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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70342; File No. SR-NYSEArca-2013-71)

September 6, 2013

Self-Regulatory Organizations; NYSE Arca, Inc.; Order Granting Approval of Proposed Rule Change to List and Trade Shares of the SPDR SSgA Ultra Short Term Bond ETF; SPDR SSgA Conservative Ultra Short Term Bond ETF; and SPDR SSgA Aggressive Ultra Short Term Bond ETF under NYSE Arca Equities Rule 8.600

I. Introduction

On July 9, 2013, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares (“Shares”) of the SPDR SSgA Ultra Short Term Bond ETF; SPDR SSgA Conservative Ultra Short Term Bond ETF; and SPDR SSgA Aggressive Ultra Short Term Bond ETF (each a “Fund” and collectively, “Funds”) under NYSE Arca Equities Rule 8.600. The proposed rule change was published for comment in the Federal Register on July 24, 2013.³ The Commission received no comments on the proposed rule change. This order grants approval of the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to list and trade Shares of the Funds under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares on the Exchange. The Shares will be offered by SSgA Active ETF Trust (“Trust”), which is organized as a Massachusetts business trust and is registered with the Commission as an open-end management

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 70005 (July 18, 2013), 78 FR 44609 (“Notice”).

investment company.⁴ The investment adviser to the Funds will be SSgA Funds Management, Inc. (“Adviser”). State Street Global Markets, LLC (“Distributor”) will be the principal underwriter and distributor of the Funds’ Shares. State Street Bank and Trust Company (“Administrator,” “Custodian,” or “Transfer Agent”) will serve as administrator, custodian, and transfer agent for the Funds.

The Exchange states that the Adviser is not a broker-dealer but is affiliated with a broker-dealer and has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition of and changes to the Funds’ portfolio.⁵

SPDR SSgA Ultra Short Term Bond ETF

The SPDR SSgA Ultra Short Term Bond ETF will seek to provide current income consistent with preservation of capital and daily liquidity through short duration high quality investments. Under normal circumstances,⁶ the Fund will invest all of its assets in the SSgA

⁴ The Trust is registered under the Investment Company Act of 1940 (“1940 Act”). On August 2, 2012, the Trust filed with the Commission an amendment to its registration statement on Form N-1A under the Securities Act of 1933 (“Securities Act”) and the 1940 Act relating to the Funds (File Nos. 333-173276 and 811-22542) (“Registration Statement”). The Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 29524 (December 13, 2010) (File No. 812-13487) (“Exemptive Order”).

⁵ See NYSE Arca Equities Rule 8.600, Commentary .06. In the event (a) the Adviser or any sub-adviser becomes 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 a fire wall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the composition of and changes to a portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

⁶ The term “under normal circumstances” includes, but is not limited to, the absence of extreme volatility or trading halts in the fixed income markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

Ultra Short Term Bond Portfolio (“Bond Portfolio”), a separate series of the SSgA Master Trust with an identical investment objective as the Fund. As a result, the Fund will invest indirectly through the Bond Portfolio.

The Adviser will invest, under normal circumstances, at least 80% of the Bond Portfolio’s net assets (plus the amount of borrowings for investment purposes) in a diversified portfolio of U.S. dollar-denominated investment grade fixed income securities. The Bond Portfolio primarily will invest in investment grade fixed income securities that are rated a minimum of the lowest A rating by any Nationally Recognized Statistical Ratings Organization (“NRSRO”), or, if unrated, determined by the management team (who are employees of the Adviser) to be of equivalent quality.⁷ The Bond Portfolio will invest in fixed and floating rate securities of varying maturities,⁸ such as corporate obligations (including commercial paper of U.S. and foreign entities, master demand notes (subject to the 15% illiquid securities limit), and medium term notes); government bonds (including U.S. Treasury Bills, notes, and bonds); agency securities, including U.S. government agency securities, and non-U.S. sovereign and supranational debt; privately-issued securities (which, for example, can be Rule 144A securities); asset-backed and mortgage-backed securities; and money market instruments (including U.S. and foreign bank time deposits, certificates of deposit, and banker’s acceptances). Under normal

⁷ According to the Adviser, the Adviser may determine that unrated securities are of “equivalent quality” based on such credit quality factors that it deems appropriate, which may include, among other things, performing an analysis similar, to the extent possible, to that performed by an NRSRO when rating similar securities and issuers. In making such a determination, the Adviser may consider internal analyses and risk ratings, third party research and analysis, and other sources of information, as deemed appropriate by the Adviser.

