

[23] 15 U.S.C. 78s(b)(3)(A).

[24] 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.

A proposed rule change filed under Rule 19b–4(f)(6) [25] normally does not become operative for 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[26] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that the Funds currently intend to begin trading under the Generic Listing Standards on or about October 1, 2019, and waiver of the 30-day operative delay would allow the Funds to immediately fully employ the Overlay Strategy. In addition, the Exchange notes that the proposal would allow the Funds to hold listed derivatives based on a single underlying reference asset in a manner that is similar to previous rule changes involving Managed Fund Shares.[27] For these reasons, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change operative upon filing.[28]

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 change 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–NYSEArca–2019–68 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–2019–68. 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–NYSEArca–2019–68 and should be submitted on or before November 7, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[29]

Jill M. Peterson,

Assistant Secretary.

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[25] 17 CFR 240.19b–4(f)(6).

[26] 17 CFR 240.19b–4(f)(6)(iii).

[27] *See supra* note 12.

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

[29] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–87273; File No. SR–CBOE–2019–091]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Name of a Reporting Authority for Certain Indexes on Which the Exchange May List Options

October 10, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on October 3, 2019, Cboe Exchange, Inc. (the ''Exchange'' or ''Cboe Options'') 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 Exchange. The Exchange filed the proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act [3] 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

The Exchange proposes to amend the name of a reporting authority for certain indexes on which the Exchange may list options. The text of the proposed rule change is provided below.

[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).