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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-71999; File No. SR-NYSEArca-2014-19]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 2 and 3, to List and Trade Shares of the iShares Core Allocation Conservative ETF, iShares Core Allocation Moderate ETF, iShares Core Allocation Moderate Growth ETF, and iShares Core Allocation Growth ETF under NYSE Arca Equities Rule 8.600
April 23, 2014.

I. Introduction

On February 25, 2014, 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 iShares Core Allocation Conservative ETF, iShares Core Allocation Moderate ETF, iShares Core Allocation Moderate Growth ETF, and iShares Core Allocation Growth ETF (each a “Fund,” and collectively “Funds”) under NYSE Arca Equities Rule 8.600. On March 10, 2014, the Exchange filed Amendment No. 2 to the proposed rule change, which amended and replaced the proposed rule change in its entirety.³ The proposed rule change was published for comment in the Federal Register on March 18, 2014.⁴ On March 19, 2014, the Exchange filed Amendment No. 3 to the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange filed Amendment No. 1 on March 7, 2014 and withdrew it on March 11, 2014.

⁴ See Securities Exchange Act Release No. 71702 (March 12, 2014), 79 FR 15191 (“Notice”).

proposed rule change.⁵ The Commission received no comments on the proposed rule change. The Commission is publishing this notice to solicit comments on Amendment No. 3 from interested persons, and is approving the proposed rule change, as modified by Amendment Nos. 2 and 3, on an accelerated basis.

II. Description of the Proposed Rule Change

The Exchange proposes to list and trade the Shares under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The Shares will be offered by iShares U.S. ETF Trust (“Trust”). The Trust is registered with the Commission as an open-end management investment company.⁶ BlackRock Fund Advisors (“BFA”) will serve as the investment adviser to the Funds (“Adviser”). BlackRock Investments, LLC will be the principal underwriter and distributor of the Funds’ Shares. State Street Bank and Trust Company will serve as administrator, custodian, and transfer agent for the Funds. The Exchange represents that the Adviser is not registered as a broker-dealer but is affiliated with multiple broker-dealers and has implemented a “fire wall” with respect to such broker-dealers regarding access to information concerning the composition and/or changes to a Fund’s portfolio.⁷

⁵ In Amendment No. 3, the Exchange describes more clearly and specifically the “short-term instruments” in which the Funds may invest.

⁶ The Exchange states that the Trust is registered under the Investment Company Act of 1940 (“1940 Act”). According to the Exchange, on September 6, 2013, the Trust filed with the Commission Form N-1A under the Securities Act of 1933 and under the 1940 Act relating to the Funds (File Nos. 333-179904 and 811-22649) (“Registration Statement”). The Exchange states that the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 29571 (File No. 812-13601).

⁷ See NYSE Arca Equities Rule 8.600, Commentary .06. In the event (a) the Adviser or any sub-adviser registers as a broker-dealer or 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 and/or changes to a portfolio, and will be subject to procedures designed to

iShares Core Allocation Conservative ETF

The Exchange states that the iShares Core Allocation Conservative ETF will seek to create a portfolio with a conservative risk profile by allocating its assets among the iShares Core suite of equity and fixed income exchange-traded funds (“ETFs”), as described below.

The Fund will be a fund of funds and will seek to achieve its investment objective by investing, under normal circumstances,⁸ generally at least 80% of its net assets in the securities of “Underlying Funds” that themselves seek investment results corresponding to their own underlying indexes.⁹ The Underlying Funds will invest primarily in distinct asset classes, such as large-capitalization, mid-capitalization, and small-capitalization U.S. equity, international developed market and emerging market equity, short-term U.S. government and corporate debt,

prevent the use and dissemination of material non-public information regarding such portfolio. Notice, supra note 4, 79 FR at 15192.

⁸ The term “under normal circumstances” includes, but is not limited to, the absence of extreme volatility or trading halts in the equity 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.