⁸ A floating rate security provides for the automatic adjustment of its interest rate whenever a specified interest rate changes. Interest rates on these securities are ordinarily tied to, and are a percentage of, a widely recognized interest rate, such as the yield on 90-day U.S. Treasury bills or the prime rate of a specified bank. These rates may change as often as twice daily.

circumstances, the effective duration of the Bond Portfolio is expected to be between three and nine months.⁹ In addition, the Bond Portfolio expects to maintain a weighted average maturity between six and eighteen months.¹⁰ For the purposes of determining the Bond Portfolio's weighted average maturity, a security's final maturity date or, for amortizing securities such as asset-backed and mortgage-backed securities, its weighted average life will be used for calculation purposes.

SPDR SSgA Conservative Ultra Short Term Bond ETF

The SPDR SSgA Conservative Ultra Short Term Bond ETF will seek to provide current income consistent with preservation of capital and daily liquidity through short duration high quality investments with the avoidance of excessive portfolio volatility.

Under normal circumstances, the Fund will invest all of its assets in the SSgA Conservative Ultra Short Term Bond Portfolio ("Conservative Portfolio"), a separate series of the SSgA Master Trust with an identical investment objective as the Fund. As a result, the Fund will invest indirectly through the Conservative Portfolio.

The Adviser will invest, under normal circumstances, at least 80% of the Conservative Portfolio's net assets (plus the amount of borrowings for investment purposes) in a diversified portfolio of U.S. dollar-denominated investment grade fixed income securities. The Conservative Portfolio primarily will invest in investment grade fixed income securities that are rated a minimum of the lowest A rating by any NRSRO, or, if unrated, determined by the portfolio management team (who are employees of the Adviser) to be of equivalent quality,

⁹ Effective duration is a measure of the Bond Portfolio's price sensitivity to changes in yields or interest rates. Duration will be a distinguishing factor among the Funds, and each of the Funds' respective portfolios will have different effective durations, as described below.

¹⁰ Weighted average maturity is a U.S. dollar-weighted average of the remaining term to maturity of the underlying securities in the Bond Portfolio.

determined as described above.¹¹ The Conservative Portfolio will invest in fixed and floating rate securities of varying maturities, such as corporate obligations (including commercial paper of U.S. and foreign entities, master demand notes (subject to the 15% illiquid securities limit), and medium term notes); government bonds (including U.S. Treasury Bills, notes, and bonds); agency securities; privately-issued securities (which, for example, can be Rule 144A securities); asset-backed and mortgage-backed securities; and money market instruments (including U.S. and foreign bank time deposits, certificates of deposit, and banker's acceptances).

Under normal circumstances, the effective duration of the Conservative Portfolio is expected to be four months or less. In addition, the Conservative Portfolio expects to maintain a weighted average maturity between six and eighteen months. For the purposes of determining the Conservative Portfolio's weighted average maturity, a security's final maturity date or, for amortizing securities such as asset-backed and mortgage-backed securities, its weighted average life will be used for calculation purposes.

SPDR SSgA Aggressive Ultra Short Term Bond ETF

The SPDR SSgA Aggressive Ultra Short Term Bond ETF will seek to maximize income consistent with preservation of capital through short duration high quality investments.

Under normal circumstances, the Fund will invest all of its assets in the SSgA Aggressive Ultra Short Term Bond Portfolio ("Aggressive Portfolio" and, together with the Bond Portfolio and the Conservative Portfolio, collectively, "Portfolios"), a separate series of the SSgA Master Trust with an identical investment objective as the Fund. As a result, the Fund will invest indirectly through the Aggressive Portfolio.

¹¹ See note 7, supra.

