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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-75349; File No. SR-NASDAQ-2015-049)

July 1, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of Proposed Rule Change, as Modified by Amendment Nos. 1 and 2 Thereto, Relating to the Listing and Trading of the Shares of the PowerShares DB Optimum Yield Diversified Commodity Strategy Portfolio, PowerShares Agriculture Commodity Strategy Portfolio, PowerShares Precious Metals Commodity Strategy Portfolio, PowerShares Energy Commodity Strategy Portfolio, PowerShares Base Metals Commodity Strategy Portfolio and PowerShares Bloomberg Commodity Strategy Portfolio, Each a Series of PowerShares Actively Managed Exchange-Traded Commodity Fund Trust

I. Introduction

On April 30, 2015, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change relating to the listing and trading of shares (“Shares”) of the PowerShares DB Optimum Yield Diversified Commodity Strategy Portfolio, PowerShares Agriculture Commodity Strategy Portfolio, PowerShares Precious Metals Commodity Strategy Portfolio, PowerShares Energy Commodity Strategy Portfolio, PowerShares Base Metals Commodity Strategy Portfolio and PowerShares Bloomberg Commodity Strategy Portfolio (individually, “Fund,” and collectively, “Funds”), each a series of the PowerShares Actively Managed Exchange-Traded Commodity Fund Trust (“Trust”)³ under Nasdaq Rule 5735. The proposed rule change was published for

¹ 15 U.S.C.78s(b)(1).

² 17 CFR 240.19b-4.

³ According to the Exchange, the Trust is registered with the Commission as an investment company and has filed a registration statement on Form N-1A with the Commission. A description of each Fund’s investment strategy is set forth in the Trust’s registration

comment in the Federal Register on May 21, 2015.⁴ On June 30, 2015, the Exchange filed Amendment No. 1 to the proposed rule change, and on July 1, 2015, the Exchange filed Amendment No. 2 to the proposed rule change.⁵ The Commission received no comments on the proposal. This order grants approval of the proposed rule change, as modified by Amendment Nos. 1 and 2 thereto.

statement (“Registration Statement”). See Pre-effective Amendment No. 1 to the Registration Statement for the Trust, dated May 20, 2014 (File Nos. 333-193135 and 811-22927).

⁴ See Securities Exchange Act Release No. 74979 (May 15, 2015), 80 FR 29359 (“Notice”).

⁵ In Amendment No. 1 to the proposed rule change, the Exchange: (a) made a technical typographical correction to the citation in its filing referencing an exemptive order issued under the Investment Company Act of 1940 (“1940 Act”); and (b) clarified that only the Subsidiary (as defined herein) will hold Commodity-Linked Instruments (as defined herein) by removing the following statement in the filing: “in addition, each Fund may hold instruments that its respective Subsidiary is entitled to hold, and vice versa, to the extent consistent with federal tax requirements.”. In Amendment No. 2 to the proposed rule change, the Exchange further clarified that (a) each Fund, through its respective Subsidiary (but not directly), will only invest in those commodity-linked notes, OTC Swaps, Forwards, or other over-the-counter instruments that are based on the price of relevant Commodities Futures, as applicable, and tend to exhibit trading prices or returns that correlate with any Commodities Futures and that will further the investment objective of such Fund (each “OTC Swaps,” “Forwards,” and “Commodities Futures,” as defined herein); and (b) each Subsidiary (not each Fund) will enter into swap agreements and other over-the-counter transactions only with large, established, and well capitalized financial institutions that meet certain credit quality standards and monitoring policies, and each Subsidiary (not each Fund) will use various techniques to minimize credit risk, including early termination, or reset and payment of such investments, the use of different counterparties, or limiting the net amount due from any individual counterparty. Because Amendment Nos. 1 and 2 to the proposed rule change seek to make certain clarifications and technical corrections, and do not materially affect the substance of the proposed rule change or raise unique or novel regulatory issues, Amendment Nos. 1 and 2 to the proposed rule change do not require notice and comment. The text of Amendment Nos. 1 and 2 is available at: <http://www.sec.gov/rules/sro/nasdaq.shtml>.

