



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-76126; File No. SR-NASDAQ-2015-095)

October 9, 2015

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of Proposed Rule Change Relating to the Listing and Trading of the Shares of the AltShares Long/Short High Yield Fund of ETFis Series Trust I

I. Introduction

On August 7, 2015, The NASDAQ Stock Market LLC (the “Exchange” or “Nasdaq”) 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 AltShares Long/Short High Yield Fund (“Fund”) of ETFis Series Trust I (“Trust”) under NASDAQ Rule 5735. The proposed rule change was published for comment in the Federal Register on August 25, 2015.³ The Commission received no comments on the proposed rule change. This order grants approval of the proposed rule change.

II. Description of the Proposal

The Exchange proposes to list and trade the Shares under Nasdaq Rule 5735, which governs the listing and trading of Managed Fund Shares on the Exchange. The Fund will be an actively-managed exchange-traded fund (“ETF”). The Shares will be offered by the Trust,⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 75738 (August 19, 2015), 80 FR 51632 (“Notice”).

⁴ According to the Exchange, the Adviser (as defined herein) has obtained certain exemptive relief, upon which the Trust may rely, under the Investment Company Act of

which is registered with the Commission as an investment company and has filed a registration statement on Form N-1A (“Registration Statement”) with the Commission.⁵ The Fund will be a series of the Trust.

Etfis Capital LLC will be the investment adviser (“Adviser”) to the Fund, and Bramshill Investments, LLC will be the investment sub-adviser to the Fund (“Sub-Adviser”). ETF Distributors LLC (“Distributor”) will be the principal underwriter and distributor of the Fund’s Shares. The Bank of New York Mellon Corporation (“BNY”) will act as the administrator, accounting agent, custodian, and transfer agent to the Fund. The Exchange states that the Adviser is not a broker-dealer, although it is affiliated with the Distributor, a broker-dealer.⁶ The Exchange represents that the Adviser has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio.⁷ According to the Exchange, the Sub-Adviser is not a broker-dealer and is not affiliated with a broker-dealer.⁸

1940 (“1940 Act”). See Investment Company Act Release No. 30607 (July 23, 2013) (File No. 812-14080).

⁵ See Post-Effective Amendment No. 40/41 to Form N-1A Registration Statement for the Trust, dated May 4, 2015 (File Nos. 333-187668 and 811-22819).

⁶ See Notice, supra note 3, 80 FR at 51632.

⁷ See id.

⁸ In the event (a) the Adviser or the Sub-Adviser becomes newly affiliated with a broker-dealer or registers as a broker-dealer, or (b) any new adviser or new sub-adviser is a registered broker-dealer or is or becomes affiliated with a broker-dealer, it will implement a fire wall with respect to its relevant personnel and/or such broker-dealer affiliate, as applicable, regarding access to information concerning the composition and/or changes to the Fund portfolio and will be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding such portfolio.

The Exchange has made the following representations and statements in describing the Fund and its investment strategy, including the Fund's portfolio holdings and investment restrictions.⁹

A. Exchange's Description of the Fund's Principal Investments

The investment objective of the Fund will be to seek current income and capital appreciation with reduced volatility over time. The Fund will seek to achieve its investment objective primarily by investing in a portfolio of "high yield" debt securities of U.S. companies. Under normal market conditions,¹⁰ the Fund will hold long positions in high yield debt securities selected because the Sub-Adviser believes they are likely to outperform the market over time or increase in value in the near term ("Long Position"), and will hold short positions in high yield debt securities selected because the Sub-Adviser believes they are likely to lose value in the near or longer term ("Short Position").

The Fund will not have any portfolio maturity limitation and may invest its assets in instruments with short-term, medium-term, or long-term maturities. Issuers of securities in which the Fund expects to invest will include large and medium capitalization companies, and may include small capitalization companies. According to the Exchange, the Sub-Adviser

⁹ The Commission notes that additional information regarding the Fund, the Trust, and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, calculation of net asset value ("NAV"), distributions, and taxes, among other things, can be found in the Notice and the Registration Statement, as applicable. See Notice and Registration Statement, supra notes 3 and 5, respectively.