The Adviser will invest, under normal circumstances, at least 80% of the Aggressive Portfolio's net assets (plus the amount of borrowings for investment purposes) in a diversified portfolio of U.S. dollar-denominated investment grade fixed income securities. The Aggressive Portfolio primarily will invest in investment grade fixed income securities that are rated a minimum of the lowest BBB rating by any NRSRO or, if unrated, determined by the portfolio management team (who are employees of the Adviser) to be of equivalent quality, determined as described above.¹²

The Aggressive Portfolio will invest in fixed and floating rate securities of varying maturities, such as corporate obligations (including commercial paper of U.S. and foreign entities, master demand notes (subject to the 15% illiquid securities limit), and medium term notes); government bonds (including U.S. Treasury Bills, notes, and bonds); agency securities; privately-issued securities (which, for example, can be Rule 144A securities); asset-backed and mortgage-backed securities; and money market instruments (including U.S. and foreign bank time deposits, certificates of deposit, and banker's acceptances).

Under normal circumstances, the effective duration of the Aggressive Portfolio is expected to be between six and twelve months. In addition, the Aggressive Portfolio expects to maintain a weighted average maturity between 1.5 and 2.5 years. For the purposes of determining the Aggressive Portfolio's weighted average maturity, a security's final maturity date or, for amortizing securities such as asset-backed and mortgage-backed securities, its weighted average life will be used for calculation purposes.

¹² See note 7, supra.

Principal Investments

Each Portfolio will invest in bonds, including zero coupon bonds,¹³ fixed rate bonds,¹⁴ and “floating-rate” or “variable-rate” bonds.¹⁵ In addition, each Portfolio may invest in U.S. and non-U.S. corporate bonds, which will be denominated in U.S. dollars.

Each Portfolio may invest in collateralized loan obligations (“CLOs”) to the extent they meet the minimum NRSRO rating requirement described above for each Portfolio. While the assets underlying CLOs are typically “Senior Loans,”¹⁶ the assets may also include (i) unsecured

¹³ A zero coupon bond pays no interest to its holder during its life. The value of a zero coupon bond to a fund consists of the difference between such bond’s face value at the time of maturity and the price for which it was acquired, which may be an amount significantly less than its face value (sometimes referred to as a “deep discount” price).

¹⁴ The value of a fixed rate bond usually rises when market interest rates fall, and falls when market interest rates rise. Accordingly, a fixed rate bond’s yield (income as a percent of the bond’s current value) may differ from its coupon rate as its value rises or falls. Fixed rate bonds generally are also subject to inflation risk, which is the risk that the value of the bond or income from the bond will be worth less in the future as inflation decreases the value of money. This could mean that, as inflation increases, the “real” value of the assets of a fund holding fixed rate bonds can decline, as can the value of the fund’s distributions.

¹⁵ Variable rate securities are instruments issued or guaranteed by entities such as (1) the U.S. Government, or an agency or instrumentality thereof, (2) corporations, (3) financial institutions, (4) insurance companies or (5) trusts that have a rate of interest subject to adjustment at regular intervals but less frequently than annually. A variable rate security provides for the automatic establishment of a new interest rate on set dates. Variable rate obligations whose interest is readjusted no less frequently than annually will be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

¹⁶ A Senior Loan is an advance or commitment of funds made by one or more banks or similar financial institutions, including the Portfolios, to one or more corporations, partnerships or other business entities and typically pays interest at a floating or adjusting rate that is determined periodically at a designated premium above a base lending rate, most commonly the London-Interbank Offered Rate (“LIBOR”). A Senior Loan is considered senior to all other unsecured claims against the borrower, senior to or pari passu with all other secured claims, meaning that in the event of a bankruptcy the Senior Loan, together with other first lien claims, are entitled to be the first to be repaid out of proceeds of the assets securing the loans, before other existing claims or interests receive repayment. However, in bankruptcy proceedings, there may be other claims, such as

loans, (ii) other debt securities that are rated below investment grade, (iii) debt tranches of other CLOs,¹⁷ and (iv) equity securities incidental to investments in Senior Loans.