II. Description of the Proposed Rule Change

The Commission previously approved the listing and trading of the Shares on the Exchange under Nasdaq Rule 5735, which governs the listing and trading of Managed Fund Shares.⁶ According to the Exchange, the Shares of the PowerShares DB Optimum Yield Diversified Commodity Strategy Portfolio have commenced trading on the Exchange; the Shares of the other Funds have not. The Exchange proposes to permit the listing or continued listing, as the case may be, of the Shares based on certain proposed revisions to their investment strategies, as described in more detail below.⁷

A. Principal Investments

As stated in the Prior Release, each Fund's investment objective is to seek long-term capital appreciation. The Prior Release states that each Fund seeks to achieve its investment objective by investing, under normal circumstances,⁸ in a combination of: (i) a wholly-owned subsidiary organized under the laws of the Cayman Islands (individually, "Subsidiary," and collectively, "Subsidiaries"); (ii) exchange-traded products or exchange-traded commodity

⁶ See Securities Exchange Act Release Nos. 73078 (Sept. 11, 2014), 79 FR 55851 (Sept. 17, 2014) (SR-NASDAQ-2014-80) ("Prior Notice"); and 73471 (Oct. 30, 2014), 79 FR 65751 (Nov. 5, 2014) (SR-NASDAQ-2014-080) ("Prior Order," and, together with the Prior Notice, collectively, "Prior Release").

⁷ The Exchange states that the changes described herein will be effective contingent upon effectiveness of a post-effective amendment to the Registration Statement of the Trust, on behalf of each Fund.

⁸ The term "under normal circumstances" includes, but is not limited to, the absence of extreme volatility or trading halts in the equity, commodities and futures 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 manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

pools;⁹ and (iii) U.S. Treasury Securities, money market mutual funds, high quality commercial paper, and similar instruments (“Collateral Instruments”).¹⁰

The Prior Release also states that each Subsidiary will invest in exchange-traded futures contracts linked to commodities (“Commodities Futures”) to provide its parent Fund with additional indirect exposure to the commodities markets. Each Fund’s investment in its Subsidiary is designed to help the Fund obtain exposure to Commodities Futures returns in a manner consistent with the federal tax requirements applicable to regulated investment companies, such as the Funds, which limit the ability of investment companies to invest directly in derivative instruments such as Commodities Futures.

In this proposed rule change, the Exchange seeks to make certain revisions to the investment strategy described in the Prior Release. Specifically, the proposal seeks to allow the Funds and the Subsidiaries, as applicable, to also invest in a variety of other securities and instruments beyond those set forth in the Prior Release, as follows:

- each Fund, which already may invest in ETFs, ETNs, and Commodity Pools, seeks to also invest in: (i) other investment companies,¹¹ to the extent permitted

⁹ Specifically, the Prior Release noted that the Funds will invest in: (1) exchange-traded funds (“ETFs”) that provide exposure to commodities, as would be listed under Nasdaq Rules 5705 and 5735; (2) exchange-traded notes (“ETNs”) that provide exposure to commodities, as would be listed under Nasdaq Rule 5710; or (3) exchange-traded pooled investment vehicles that invest primarily in commodities and commodity-linked instruments, as would be listed under Nasdaq Rules 5711(b), (d), (f), (g), (h), (i), and (j) (“Commodity Pool” or “Commodity Pools”).

¹⁰ The Exchange represents that, for a Fund’s purposes, money market instruments will include: short-term, high quality securities issued or guaranteed by non-U.S. governments, agencies, and instrumentalities; non-convertible corporate debt securities with remaining maturities of not more than 397 days that satisfy ratings requirements under Rule 2a-7 of the 1940 Act; money market mutual funds; and deposits and other obligations of U.S. and non-U.S. banks and financial institutions.