⁹ According to the Exchange, as of June 30, 2013, the Underlying Funds included the following iShares Core funds: iShares Core Long-Term U.S. Bond ETF, iShares Core MSCI EAFE ETF, iShares Core MSCI Emerging Markets ETF, iShares Core MSCI Total International Stock ETF, iShares Core S&P 500 ETF, iShares Core S&P Mid-Cap ETF, iShares Core S&P Small-Cap ETF, iShares Core S&P Total U.S. Stock Market ETF, iShares Core Short-Term U.S. Bond ETF, and iShares Core Total U.S. Bond Market ETF. BFA may add, eliminate, or replace the Underlying Funds at any time without advance notice to investors. The Underlying Funds held by a Fund may change over time and may not include all of the Underlying Funds listed above. In addition, the relative proportions of the Underlying Funds held by a Fund may change over time. Top sectors of the iShares Core Allocation Conservative ETF primarily include agency securities, financial companies, industrials companies, and treasury securities. The top sectors of the Fund, and the degree to which they represent certain industries, may change over time.

long-term U.S. government and corporate debt, or the U.S. aggregate bond market; each such asset class has its own risk profile.¹⁰

The Fund will be an actively managed ETF that does not seek to replicate the performance of a specified index. BFA will select securities for the Fund using a proprietary, model-based investment process that seeks to maximize returns for the Fund's stated risk/return profile through investments in Underlying Funds.

The Fund intends to hold investments which in the aggregate have a conservative risk/return profile as determined by BFA. A "conservative" risk allocation typically emphasizes significant exposure to fixed income securities, while maintaining smaller exposure to equity securities, in an effort to preserve capital and reduce volatility of returns. As of June 30, 2013, BFA's model recommended an allocation of approximately 20% to Underlying Funds that invest primarily in equity securities and 80% to Underlying Funds that invest primarily in fixed income securities.

The Fund may lend securities representing up to one-third of the value of the Fund's total assets (including the value of the collateral received).

¹⁰ The term "Underlying Fund" includes 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); Commodity Index Trust Shares (as described in NYSE Arca Equities Rule 8.203); Commodity Futures Trust Shares (as described in NYSE Arca Equities Rule 8.204); and Managed Fund Shares (as described in NYSE Arca Equities Rule 8.600). All Underlying Funds will be listed and traded on a U.S. national securities exchange. While the Underlying Funds currently include only Investment Company Units (as described in NYSE Arca Equities Rule 5.2(j)(3)), which are based on indexes, in the future, Underlying Funds may include other types of securities enumerated in this footnote.

iShares Core Allocation Moderate ETF

The Exchange states that the iShares Core Allocation Moderate ETF will seek to create a portfolio with a moderate risk profile by allocating its assets among the iShares Core suite of equity and fixed income ETFs, as described below.

The Fund will be a fund of funds and will seek to achieve its investment objective by investing, under normal circumstances, generally at least 80% of its net assets in the securities of Underlying Funds that themselves seek investment results corresponding to their own underlying indexes.¹¹ The Underlying Funds will invest primarily in distinct asset classes, such as large-capitalization, mid-capitalization, and small-capitalization U.S. equity, international developed market and emerging market equity, short-term U.S. government and corporate debt, long-term U.S. government and corporate debt, or the U.S. aggregate bond market; each such asset class has its own risk profile.

The Fund will be an actively managed ETF that does not seek to replicate the performance of a specified index. BFA will select securities for the Fund using a proprietary, model-based investment process that seeks to maximize returns for the Fund's stated risk/return profile through investments in Underlying Funds.

The Fund intends to hold investments which in the aggregate have a moderate risk/return profile as determined by BFA. A "moderate" risk allocation typically emphasizes exposure to fixed income securities, while maintaining some exposure to equity securities, in an effort to provide an opportunity for some capital preservation and for low to moderate capital appreciation. As of June 30, 2013, BFA's model recommended an allocation of approximately

¹¹ See supra note 10. Top sectors of the iShares Core Allocation Moderate ETF primarily include agency securities, financial companies, and treasury securities. The top sectors of the Fund, and the degree to which they represent certain industries, may change over time.

40% to Underlying Funds that invest primarily in equity securities and 60% to Underlying Funds that invest primarily in fixed income securities.