Each Portfolio may invest in sovereign debt, which will be denominated in U.S. dollars, and in U.S. Government obligations. U.S. Government obligations include securities issued or guaranteed as to principal and interest by the U.S. Government or its agencies or instrumentalities.¹⁸ The Portfolios may invest in asset-backed and commercial mortgaged-

taxes or additional advances, that take precedence. Senior Loans consist generally of obligations of companies and other entities (collectively, “borrowers”) incurred for the purpose of reorganizing the assets and liabilities of a borrower; acquiring another company; taking over control of a company (leveraged buyout); temporary refinancing; or financing internal growth or other general business purposes. Senior Loans are often obligations of borrowers who have incurred a significant percentage of debt compared to equity issued and thus are highly leveraged.

¹⁷ When investing in CLOs, each Portfolio will not invest in equity tranches, which are the lowest tranche. However, each Portfolio may invest in lower debt tranches of CLOs, which typically experience a lower recovery, greater risk of loss or deferral or non-payment of interest than more senior debt tranches of the CLO. In addition, each Portfolio intends to invest in CLOs consisting primarily of individual Senior Loans of borrowers and not repackaged CLO obligations from other high risk pools. The underlying Senior Loans purchased by CLOs are generally performing at the time of purchase but may become non-performing, distressed, or defaulted. CLOs with underlying assets of non-performing, distressed, or defaulted loans are not contemplated to constitute a significant portion of a Portfolio’s investments in CLOs. The key feature of the CLO structure is the prioritization of the cash flows from a pool of debt securities among the several classes of the CLO. The SPV is a company founded solely for the purpose of securitizing payment claims arising out of this diversified asset pool. On this basis, marketable securities are issued by the SPV, which, due to the diversification of the underlying risk, generally represent a lower level of risk than the original assets. The redemption of the securities issued by the SPV typically takes place at maturity out of the cash flow generated by the collected claims.

¹⁸ One type of U.S. Government obligation, U.S. Treasury obligations, are backed by the full faith and credit of the U.S. Treasury and differ only in their interest rates, maturities, and times of issuance. U.S. Treasury bills have initial maturities of one-year or less; U.S. Treasury notes have initial maturities of one to ten years; and U.S. Treasury bonds generally have initial maturities of greater than ten years.

Other U.S. Government obligations are issued or guaranteed by agencies or instrumentalities of the U.S. Government including, but not limited to, Federal National Mortgage Association (“Fannie Mae”), the Government National Mortgage Association

backed securities.¹⁹ The percentage limitation of investments in asset backed and commercial mortgage-backed securities for the Bond Portfolio, the Conservative Portfolio, and the Aggressive Portfolio will be 50%, 35%, and 65%, respectively. The percentage limitation of an investment in each single structured collateral type of asset backed and commercial mortgage-backed securities for the Bond Portfolio, the Conservative Portfolio, and the Aggressive Portfolio will be 15%, 20%, and 25%, respectively. Non-agency residential mortgage-backed and commercial mortgage-backed investments each will be limited to 10% for each of the Portfolios.

Each Portfolio may invest a substantial portion of its assets in U.S. agency mortgage pass-through securities. Each Portfolio may invest in restricted securities.²⁰ Each Portfolio may invest in short-term instruments, including money market instruments, repurchase agreements, cash, and cash equivalents, on an ongoing basis to provide liquidity or for other reasons. Money market instruments are generally short-term investments that may include but are not limited to: (i) shares of money market funds (including those advised by the Adviser); (ii) obligations issued or guaranteed by the U.S. government or its agencies or instrumentalities (including government-

(“Ginnie Mae”), the Small Business Administration, the Federal Farm Credit Administration, the Federal Home Loan Mortgage Corporation (“Freddie Mac”), the Federal Home Loan Banks (“FHLB”), Banks for Cooperatives (including the Central Bank for Cooperatives), the Federal Land Banks, the Federal Intermediate Credit Banks, the Tennessee Valley Authority, the Export-Import Bank of the United States, the Commodity Credit Corporation, the Federal Financing Bank, the Student Loan Marketing Association, the National Credit Union Administration, and the Federal Agricultural Mortgage Corporation (“Farmer Mac”).

¹⁹ Asset-backed securities are securities backed by installment contracts, credit-card receivables, or other assets. Commercial mortgage-backed securities are securities backed by commercial real estate properties. Both asset-backed and commercial mortgage-backed securities represent interests in “pools” of assets in which payments of both interest and principal on the securities are made on a regular basis.