¹⁰ The term "under normal market conditions" as used herein includes, but is not limited to, the absence of adverse market, economic, political or other conditions, including extreme volatility or trading halts in the fixed income or other securities 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.

expects the Fund's investment portfolio to include up to 200 different securities positions with a target portfolio net exposure (the market value of the Long Position minus the market value of the Short Position) of between -20% and 100%.¹¹

In selecting securities for the Fund's portfolio, the Sub-Adviser generally will analyze debt securities included in the Bloomberg USD Corporate High Yield Bond Index. While the Fund may invest directly in high yield debt securities, the Sub-Adviser may also implement the Fund's strategy by investing in exchange-traded pools (which will consist of exchange-traded funds, exchange-traded notes, or closed-end funds, each of which will be listed for trading on a U.S. exchange, collectively, "ETPs") that invest a significant portion of their portfolios in high yield debt instruments ("High Yield ETPs").

Positions in high-yield debt securities also may include foreign debt securities traded on U.S. or foreign exchanges or in U.S. or foreign over-the-counter markets, which may be denominated in foreign currencies. Any currency hedging will be accomplished by taking long or short positions in ETPs.

The Exchange states that "high yield debt securities" generally include debt securities that are rated lower than "BBB-" by Standard & Poor's Ratings Group or "Baa3" by Moody's Investors Service, Inc. or at a similar level by another nationally recognized statistical rating organization, or are unrated but are deemed to be of comparable quality by the Sub-Adviser.¹² These securities will consist of: (a) senior and subordinated corporate debt obligations (bonds, debentures, notes, and commercial paper); (b) senior bank loans (including through loan assignments and loan participations); (c) preferred stocks; (d) municipal bonds; (e) convertible

¹¹ See Notice, supra note 3, 80 FR at 51633.

¹² See id.

bonds; and (f) convertible preferred stocks.¹³ The Fund will not invest in other types of high-yield debt securities, such as asset-backed securities. The Fund will not be limited to investing in high-yield securities, so any of the securities listed may also be investment grade. In addition, the Fund may invest in U.S. treasuries.

According to the Exchange, as a result of its trading strategy, the Fund expects to engage in frequent portfolio transactions that will likely result in higher portfolio turnover than other similar investment companies.¹⁴ Under normal circumstances, the anticipated annual portfolio turnover rate for the Fund is expected to be greater than 100%.

B. Exchange's Description of the Fund's Other Investments

In addition to investing in High Yield ETPs, the Fund may invest in other fixed-income ETPs, but the Fund will not invest in leveraged ETPs. The Exchange states that the Fund will not purchase more than 3% of an ETF's outstanding shares unless: (i) the ETF or the Fund has received an order for exemptive relief from the 3% limitation from the Commission that is applicable to the Fund; and (ii) the ETF and the Fund take appropriate steps to comply with any conditions in such order.¹⁵ The Fund also may invest in warrants.¹⁶

¹³ The Exchange states that convertible bonds and convertible preferred stocks in which the Fund may invest, and the equity securities into which these securities may be converted, and also preferred stocks (non-convertible) in which the Fund may invest, generally will be exchange-traded. According to the Exchange, the Sub-Adviser's current expectation is that at least 80% of these securities will be exchange-traded. The Exchange represents that at least 90% of these exchange-traded securities will be traded on exchanges that are Intermarket Surveillance Group ("ISG") members. See id. at 51633 n.12.

¹⁴ See id. at 51633.

¹⁵ See id.

¹⁶ The Exchange states that warrants in which the Fund invests, and the equity securities into which these warrants may be converted, generally will be exchange-traded. According to the Exchange, the Sub-Adviser's current expectation is that at least 80% of these securities will be exchange-traded. The Exchange represents that at least 90% of these exchange-traded securities will be traded on exchanges that are ISG members. See

In certain adverse market, economic, political, or other conditions, the Fund may temporarily depart from its normal investment policies and strategy, provided that the alternative is consistent with the Fund's investment objective and is in the best interest of the Fund. At such times, the Fund may invest in cash or cash equivalents, such as money market instruments,¹⁷ and to the extent permitted by applicable law and the Fund's investment restrictions, the Fund may invest in shares of money market mutual funds. Under such circumstances, the Fund may invest up to 100% of its assets in these investments and may do so for extended periods of time. Under normal circumstances, however, the Fund may also hold money market instruments and/or shares of money market mutual funds for various reasons including to provide for funds awaiting investment, to accumulate cash for anticipated purchases of portfolio securities, to allow for shareholder redemptions, and to provide for the Fund's operating expenses.