The Fund may lend securities representing up to one-third of the value of the Fund's total assets (including the value of the collateral received).

iShares Core Allocation Moderate Growth ETF

The Exchange states that the iShares Core Allocation Moderate Growth ETF will seek to create a portfolio with a moderate growth risk profile by allocating its assets among the iShares Core suite of equity and fixed income ETFs, as described below.

The Fund will be a fund of funds and will seek to achieve its investment objective by investing, under normal circumstances, generally at least 80% of its net assets in the securities of Underlying Funds that themselves seek investment results corresponding to their own underlying indexes.¹² The Underlying Funds will invest primarily in distinct asset classes, such as large-capitalization, mid-capitalization, and small-capitalization U.S. equity, international developed market and emerging market equity, short-term U.S. government and corporate debt, long-term U.S. government and corporate debt, or the U.S. aggregate bond market; each such asset class has its own risk profile.

The Fund will be an actively managed ETF that will not seek to replicate the performance of a specified index. BFA will select securities for the Fund using a proprietary, model-based investment process that seeks to maximize returns for the Fund's stated risk/return profile through investments in Underlying Funds.

¹² See supra note 10. Top sectors of the iShares Core Allocation Moderate Growth ETF primarily include consumer discretionary, financial companies, industrials, information technology companies, and treasury securities. The top sectors of the Fund, and the degree to which they represent certain industries, may change over time.

The Fund intends to hold investments which in the aggregate have a moderate growth risk/return profile as determined by BFA. A “moderate growth” risk allocation typically emphasizes exposure to equity securities, while maintaining some exposure to fixed income securities, in an effort to provide an opportunity for moderate capital appreciation and some capital preservation. As of June 30, 2013, BFA’s model recommended an allocation of approximately 60% to Underlying Funds that invest primarily in equity securities and 40% to Underlying Funds that invest primarily in fixed income securities.

The Fund may lend securities representing up to one-third of the value of the Fund’s total assets (including the value of the collateral received).

iShares Core Allocation Growth ETF

The Exchange states that the iShares Core Allocation Growth ETF seeks to create a portfolio with a growth risk profile by allocating its assets among the iShares Core suite of equity and fixed income ETFs, as described below.

The Fund will be a fund of funds and will seek to achieve its investment objective by investing under normal circumstances generally at least 80% of its net assets in the securities of Underlying Funds that themselves seek investment results corresponding to their own underlying indexes.¹³ The Underlying Funds will invest primarily in distinct asset classes, such as large-capitalization, mid-capitalization, and small-capitalization U.S. equity, international developed market and emerging market equity, short-term U.S. government and corporate debt, long-term U.S. government and corporate debt, or the U.S. aggregate bond market; each such asset class has its own risk profile.

¹³ See supra note 10. Top sectors of the iShares Core Allocation Growth ETF primarily include consumer discretionary, financial companies, industrials, and information technology companies. The top sectors of the Fund, and the degree to which they represent certain industries, may change over time.

The Fund will be an actively managed ETF that will not seek to replicate the performance of a specified index. BFA will select securities for the Fund using a proprietary, model-based investment process that seeks to maximize returns for the Fund's stated risk/return profile through investments in Underlying Funds.

The Fund intends to hold investments which in the aggregate have a growth risk/return profile as determined by BFA. A "growth" risk allocation typically emphasizes significant exposure to equity securities, while also allocating a smaller portion of exposure to fixed income securities, in an effort to provide an opportunity for long-term capital appreciation. As of June 30, 2013, BFA's model recommended an allocation of approximately 85% to Underlying Funds that invest primarily in equity securities and 15% to Underlying Funds that invest primarily in fixed income securities.

The Fund may lend securities representing up to one-third of the value of the Fund's total assets (including the value of the collateral received).

Other Investments

According to the Exchange, while each Fund, under normal circumstances, generally will invest at least 80% of its assets in Underlying Funds, as described above, each Fund may invest in other securities and financial instruments, as described below.