²⁰ Restricted securities are securities that are not registered under the Securities Act, but which can be offered and sold to “qualified institutional buyers” under Rule 144A under the Securities Act.

sponsored enterprises); (iii) negotiable certificates of deposit, banker's acceptances, fixed time deposits and other obligations of U.S. and foreign banks (including foreign branches) and similar institutions; (iv) commercial paper rated at the date of purchase "Prime-1" by Moody's or "A-1" by S&P, or if unrated, of comparable quality as determined by the Adviser;²¹ (v) non-convertible corporate debt securities (e.g., bonds and debentures) that have remaining maturities at the date of purchase of not more than 397 days and that satisfy the rating requirements set forth in Rule 2a-7 under the 1940 Act; and (vi) short-term U.S. dollar-denominated obligations of foreign banks (including U.S. branches) that, in the opinion of the Adviser, are of comparable quality to obligations of U.S. banks that may be purchased by a Portfolio.

The Funds are actively-managed and are not tied to an index. The Exchange notes, however, that each Fund's Portfolio will meet certain criteria for index-based, fixed income exchange-traded funds contained in NYSEArca Equities Rule 5.2(j)(3), Commentary .02.²²

Other Investments

The following are additional possible investments of each Portfolio that are not included under the 80% investment policies described above for each Fund.

²¹ Commercial paper consists of short-term promissory notes issued by banks, corporations, and other entities to finance short-term credit needs. These securities generally are discounted but sometimes may be interest bearing.

²² See NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 governing fixed income based Investment Company Units. Each of the Funds' Portfolios will meet the following requirements of Rule 5.2(j)(3), Commentary .02(a): (i) components that in the aggregate account for at least 75% of the weight of the index or portfolio must each have a minimum original principal amount outstanding of \$100 million or more (Rule 5.2(j)(3), Commentary.02(a)(2)); (ii) no component fixed-income security (excluding Treasury Securities and government-sponsored entity securities) will represent more than 30% of the weight of the index or portfolio, and the five highest weighted component fixed-income securities will not in the aggregate account for more than 65% of the weight of the index or portfolio (Rule 5.2(j)(3), Commentary.02(a)(4)); and (iii) an underlying index or portfolio (excluding exempted securities) must include securities from a minimum of 13 non-affiliated issuers (Rule 5.2(j)(3), Commentary.02(a)(5)).

Each Portfolio may invest in the securities of other investment companies, including money market funds and closed-end funds, exchange traded products (“ETPs”),²³ including exchange-traded funds registered under the 1940 Act that seek to track the performance of a market index (“Underlying ETFs”) and exchange traded notes (“ETNs”).²⁴

Each Portfolio may invest in one or more ETPs that are qualified publicly traded partnerships (“QPTPs”) and whose principal activities are the buying and selling of commodities or options, futures, or forwards with respect to commodities.²⁵ Additionally, each Portfolio may invest in preferred securities, convertible securities, high yield debt securities, and Variable Rate Demand Obligations.

The Portfolios may invest in inflation-protected public obligations, commonly known as “TIPS,” of the U.S. Treasury, as well as TIPS of major governments and emerging market

²³ For each of the Funds, ETPs include Investment Company Units (as described in NYSE Arca Equities Rule 5.2(j)(3)); Index-Linked Securities (as described in NYSE Arca Equities Rule 5.2(j)(6)); Portfolio Depositary Receipts (as described in NYSE Arca Equities Rule 8.100); Trust Issued Receipts (as described in NYSE Arca Equities Rule 8.200); Commodity-Based Trust Shares (as described in NYSE Arca Equities Rule 8.201); Currency Trust Shares (as described in NYSE Arca Equities Rule 8.202); Commodity Index Trust Shares (as described in NYSE Arca Equities Rule 8.203); Trust Units (as described in NYSE Arca Equities Rule 8.500); Managed Fund Shares (as described in NYSE Arca Equities Rule 8.600), and closed-end funds. The ETPs all will be listed and traded in the U.S. on registered exchanges. While a Fund may invest in inverse ETPs, a Fund will not invest in leveraged (e.g., 2X or 3X) or leveraged inverse ETPs.