¹¹ In addition to ETFs, the other investment companies will consist of non-exchange traded

under the 1940 Act;¹² and (ii) exchange-traded commodity-linked equity securities¹³ (“Equity Securities”) (collectively, “Commodity-Related Assets”).

- each Subsidiary, which already may invest in Commodities Futures, now also seeks to invest in: (i) exchange-traded futures contracts on commodity indices; (ii) commodity-linked notes;¹⁴ (iii) ETNs; (iv) exchange-traded options on Commodities Futures (“Options”);¹⁵ (v) centrally-cleared or over the counter

U.S. registered open-end investment companies (mutual funds), closed-end investment companies traded on U.S. exchanges, or exchange-traded non-U.S. investment companies traded on foreign exchanges.

¹² According to the Exchange, each Fund’s investment in securities of other investment companies may exceed the limits permitted under the 1940 Act, in accordance with certain terms and conditions set forth in a Commission exemptive order issued to an affiliate of the Trust (which applies equally to the Trust) pursuant to Section 12(d)(1)(J) of the 1940 Act. See Investment Company Act Release No. 30238 (Oct. 23, 2012) (File No. 812-13820) or, in the case of non-U.S. investment companies, pursuant to Commission No-Action relief. See Red Rocks Capital, LLC (pub. avail. June 3, 2011).

¹³ Equity Securities will be comprised of exchange-traded common stocks of companies that operate in commodities, natural resources, and energy businesses, and in associated businesses, as well as companies that provide services or have exposure to such businesses.

¹⁴ According to the Exchange, such commodity-linked notes generally will not be exchange-traded; however it is possible that in the future some of those instruments could be listed for trading on an exchange.

¹⁵ The Prior Release noted that with respect to Commodities Futures held indirectly through a Subsidiary, not more than 10% of the weight of such Commodities Futures in the aggregate shall consist of instruments whose principal trading market is not a member of the Intermarket Surveillance Group (“ISG”) or a market with which the Exchange does not have a comprehensive surveillance sharing agreement. The Exchange now clarifies that Options and commodity index futures will be subject to the same restrictions as Commodities Futures, and that Options and commodity index futures will be considered in the aggregate with Commodities Futures. Therefore, with respect to Commodities Futures, commodity index futures, and Options, not more than 10% of the weight of such Commodities Futures, commodity index futures, and Options, in the aggregate, shall consist of instruments whose principal trading market is not a member of the ISG or a market with which the Exchange does not have a comprehensive surveillance sharing agreement. The Exchange states that this 10% limitation applicable to Commodities Futures, commodity index futures, and Options, in the aggregate, is separate from the

(“OTC”) swaps on commodities (“Swaps”); and (vi) commodity-related forward contracts (“Forwards”) (collectively, “Commodity-Linked Instruments”), which provide exposure to the investment returns of the commodities markets, without investing directly in physical commodities.

The Prior Release notes that all of the exchange-traded securities held by a Fund will be traded in a principal trading market that is a member of ISG or a market with which the Exchange has a comprehensive surveillance sharing agreement. The Funds propose to invest in Equity Securities, closed-end funds, ETFs, ETNs, Commodity Pools, and non-U.S. investment companies that are not traded in a principal trading market that is a member of ISG or a market with which the Exchange has a comprehensive surveillance sharing agreement; however, not more than 10% of each Fund’s investments in these investments (in the aggregate) will be invested in instruments that trade in markets that are not members of the ISG or that are not parties to a comprehensive surveillance sharing agreement with the Exchange.

According to the Exchange, these additional instruments are intended to support each Fund’s principal investment strategy by providing each Fund with the flexibility to obtain additional exposure to the investment returns of the commodities markets within the limits of applicable federal tax requirements and without investing directly in physical commodities. Each Fund, through its respective Subsidiary, will only invest in those commodity-linked notes, OTC Swaps, Forwards, or other over-the-counter instruments that are based on the price of relevant Commodities Futures, as applicable, and tend to exhibit trading prices or returns that correlate with any Commodities Futures and that will further the investment objective of such

10% limitation applicable to exchange traded equity securities described herein, and is determined separately from this other limitation.