Each Fund may invest in other exchange-traded products ("ETPs") in addition to the Underlying Funds described above.¹⁴

¹⁴ The term "ETP" includes 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); Commodity Index Trust Shares (as described in NYSE Arca Equities Rule 8.203); Commodity Futures Trust Shares (as described in NYSE Arca Equities Rule 8.204); and

Each Fund may invest in short-term instruments on an ongoing basis to provide liquidity or for other reasons. Short-term instruments are: (i) Shares of money market funds (including those advised by BFA or otherwise affiliated with BFA); (ii) obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities (including government-sponsored enterprises); (iii) negotiable certificates of deposit, bankers' acceptances, fixed-time deposits, and other obligations of U.S. and non-U.S. banks (including non-U.S. branches) and similar institutions; (iv) commercial paper rated, at the date of purchase, "Prime-1" by Moody's Investors Service, Inc., "F-1" by Fitch Inc., or "A-1" by Standard & Poor's Financial Services LLC, or if unrated, of comparable quality as determined by BFA; (v) non-convertible corporate debt securities (e.g., bonds and debentures) with 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; (vi) repurchase agreements; (vii) short-term U.S. dollar-denominated obligations of non-U.S. banks (including U.S. branches) that, in the opinion of BFA, are of comparable quality to obligations of U.S. banks which may be purchased by a Fund; and (viii) other similar short-term instruments.¹⁵

Other Restrictions

Each Fund will be classified as "non-diversified." □ A non-diversified fund is a fund that is not limited by the 1940 Act with regard to the percentage of its assets that may be invested in the securities of a single issuer.¹⁶

Managed Fund Shares (as described in NYSE Arca Equities Rule 8.600). All ETPs will be listed and traded on a U.S. national securities exchange.

¹⁵ See Amendment No. 3.

¹⁶ The diversification standard is set forth in Section 5(b)(1) of the 1940 Act.

Each Fund intends to maintain the required level of diversification and otherwise conduct its operations so as to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code.¹⁷

A Fund may hold up to an aggregate amount of 15% of its net assets (calculated at the time of investment) in assets deemed illiquid by the Adviser,¹⁸ consistent with Commission guidance. Each Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of a Fund's net assets are held in illiquid assets. Illiquid assets 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.

Additional information regarding the Trust, the Funds, and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions, and taxes, among other things, is included in the Notice and Registration Statement, as applicable.¹⁹

¹⁷ 26 U.S.C. 851 et seq.

¹⁸ 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).

¹⁹ See Notice and Registration Statement, supra notes 4 and 6, respectively.

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 Act²⁰ and the rules and regulations thereunder applicable to a national securities exchange.²¹ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,²² which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission notes that the Funds and the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 for the Shares 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,²³ 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. According to the Exchange, quotation and last-sale information for the Shares of each Fund, shares of the Underlying Funds, and shares of other ETPs will be available via the Consolidated Tape Association ("CTA") high-speed line. In addition, the Indicative Optimized Portfolio Value ("IPOV"), which is the

²⁰ 15 U.S.C. 78f.

²¹ 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).

²² 15 U.S.C. 78f(b)(5).

²³ 15 U.S.C. 78k-1(a)(1)(C)(iii).

Portfolio Indicative Value as defined in NYSE Arca Equities Rule 8.600(c)(3), will be widely disseminated at least every 15 seconds during the Core Trading Session by one or more major market data vendors.²⁴ 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 Equities Rule 8.600(c)(2), that will form the basis for such Fund's calculation of net asset value ("NAV") at the end of the business day.²⁵ The NAV of each Fund normally will be determined once daily Monday through Friday, generally as of the regularly scheduled close of business of the New York Stock Exchange (normally 4:00 p.m. Eastern Time) on each day the New York Stock Exchange is open for trading. A basket composition file, which will include the security names and share quantities required to be delivered in exchange for each 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 the 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 website for the Funds will include a form of the prospectus for the Funds and additional data relating to NAV and other applicable quantitative information.

²⁴ According to the Exchange, several major market data vendors display and/or make widely available IOPVs taken from the CTA or other data feeds.