²⁴ ETNs are debt obligations of investment banks; they are traded on exchanges and their returns are linked to the performance of reference assets, including market indexes. In addition to trading ETNs on exchanges, investors may redeem ETNs directly with the issuer on a weekly basis, typically in a minimum amount of 50,000 units, or hold the ETNs until maturity.

²⁵ Examples of such entities are the PowerShares DB Energy Fund, PowerShares DB Oil Fund, PowerShares DB Precious Metals Fund, PowerShares DB Gold Fund, PowerShares DB Silver Fund, PowerShares DB Base Metals Fund, and PowerShares DB Agriculture Fund, which are listed and traded on the Exchange pursuant to NYSE Arca Equities Rule 8.200.

countries, excluding the United States. Each Portfolio may invest a portion of its assets in Build America Bonds. The Build America Bond program allows state and local governments to issue taxable bonds for capital projects and to receive a direct federal subsidy payment from the Treasury Department for a portion of their borrowing costs.²⁶

Further, the Portfolios may seek to obtain exposure to U.S. agency mortgage pass-through securities through the use of “to-be-announced” or “TBA transactions.” “TBA” refers to a commonly used mechanism for the forward settlement of U.S. agency mortgage pass-through securities, and not to a separate type of mortgage-backed security. Most transactions in mortgage pass-through securities occur through the use of TBA transactions.

Each Portfolio may invest in repurchase agreements with commercial banks, brokers, or dealers to generate income from its excess cash balances. Additionally, each Portfolio may invest in sovereign debt, which may be denominated in local currencies. Each Portfolio may also invest in foreign currency transactions on a spot (cash) basis and currency forwards for hedging or trade settlement purposes.

Each Portfolio may enter into reverse repurchase agreements, which involve the sale of securities with an agreement to repurchase the securities at an agreed-upon price, date, and interest payment and which have the characteristics of borrowing.

Each Portfolio may hold up to an aggregate amount of 15% of its net assets in illiquid securities (calculated at the time of investment), including Rule 144A securities deemed illiquid by the Adviser, master demand notes, privately-issued securities (which, for example, can be Rule 144A securities), loans, and loan participations. Each Portfolio will monitor its portfolio

²⁶ Issuance of Build America Bonds ceased on December 31, 2010. The Build America Bonds outstanding continue to be eligible for the federal interest rate subsidy, which continues for the life of the Build America Bonds; however, no bonds issued following expiration of the Build America Bond program are eligible for the federal tax subsidy.

liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of each Fund's (indirectly through its respective Portfolio) net assets are held in illiquid securities. Illiquid securities include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets as determined in accordance with Commission staff guidance.²⁷

Each Portfolio will be classified as a "non-diversified" investment company under the 1940 Act and will not concentrate its investments in any particular industry or sector. The Portfolios intend to qualify for and to elect treatment as a separate regulated investment company under Subchapter M of the Internal Revenue Code.

In extreme situations or market conditions,²⁸ a Fund may (either directly or through the corresponding Portfolio) temporarily depart from its normal investment policies and strategies provided that the alternative is consistent with the Fund's investment objective and is in the best interest of the Fund. For example, a Portfolio may hold a higher than normal proportion of its assets in cash in times of extreme market stress.

²⁷ The Exchange represents that the Trust's Board of Trustees ("Board") has delegated the responsibility for determining the liquidity of Rule 144A restricted securities that a Portfolio may invest in to the Adviser. In reaching liquidity decisions, the Adviser may consider the following factors: the frequency of trades and quotes for the security; the number of dealers wishing to purchase or sell the security and the number of other potential purchasers; dealer undertakings to make a market in the security; and the nature of the security and the nature of the marketplace in which it trades (e.g., the time needed to dispose of the security, the method of soliciting offers and the mechanics of transfer).

²⁸ Such situations and conditions include, but are not limited to, trading halts in the fixed income markets or disruptions in the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

Except for ETPs that may hold non-U.S. equity issues, the Funds and the Portfolios will not otherwise invest in non-U.S equity issues. Neither the Funds nor the Portfolios will invest in options contracts, futures contracts, or swap agreements.