C. Exchange's Description of the Fund's Investment Restrictions

According to the Exchange, the Fund anticipates investing entirely in fully liquid assets, but it has the flexibility to invest up to 15% of its net assets in illiquid securities and other illiquid assets.¹⁸ Under the supervision of the Board of Trustees of the Trust ("Trust Board"), the Sub-Adviser will determine the liquidity of the Fund's investments, and through reports from the Sub-Adviser, the Trust Board will monitor investments in illiquid instruments.¹⁹ The Exchange

Notice, supra note 3, 80 FR at 51633 n.13.

¹⁷ The Exchange states that the money market instruments in which the Fund may invest are short-term (less than one-year) notes issued by (i) the U.S. government, (ii) an agency of the U.S. government, or (iii) a U.S. corporation. See id. at 51633 n.14.

¹⁸ See id. at 51633-34.

¹⁹ According to the Exchange, in determining the liquidity of the Fund's investments, the Sub-Adviser may consider various factors including: (i) the frequency of trades and quotations; (ii) the number of dealers and prospective purchasers in the marketplace; (iii) dealer undertakings to make a market; (iv) the nature of the security (including any demand or tender features); and (v) the nature of the marketplace for trades (including the

represents that, if through a change in values, net assets, or other circumstances, the Fund were in a position where more than 15% of its net assets were invested in illiquid securities or other illiquid assets, it would seek to take appropriate steps to protect liquidity.²⁰

The Fund will generally seek to invest in high-yield debt securities, bank loans, and other debt issuances that the Sub-Adviser deems to be liquid, with readily available prices. The Fund will only invest in bank loans that have a par amount outstanding of U.S. \$100 million or greater at the time the loan is originally issued. The Fund will not enter into a long or short position in high yield debt securities with a par amount outstanding of less than U.S. \$100 million at the time of issuance of such high yield debt securities, if upon establishing such position, the total value of such positions would represent fifty percent or greater of the Fund's net assets.

The Fund will not invest more than 25% of the value of its total assets in securities of issuers in any particular industry.

The Fund's investments (including investments in ETPs) will not be utilized to seek to achieve a leveraged return on the Fund's net assets. The Exchange represents that the Fund will not invest in futures contracts, options, swaps, or other derivative instruments.

III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposal to list and trade the Shares is consistent with the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange.²¹ In particular, the Commission finds that the

ability to assign or offset the Fund's rights and obligations relating to the investment).
See Notice, supra note 3, 80 FR at 51634.

²⁰ See id.

²¹ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

proposed rule change is consistent with Section 6(b)(5) of the Exchange Act,²² which requires, among other things, that the Exchange's rules be designed 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 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 Exchange Act,²³ 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. Quotation and last-sale information for the Shares and the exchange-traded securities held by the Fund will be available via UTP Level 1, as well as Nasdaq proprietary quote and trade services.²⁴ On each business day, before commencement of trading in Shares in the Regular Market Session²⁵ on the Exchange, the Trust will disclose on its website the identities and quantities of the portfolio of securities and other assets ("Disclosed Portfolio") held by the Fund that will form the basis for the Fund's calculation of NAV at the end of the business day.²⁶ In addition, the Intraday

²² 15 U.S.C. 78f(b)(5).

²³ 15 U.S.C. 78k-1(a)(1)(C)(iii).

²⁴ See Notice, supra note 3, 80 FR at 51636.

²⁵ See Nasdaq Rule 4120(b)(4) (describing the three trading sessions on the Exchange: (1) Pre-Market Session from 7:00 a.m. to 9:30 a.m. Eastern time; (2) Regular Market Session from 9:30 a.m. to 4:00 p.m. or 4:15 p.m. Eastern time; and (3) Post-Market Session from 4:00 p.m. or 4:15 p.m. to 8:00 p.m. Eastern time).