Fund.¹⁶ The Funds represent that the descriptions of the original asset types included in the Prior Release remain otherwise unchanged and that the Funds and their Subsidiaries will adhere to all investment restrictions set forth in the Prior Release as they apply to the original asset types. The Funds also represent that the investments in these additional asset types will be consistent with each Fund's investment objective.

The Exchange represents that, except for these changes described herein, all other facts presented and representations made in the Prior Release remain unchanged and in full effect. Additional information regarding the Trust, Fund, and Shares, including investment strategies and restrictions, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions and taxes, calculation of net asset value ("NAV"), availability of information, trading rules and halts, and surveillance procedures, among other things, can be found in the Registration Statement, Notice, and Prior Release, as applicable.¹⁷

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment Nos. 1 and 2 thereto, is consistent with the requirements of Section 6 of the Act¹⁸

¹⁶ Each Subsidiary will enter into swap agreements and other over-the-counter transactions only with large, established, and well capitalized financial institutions that meet certain credit quality standards and monitoring policies. Each Subsidiary will use various techniques to minimize credit risk, including early termination, or reset and payment of such investments, the use of different counterparties, or limiting the net amount due from any individual counterparty.

¹⁷ See Registration Statement, Notice, and Prior Release, supra notes 3, 4, and 6, respectively, and accompanying text.

¹⁸ 15 U.S.C. 78(f).

and the rules and regulations thereunder applicable to a national securities exchange.¹⁹ In particular, the Commission finds that the proposed rule change, as modified by Amendment Nos. 1 and 2 thereto, is consistent with the requirements of Section 6(b)(5) of the Act,²⁰ 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 also finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act,²¹ which sets forth the finding of Congress 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.

The Exchange represents that not more than 10% of each Fund's investments in Equity Securities, closed-end funds, ETFs, ETNs, Commodity Pools, and non-U.S. investment companies, in the aggregate, will be invested in instruments that trade in markets that are not members of the ISG or that are not parties to a comprehensive surveillance sharing agreement with the Exchange. In addition, the Exchange represents that, with respect to Commodities Futures, commodity index futures, and Options, not more than 10% of the weight of such

¹⁹ 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).

²⁰ 15 U.S.C. 78f(b)(5).

²¹ 15 U.S.C. 78k-1(a)(1)(C)(iii).

Commodities Futures, commodity index futures, and Options, in the aggregate, will consist of instruments whose principal trading market is not a member of the ISG or a market with which the Exchange does not have a comprehensive surveillance sharing agreement. The Commission further notes that: (1) Commodity-Linked Instruments will only be held at the Fund's Subsidiary level;²² and (2) according to the Prior Release, each Fund's investment in a Subsidiary may not exceed 25% of the Fund's total assets.²³

With respect to the calculation of NAV, in addition to the information set forth in the Prior Release, the Exchange represents that: (i) Equity Securities, ETNs, and futures on commodity indices will be valued at the last sales price or the official closing price on the exchange where such securities principally trade; (ii) investment companies will be valued using such company's end of the day NAV per share, unless the shares are exchange-traded, in which case they will be valued at the last sales price or official closing price on the exchanges on which they primarily trade; (iii) Options generally will be valued at the closing price (and, if no closing price is available, at the mean of the last bid/ask quotations) generally from the exchange where such instruments principally trade; and (iv) Swaps, commodity-linked notes and Forwards generally will be valued based on quotations from a pricing vendor (such quotations being derived from available market- and company-specific data), all in accordance with valuation

²² See Amendment No. 1, supra note 5.