Master-Feeder Structure of the Funds

The Funds are intended to be managed in a “master-feeder” structure under which each Fund invests substantially all of its assets in a corresponding Portfolio (i.e., “master fund”), which is a separate mutual fund registered under the 1940 Act that has an identical investment objective. As a result, each Fund (i.e., “feeder fund”) has an indirect interest in all of the securities and other assets owned by the corresponding Portfolio. Because of this indirect interest, each Fund’s investment returns should be the same as those of the corresponding Portfolio, adjusted for the expenses of the Fund. In extraordinary instances, each Fund reserves the right to make direct investments in securities.

The Adviser will manage the investments of each Portfolio. Under the master-feeder arrangement, and pursuant to an Investment Advisory Agreement between the Adviser and the Trust, investment advisory fees charged at the Portfolio level are deducted from the advisory fees charged at the Fund level. This arrangement avoids a “layering” of fees, i.e., a Fund’s total annual operating expenses would be no higher as a result of investing in a master-feeder arrangement than they would be if the Fund pursued its investment objectives directly. In addition, each Fund may discontinue investing through the master-feeder arrangement and pursue its investment objectives directly if the Trust’s Board determines that doing so would be in the best interests of shareholders.

III. Discussion and Commission's Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act²⁹ and the rules and regulations thereunder applicable to a national securities exchange.³⁰ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,³¹ 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 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. The Commission notes that the Shares of the Funds must comply with the requirements of NYSE Arca Equities Rule 8.600 to be listed and traded on the Exchange.

The Commission finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act,³² which sets forth Congress's finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for, and transactions in, securities. Quotation and last-sale information for the Shares will be available via the Consolidated Tape Association ("CTA") high-speed line. In addition, an indicative optimized portfolio value, which is the Portfolio Indicative Value as

²⁹ 15 U.S.C. 78f.

³⁰ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³¹ 15 U.S.C. 78f(b)(5).

³² 15 U.S.C. 78k-1(a)(1)(C)(iii).

defined in NYSE Arca Equities Rule 8.600(c)(3), relating to each Fund will be widely disseminated every 15 seconds during the Core Trading Session by one or more major market data vendors.³³ On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the Adviser will disclose on its website the Disclosed Portfolio, as defined in NYSE Arca Equities Rule 8.600(c)(2), that will form the basis for the Funds' calculation of NAV at the end of the business day.³⁴ The NAV of a Fund will be determined once each business day, normally as of the closing of the regular trading session on the New York Stock Exchange (normally 4:00 p.m. Eastern Time). A basket composition file, which will include the security names and share quantities, if applicable, required to be delivered in exchange for a Fund's Shares, together with estimates and actual cash components, will be publicly disseminated daily prior to the opening of the New York Stock Exchange via National Securities Clearing Corporation. 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. The intra-day, closing, and settlement prices of the Portfolio securities and other assets will also be readily available from the national securities exchanges trading those securities, automated quotation systems, published or other public sources, or on-line information services such as Bloomberg or Reuters. The Funds' website will include a form of

³³ According to the Exchange, several major market data vendors widely disseminate or make widely available Portfolio Indicative Values taken from CTA or other data feeds.

³⁴ On a daily basis, the Adviser will disclose for each portfolio security and other financial instrument of the Funds and of the Portfolios the following information on the Funds' website: ticker symbol (if applicable); name of security and financial instrument; number of shares, if applicable, or dollar value of financial instruments and securities held in the portfolio; and percentage weighting of the security and financial instrument in the portfolio. The website information will be publicly available at no charge.

the prospectus for the Funds and additional data relating 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. The Commission notes that the Exchange will obtain a representation from the issuer of the Shares that the NAV for each Fund will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time.³⁵ In addition, trading in Shares of the Funds will be subject to NYSE Arca Equities Rule 8.600(d)(2)(D), which sets forth circumstances under which Shares of the Funds may be halted. The Exchange may halt trading in the Shares if trading is not occurring in the securities or the financial instruments constituting the Disclosed Portfolio of the Funds, or if other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.³⁶ Further, the Commission notes that the Reporting Authority that provides the Disclosed Portfolio must 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 the portfolio.³⁷ The Commission also notes that the Financial Industry

³⁵ See NYSE Arca Equities Rule 8.600(d)(1)(B).