²⁵ On a daily basis, each Fund will disclose for each portfolio security or other financial instrument of each Fund the following information on the Funds' website: ticker symbol (if applicable); name of security and financial instrument; number of shares and dollar value of securities and financial instruments 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 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 per Share of 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.²⁶ In addition, trading in the Shares will be subject to NYSE Arca Equities Rule 8.600(d)(2)(D), which sets forth circumstances under which Shares of a Fund may be halted. The Exchange may halt trading in the Shares if trading is not occurring in the securities and/or the financial instruments constituting the Disclosed Portfolio of a Fund, or if other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.²⁷ Further, the Commission notes that the Reporting Authority that provides the Disclosed Portfolio of each Fund 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.²⁸ The Commission notes that the Financial Industry Regulatory Authority (“FINRA”),

²⁶ See NYSE Arca Equities Rule 8.600(d)(1)(B).

²⁷ 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 each Fund. Trading in Shares of a 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.

²⁸ See NYSE Arca Equities Rule 8.600(d)(2)(B)(ii).

on behalf of the Exchange,²⁹ will communicate as needed regarding trading in the Shares of each Fund, shares of the Underlying Funds, and shares of other ETPs with other markets and other entities that are members of the Intermarket Surveillance Group (“ISG”), and FINRA, on behalf of the Exchange, may obtain trading information from these markets and other entities regarding trading in the Shares of each Fund, shares of the Underlying Funds, and shares of other ETPs. In addition, the Exchange may obtain information regarding trading in the Shares of the Funds, shares of the Underlying Funds, and shares of other ETPs from markets and other entities that are members of 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. The Exchange also states that the Adviser is not registered as a broker-dealer but is affiliated with multiple broker-dealers and has implemented a “fire wall” with respect to such broker-dealers regarding access to information concerning the composition and/or changes to a Fund’s portfolio.³⁰

²⁹ 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.

³⁰ See supra note 7. 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

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 of each Fund 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) Trading in the Shares will be subject to the existing surveillance procedures administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws and 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.
- (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

supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

Shares during the Opening and Late Trading Sessions when an updated IOPV will not be calculated or publicly disseminated; (d) how information regarding the IOPV is 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/or continued listing, the Funds will be in compliance with Rule 10A-3 under the Exchange Act,³¹ as provided by NYSE Arca Equities Rule 5.3.
- (6) A Fund may hold up to an aggregate amount of 15% of its net assets (calculated at the time of investment) in assets deemed illiquid by the Adviser, consistent with Commission guidance.
- (7) A minimum of 100,000 Shares of each Fund will be outstanding at the commencement of trading on the Exchange.
- (8) All Underlying Funds and ETPs will be listed and traded on a U.S. national securities exchange. With the exception of short-term instruments, all components of the Disclosed Portfolio for a Fund will trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

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, as modified by Amendment Nos. 2 and 3, is consistent with Section 6(b)(5) of the Act³² and the rules and regulations thereunder applicable to a national securities exchange.

³¹ 17 CFR 240.10A-3.

IV. Solicitation of Comments on Amendment No. 3

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether Amendment No. 3 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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEArca-2014-19 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-NYSEArca-2014-19. This file number should be included on the subject line if e-mail 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

³² 15 U.S.C. 78f(b)(5).

principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEArca-2014-19 and should be submitted on or before [INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

V. Accelerated Approval of Proposed Rule Change as Modified by Amendment Nos. 2 and 3

The Commission finds good cause to approve the proposed rule change, as modified by Amendment Nos. 2 and 3, prior to the thirtieth day after the date of publication of notice in the Federal Register. Amendment No. 3 supplements the proposed rule change by describing more clearly and specifically the “short-term instruments” in which the Funds may invest. The Commission believes that this additional information provides clarity on the Funds’ ability to invest in short-term instruments. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,³³ to approve the proposed rule change, as modified by Amendment Nos. 2 and 3, on an accelerated basis.

VI. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,³⁴ that the proposed rule change (SR-NYSEArca-2014-19), as modified by Amendment Nos. 2 and 3, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁵

³³ 15 U.S.C. 78s(b)(2).

³⁴ 15 U.S.C. 78s(b)(2).

³⁵ 17 CFR 200.30-3(a)(12).

Kevin M. O'Neill,
Deputy Secretary.

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