²³ See Prior Release, supra note 6. The Commission further notes that, according to the Prior Release, because each Fund will wholly own and control its respective Subsidiary, and the Fund and the Subsidiary will be managed by Invesco PowerShares Capital Management LLC ("Adviser"), the Subsidiary will not take action contrary to the interests of the Fund or the Fund's shareholders. The Board of Trustees of the Trust has oversight responsibility for the investment activities of each Fund, including its expected investments in its Subsidiary, and that Fund's role as the sole shareholder of such Subsidiary. In managing a Subsidiary's portfolio, the Adviser will be subject to the same investment restrictions and operational guidelines that apply to the management of a Fund. See Prior Release, supra note 6, 79 FR at 55853.

procedures adopted by the Board of Trustees of the Trust. All other valuation procedures pertaining to the Funds, and as set forth in the Prior Release, are unchanged.

On each business day, before commencement of trading in Shares in the Regular Market Session on the Exchange, each Fund will disclose on its website the identities and quantities of its portfolio of securities and other assets (“Disclosed Portfolio,” as defined in Nasdaq Rule 5735(c)(2)) held by such Fund and its Subsidiary, which will form the basis for each Fund’s calculation of NAV at the end of the business day. In addition to the information set forth in the Prior Release, the Funds will disclose on a daily basis on the Funds’ website the following information regarding each portfolio holding, as applicable to the type of holding: ticker symbol, CUSIP number or other identifier, if any; a description of the holding (including the type of holding), the identity of the security or other asset or instrument underlying the holding, if any; for options, the option strike price; for Swaps, a description of the type of Swap; quantity held (as measured by, for example, par value, notional value or number of shares, contracts or units); maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and percentage weighting of the holding in the Fund’s portfolio. The website information will be publicly available at no charge. Intra-day price information on the exchange-traded assets held by the Fund and the Subsidiary, including the Equity Securities, ETNs, Options, exchange-traded investment companies (including closed-end funds), and exchange-traded futures contracts on commodity indices will be available via the quote and trade service of the respective exchanges on which they principally trade. Additionally, price information on Swaps, commodity-linked notes, Forwards, and non-exchange traded investment companies will be available from major broker-dealer firms or through subscription services, such as Bloomberg, Markit, and Thomson

Reuters, which can be accessed by entities that have entered into an authorized participant agreement with the Trust and other investors.

In addition to the information set forth in the Prior Release, the Exchange represents that:

- (i) FINRA, on behalf of the Exchange, will communicate as needed regarding trading information it can obtain relating to exchange-traded or centrally-cleared equity securities and assets held by a Fund or its Subsidiary, as applicable, which include exchange-traded Commodity-Related Assets and exchange-traded or centrally-cleared Commodity-Linked Instruments, with other markets and other entities that are members of the ISG;
- (ii) FINRA may obtain trading information regarding trading in exchange-traded equity securities and other assets held by each Fund and each Subsidiary, as applicable, from such markets and other entities; and
- (iii) the Exchange may obtain information regarding trading in exchange-traded equity securities and other assets held by each Fund and each Subsidiary from such markets and other entities (as long as such markets and other entities are members of ISG or have in place a comprehensive surveillance sharing agreement with the Exchange). The Exchange has a general policy prohibiting the distribution of material, non-public information by its employees.

The Commission notes that, beyond the changes described herein, the Exchange represents that there are no changes to any other information included in the Prior Release, and all other facts presented and representations made in the Prior Release remain true and in effect. The Commission further notes that the Funds and the Shares must comply with the requirements of Nasdaq Rule 5735 to be initially and continuously listed and traded 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, in the Prior Release, and in the Notice.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,²⁴ that the proposed rule change (SR-NASDAQ-2015-049), as modified by Amendment Nos. 1 and 2 thereto, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Robert W. Errett,
Deputy Secretary.

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²⁴ 15 U.S.C. 78s(b)(2).

²⁵ 17 CFR 200.30-3(a)(12).