²⁶ Under accounting procedures to be followed by the Fund, trades made on the prior business day ("T") will be booked and reflected in NAV on the current business day ("T+1"). Notwithstanding the foregoing, portfolio trades that are executed prior to the opening of the Exchange on any business day may be booked and reflected in NAV on such business day. Accordingly, the Fund will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day. The daily disclosure will include for each portfolio security and other

Indicative Value, available on the NASDAQ OMX Information LLC proprietary index data service,²⁷ will be based upon the current value for the components of the Disclosed Portfolio and will be updated and widely disseminated and broadly displayed at least every 15 seconds during the Regular Market Session.²⁸ During hours when the local markets for foreign securities in the Fund's portfolio are closed, the Intraday Indicative Value will be updated at least every 15 seconds during the Regular Market Session to reflect currency exchange fluctuations.²⁹ The NAV of the Fund will be calculated by BNY and determined at the close of regular trading on the New York Stock Exchange (ordinarily 4:00 p.m. Eastern time) on each day that such exchange is open.³⁰ The website for the Fund will include a form of the prospectus for the Fund and additional data relating to NAV and other applicable quantitative information.³¹

asset of the Fund the following information on the Fund's website (if applicable): name, ticker symbol, CUSIP number or other identifier, if any; type of holding (such as "bond," "note," "preferred stock," "ETP," "mutual fund"); quantity held (as measured by, for example, number of shares, contracts or units); maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and the percentage weighting of the holdings in the Fund's portfolio. The website information will be publicly available at no charge.

²⁷ Currently, the NASDAQ OMX Global Index Data Service ("GIDS") is the NASDAQ OMX global index data feed service, offering real-time updates, daily summary messages, and access to widely followed indexes and Intraday Indicative Values for ETFs. The Exchange represents that GIDS provides investment professionals with the daily information needed to track or trade NASDAQ OMX indexes, listed ETFs, or third-party partner indexes and ETFs. See Notice, supra note 3, 80 FR at 51636, n.23.

²⁸ See id. at 51636.

²⁹ See id.

³⁰ According to the Exchange, ETPs, exchange-traded fixed income securities, exchange-traded convertible securities, exchange-traded warrants, and any other exchange traded securities will be valued at the official closing price on their principal exchange or board of trade, or lacking any current reported sale at the time of valuation, at the mean between the most recent bid and asked quotations on the principal exchange or board of trade. Portfolio securities traded on more than one securities exchange will be valued at the last sale price or official closing price, as applicable, on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Fixed-income securities traded over-the-counter (including high yield

The Exchange further states that the intra-day, executable price quotations on the high yield debt securities, bank loans, warrants, other fixed-income and convertible securities, including cash and cash equivalents, ETPs, and other assets held by the Fund will be available from major broker-dealer firms or on the exchange on which they are traded, if applicable.³² The foregoing intra-day price information is available through subscription services, such as Bloomberg and Thomson Reuters, which can be accessed by Authorized Participants and other investors. Information regarding market price and volume of the Shares is and will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. The previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

The Commission also 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 Exchange states that it will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time.³³ The Exchange also represents that the Exchange may consider all relevant factors in exercising its discretion to halt or suspend

fixed-income securities and money market instruments); warrants traded over-the-counter; and convertible securities traded over-the-counter will be valued at the mean between the most recent available bid and asked quotations provided by parties that make a market in the instrument. If recent bid and ask quotations are not available, these securities will be valued in accordance with the Fund's fair valuation procedures. Money market instruments with maturities of less than 60 days will be valued at amortized cost. Shares of mutual funds that are not exchange-listed will be valued at their net asset value.

³¹ See id. at 51638.

³² See id.

³³ See id.

trading in the Shares of the Fund. Nasdaq will halt or pause trading in the Shares under the conditions specified in Nasdaq Rules 4120 and 4121, including the trading pauses under Nasdaq Rules 4120(a)(11) and (12). Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.³⁴ Trading in the Shares also will be subject to Rule 5735(d)(2)(D), which sets forth circumstances under which Shares of the Fund may be halted.³⁵ The Exchange states that it has a general policy prohibiting the distribution of material, non-public information by its employees.³⁶ In addition, the Exchange states that the Adviser is not a broker-dealer, although it is affiliated with the Distributor, a broker-dealer, and that the Adviser has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio.³⁷ The Exchange states that the Sub-Adviser is not a broker-dealer and

³⁴ These may include: (1) the extent to which trading is not occurring in the securities and/or the financial instruments constituting the Disclosed Portfolio of the Fund; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. See id. at 51636.

