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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-77904; File No. SR-NYSEArca-2016-17)

May 25, 2016

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 No. 3, to List and Trade of Shares of the JPMorgan Diversified Alternative ETF under NYSE Arca Equities Rule 8.600

I. Introduction

On February 5, 2016, NYSE Arca, Inc. (“Exchange”) 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 JPMorgan Diversified Alternative ETF (“Fund”) under NYSE Arca Equities Rule 8.600. The Commission published notice of the proposed rule change in the Federal Register on February 25, 2016.³ On April 4, 2016, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced the original filing in its entirety. Also on April 4, 2016, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁴ On May 9, 2016, the Exchange filed Amendment No. 2 to the proposed rule change, which replaced Amendment No. 1 and the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 77179 (February 19, 2016), 81 FR 9521 (“Notice”).

⁴ See Securities Exchange Act Release No. 77512 (April 4, 2016), 81 FR 20718 (April 8, 2016). The Commission determined that it was appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission designated May 25, 2016 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

original filing in their entirety. On May 20, 2016, the Exchange filed Amendment No. 3 to the proposed rule change, which replaced Amendment No. 2 and the original filing in their entirety.⁵

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

II. The Exchange's Description of the Proposal⁶

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 on the Exchange. The Shares will be offered by the J.P. Morgan Exchange-Traded Fund Trust ("Trust"), a statutory

⁵ In Amendment No. 3, the Exchange modified the original proposed rule change by, among other things: (1) changing certain permitted investments of the Fund; (2) representing that the Fund would not invest in inverse exchange-traded funds ("ETFs"); (3) describing where pricing information could be found for U.S. government mortgage backed securities; (4) representing that not more than 10% of the net assets of the Fund in the aggregate invested in equity securities (other than non-exchange-traded investment company securities) shall consist of equity securities whose principal market is not a member of the Intermarket Surveillance Group ("ISG") or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement; and (5) representing that all statements and representations made in the filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules and surveillance procedures shall constitute continued listing requirements for listing the Shares on the Exchange; (6) representing that, under normal market conditions, the Fund will invest at least 75% of its corporate debt securities in issuances that have at least \$100,000,000 par amount outstanding in developed countries or at least \$200,000,000 par amount outstanding in emerging market countries; and (7) modifying certain surveillance representations. All of the amendments to the proposed rule change, including Amendment No. 3, are available at: <http://www.sec.gov/comments/sr-nysearca-2016-17/nysearca201617.shtml>.

⁶ The Commission notes that additional information regarding the Fund, the Trust (as defined below), 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 Amendment No. 3 and the Registration Statement, as applicable. See Amendment No. 3, *supra* note 5, and Registration Statement, *infra* note 7.

trust organized under the laws of the State of Delaware and registered with the Commission as an open-end management investment company.⁷ J.P. Morgan Investment Management Inc. (“Adviser”) will be the investment advisor to the Fund.⁸ The Adviser is a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc., which is a wholly-owned subsidiary of JPMorgan Chase & Co., a bank holding company. JPMorgan Funds Management, Inc. will serve as the administrator (“Administrator”). SEI Investments Distribution Co. will serve as the distributor of the Shares.

According to the Exchange, the Fund will seek to provide long term, total return. The Fund will seek to achieve its investment objective by allocating assets across several different investment strategies, including traditional and alternative investment strategies, such as those utilized by certain hedge funds.

⁷ The Trust is registered under the 1940 Act. On December 14, 2015, the Trust filed with the Commission a registration statement on Form N-1A under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”) and the 1940 Act relating to the Fund (File Nos. 333-192733 and 811-22917) (“Registration Statement”). The Trust filed an Application for an Order under Section 6(c) of the 1940 Act for exemptions from various provisions of the 1940 Act and rules thereunder (File No. 812-13761), initially filed March 10, 2010, and most recently amended on December 23, 2015 (“Exemptive Application”). The Exemptive Application was published for notice in IC Release No. 31956 on January 14, 2016. The Shares will not be listed on the Exchange until an order (“Exemptive Order”) under the 1940 Act has been issued by the Commission with respect to the Exemptive Application. Investments made by the Fund will comply with the conditions set forth in the Exemptive Order.