³⁶ See NYSE Arca Equities Rule 8.600(d)(2)(C) (providing additional considerations for the suspension of trading in or removal from listing of Managed Fund Shares on the Exchange). 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 the Fund. Trading in Shares of the Fund will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 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.

³⁷ See NYSE Arca Equities Rule 8.600(d)(2)(B)(ii).

Regulatory Authority (“FINRA”) on behalf of the Exchange,³⁸ will communicate as needed regarding trading in the Shares with other markets that are members of the Intermarket Surveillance Group (“ISG”) or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange states that it has a general policy prohibiting the distribution of material, non-public information by its employees.³⁹ The Exchange also states that the Adviser is affiliated with a broker-dealer, and the Adviser has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition of and changes to the portfolio.⁴⁰

³⁸ The Exchange states that, while FINRA surveils trading on the Exchange pursuant to a regulatory services agreement, the Exchange is responsible for FINRA’s performance under this regulatory services agreement.

³⁹ The SSgA Master Trust’s Pricing and Investment Committee has implemented procedures designed to prevent the use and dissemination of material, non-public information regarding the Portfolios and the Funds.

⁴⁰ See supra note 4. 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.

The Exchange represents that the Shares are deemed 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 representations, including:

- (1) The Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.600.
- (2) The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.
- (3) The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws and 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 applicable federal securities laws.
- (4) Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (a) the procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (b) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its Equity Trading Permit Holders to learn the essential facts relating to every customer prior to trading the Shares; (c) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated Portfolio Indicative Value will not be calculated or publicly disseminated; (d) how

information regarding the Portfolio Indicative Value will be disseminated; (e) 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 (f) trading information.

- (5) For initial and continued listing, the Funds will be in compliance with Rule 10A-3 under the Exchange Act,⁴¹ as provided by NYSE Arca Equities Rule 5.3.
- (6) All equity securities held by the Funds or Portfolios, including shares of ETPs, will trade on U.S. national securities exchanges, all of which are members of ISG.
- (7) For each of the Portfolios, the Adviser will invest, under normal circumstances, at least 80% of each Portfolio's net assets in a diversified portfolio of U.S. dollar-denominated investment grade fixed income securities. The Bond Portfolio and the Conservative Portfolio primarily will invest in investment grade fixed income securities that are rated a minimum of the lowest A rating by any NRSRO (and for the Aggressive Portfolio, a minimum of the lowest BBB rating by any NRSRO), or, if unrated, determined by the Adviser to be of equivalent quality.
- (8) Each Fund's Portfolio will meet certain criteria for index-based fixed income exchange-traded funds contained in NYSEArca Equities Rule 5.2(j)(3), Commentary .02.⁴²
- (9) Except for ETPs that may hold non-U.S. equity issues, the Funds and the Portfolios will not otherwise invest in non-U.S. equity issues. Neither the Funds nor the Portfolios will invest in options contracts, futures contracts, or swap

⁴¹ 17 CFR 240.10A-3.

⁴² See note 22, supra.

agreements. The Funds' investments will be consistent with its respective investment objective and will not be used to enhance leverage.

- (10) Non-agency residential mortgage-backed and commercial mortgage-backed investments each will be limited to 10% for each of the Portfolios.
- (11) The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid securities (calculated at the time of investment), including Rule 144A securities deemed illiquid by the Adviser, master demand notes, other privately issued securities, loans, and loan participations.
- (12) A minimum of 100,000 Shares for each Fund will be outstanding at the commencement of trading on the Exchange.

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

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act⁴³ and the rules and regulations thereunder applicable to a national securities exchange.

⁴³ 15 U.S.C. 78f(b)(5).

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁴⁴ that the proposed rule change (SR-NYSEArca-2013-71) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁵

Kevin M. O'Neill
Deputy Secretary

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⁴⁴ 15 U.S.C. 78s(b)(2).

⁴⁵ 17 CFR 200.30-3(a)(12).