³⁵ See id.

³⁶ See id. at 51637.

³⁷ See id. at 51632. See also supra note 8. The Exchange further represents that 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, which requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of their relationship with their clients as well as compliance with other applicable securities laws. Accordingly, investment advisers must have procedures designed to prevent the communication and misuse of non-public information, 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)

is not affiliated with a broker-dealer.³⁸ Further, the Commission notes that the Reporting Authority³⁹ 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.⁴⁰ The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by both Nasdaq and also the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.⁴¹

Nasdaq deems the Shares to be equity securities, thus rendering trading in the Shares subject to Nasdaq’s existing rules governing the trading of equity securities. In support of this proposal, the Exchange represented that:

- (1) The Shares will be subject to Nasdaq Rule 5735, which sets forth the initial and continued listing criteria applicable to Managed Fund Shares.
- (2) Trading in the Shares will be subject to the existing trading surveillances administered by both Nasdaq and 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 detect and help deter violations of Exchange rules and applicable federal securities laws.

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

³⁸ See *id.* at 51632.

³⁹ Nasdaq Rule 5730(c)(4) defines “Reporting Authority.”

⁴⁰ See Nasdaq Rule 5735(d)(2)(B)(ii).

⁴¹ 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.

- (3) FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares or other exchange-traded securities with other markets and other entities that are ISG⁴² members, and FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares; exchange-traded fixed income securities; exchange-traded warrants; exchange-traded convertible securities; ETPs; or other exchange-traded securities from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares; exchange-traded warrants; exchange-traded fixed-income securities; exchange-traded convertible securities; ETPs; or other exchange-traded securities from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities, including corporate debt securities and money market instruments, held by the Fund reported to FINRA's TRACE.
- (4) The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.
- (5) Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (a) the procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (b) Nasdaq Rule 2111A, which imposes suitability obligations on Nasdaq members with respect to

⁴² For a list of the current members of ISG, see www.isgportal.org.

recommending transactions in the Shares to customers; (c) how and by whom information regarding the Intraday Indicative Value and the Disclosed Portfolio is disseminated; (d) the risks involved in trading the Shares during the Pre-Market and Post-Market Sessions when an updated Intraday Indicative Value will not be calculated or publicly disseminated; (e) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information.

- (6) For initial and continued listing, the Fund must be in compliance with Rule 10A-3 under the Act.⁴³
- (7) At least 90% of the convertible bonds, convertible preferred stocks, and warrants in which the Fund invests, and the equity securities into which these securities may be converted, and also preferred stocks (non-convertible) in which the Fund invests, will be traded on exchanges that are ISG members.
- (8) The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets.
- (9) The Fund will only invest in bank loans that have a par amount outstanding of U.S. \$100 million or greater at the time the loan is originally issued.
- (10) The Fund will not enter into a long or short position in high yield debt securities with a par amount outstanding of less than U.S. \$100 million at the time of issuance of such high yield debt securities, if upon establishing such position, the total value of such positions would represent fifty percent or greater of the Fund's

⁴³ See 17 CFR 240.10A-3.

net assets. In addition, the Fund will not invest in other types of high-yield debt securities, such as asset-backed securities.

- (11) The Fund will not invest more than 25% of the value of its total assets in securities of issuers in any particular industry.
- (12) The Fund's investments (including investments in ETPs) will not be utilized to seek to achieve a leveraged return on the Fund's net assets.
- (13) The Fund will not invest in futures contracts, options, swaps, or other derivative instruments.
- (14) A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange.

This approval order is based on all of the Exchange's representations, including those set forth above and in the Notice. The Commission notes that the Fund and the Shares must comply with the requirements of Nasdaq Rule 5735 to be listed and traded on the Exchange.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act⁴⁴ and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,⁴⁵ that the

⁴⁴ 15 U.S.C. 78f(b)(5).

⁴⁵ 15 U.S.C. 78s(b)(2).

proposed rule change (SR-NASDAQ-2015-095) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁶

Robert W. Errett
Deputy Secretary

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⁴⁶ 17 CFR 200.30-3(a)(12).