⁸ The Adviser is not a registered broker-dealer but is affiliated with a broker-dealer. The Adviser has implemented and will maintain a firewall with respect to 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 prevent the use and dissemination of material non-public information regarding such portfolio. In the event (a) the Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer or (b) any new adviser or sub-adviser is a broker-dealer or becomes affiliated with a broker-dealer, it will implement a fire wall with respect to its personnel or such broker-dealer regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

A. The Fund's Principal Investments⁹

According to the Exchange, under normal market conditions, the Fund will invest principally (i.e., more than 50% of the Fund's assets) in the securities and financial instruments described below, which may be represented by derivatives, as discussed below.

The Fund may invest in exchange-listed common stocks, preferred stocks, warrants and rights of U.S. and foreign corporations, (including emerging market securities); and U.S. and non-U.S. real estate investment trusts ("REITs").¹⁰

The Fund may invest in exchange-listed and over-the-counter ("OTC") Depositary Receipts.¹¹

The Fund may hold cash and the following cash equivalents: shares of money market funds; bank obligations, commercial paper, repurchase agreements, and short-term funding agreements.

The Fund may invest in corporate debt.¹²

The Fund may purchase and sell futures contracts on currencies and fixed income

⁹ The Fund's permitted assets may be denominated in U.S. dollars, major reserve currencies, and currencies of other countries in which the Fund may invest.

¹⁰ Not more than 10% of the net assets of the Fund in the aggregate invested in equity securities (other than non-exchange-traded investment company securities) shall consist of equity securities whose principal market is not a member of the ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

¹¹ Depositary Receipts include American Depositary Receipts ("ADRs"), Global Depositary Receipts, and European Depositary Receipts. No more than 10% of the net assets of the Fund will be invested in ADRs that are not exchange-listed. See Amendment No. 3, supra note 5, at 10, n.21.

¹² Under normal market conditions, the Fund will invest at least 75% of its corporate debt securities in issuances that have at least \$100,000,000 par amount outstanding in developed countries or at least \$200,000,000 par amount outstanding in emerging market countries. See id. at 11, n.22. The debt securities in which the Fund may invest may include both investment grade and high yield debt securities.

securities, and futures contracts on indexes of securities.¹³

The Fund may invest in OTC and exchange-traded call and put options on equities, fixed income securities and currencies or options on indexes of equities, fixed income securities and currencies.¹⁴

In addition to money market funds referenced above, the Fund may invest in shares of non-exchange-traded investment company securities to the extent permitted by Section 12(d)(1) of the 1940 Act and the rules thereunder and/or any applicable exemption or exemptive order under the 1940 Act with respect to such investments. The Fund may also invest in ETFs.¹⁵

The Fund may invest in swaps as follows: credit default swaps, interest rate swaps, currency swaps, and total return swaps on equity securities, equity indexes, fixed income securities, and fixed income futures.

The Fund may invest in forward currency transactions – consisting of: non-deliverable forwards, foreign forward currency contracts – and spot currency transactions.

The Fund may invest in U.S. Government obligations, which may include direct obligations of the U.S. Treasury, including Treasury bills, notes and bonds, all of which are backed as to principal and interest payments by the full faith and credit of the United States, and separately traded principal and interest component parts of such obligations that are transferable through the Federal book-entry system known as Separate Trading of Registered Interest and

¹³ Not more than 10% of the net assets of the Fund in the aggregate invested in futures contracts or exchange-traded options shall consist of futures contracts or exchange-traded options whose principal market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

¹⁴ See note 13, supra.

¹⁵ All ETF shares will be listed and traded in the U.S. on national securities exchanges. The Fund will not invest in inverse, leveraged or inverse leveraged (e.g., -1X, 2X, -2X, 3X or -3X) ETFs.

Principal of Securities and Coupons Under Book Entry Safekeeping.

The Fund may invest in U.S. government-sponsored mortgage-backed securities.

B. The Fund's Other Investments

While the Fund, under normal market conditions, will invest at least fifty percent of its assets in the securities and financial instruments described above, the Fund may invest its remaining assets in other assets and financial instruments, as described below.

The Fund will gain exposure to commodity markets indirectly by investing up to 15% of its total assets in the Subsidiary, which also will be advised by the Adviser. The Subsidiary will only invest in commodity futures contracts¹⁶ and will also hold any necessary cash or cash equivalents as collateral. The Fund will not invest in commodity futures contracts directly.

The Fund may invest in U.S. and non-U.S. convertible securities, which are bonds that can convert to common stock. The Fund may invest in inflation-linked debt securities, which include fixed and floating rate debt securities of varying maturities issued by the U.S. government and foreign governments.

The Fund may invest in obligations of supranational agencies, which are chartered to promote economic development and are supported by various governments and governmental agencies.

The Fund may invest in reverse repurchase agreements.

The Fund may invest in sovereign obligations, which are investments in debt obligations issued or guaranteed by a foreign sovereign government or its agencies, authorities or political subdivisions.

The Fund may invest in U.S. Government agency securities (excluding U.S. government

¹⁶ See note 13, supra.

sponsored mortgage-backed securities, referenced above), which are securities issued or guaranteed by agencies and instrumentalities of the U.S. government. These include all types of securities issued by the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation, including funding notes, subordinated benchmark notes, collateralized mortgage obligations, and real estate mortgage investment conduits.

The Fund may invest no more than 5% of its assets in equity and debt securities that are restricted securities (Rule 144A securities), excluding Rule 144A securities deemed illiquid by the Adviser.¹⁷

Under normal market conditions, the Fund may invest no more than 5% of its assets in OTC common stocks, preferred stocks, warrants, rights and contingent value rights (“CVRs”) of U.S. and foreign corporations (including emerging market securities).

C. The Fund’s Investment Restrictions

The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment), including Rule 144A securities deemed illiquid by the Adviser, consistent with Commission guidance. The 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 the 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.

¹⁷ Those illiquid Rule 144A securities are subject to a separate limit described below.

The Fund's investments, including derivatives, will be consistent with the Fund's investment objective and will not be used to enhance leverage (although certain derivatives may result in leverage). That is, while the Fund will be permitted to borrow as permitted under the 1940 Act, the Fund's (and the Subsidiary's) investments will not be used to seek performance that is the multiple or inverse multiple (i.e., 2Xs and 3Xs) of the Fund's primary broad-based securities benchmark index (as defined in Form N-1A).

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.¹⁸ In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 3, is consistent with Section 6(b)(5) of the Exchange Act,¹⁹ 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 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,²⁰ 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.

¹⁸ 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).

¹⁹ 15 U.S.C. 78f(b)(5).

²⁰ 15 U.S.C. 78k-1(a)(1)(C)(iii).

Quotation and last-sale information for the Shares and for portfolio holdings of the Fund that are U.S. exchange listed, including common stocks, preferred stocks, warrants, rights, ETFs, REITs, and U.S. exchange-traded ADRs will be available via the Consolidated Tape Association (“CTA”) high speed line. Quotation and last-sale information for such U.S. exchange-listed securities, as well as futures will be available from the exchange on which they are listed.

Quotation and last-sale information for exchange-listed options cleared via the Options Clearing Corporation will be available via the Options Price Reporting Authority. Quotation and last-sale information for non-U.S. equity securities will be available from the exchanges on which they trade and from major market data vendors, as applicable. Price information for OTC common stocks, preferred stocks, warrants, rights and CVRs will be available from one or more major market data vendors or from broker-dealers. Quotation information for OTC options, cash equivalents, swaps, inflation-linked debt instruments, U.S. government sponsored mortgage-backed securities, obligations of supranational agencies, money market funds, non-exchange-listed investment company securities (other than money market funds), Rule 144A securities, U.S. Government obligations, U.S. Government agency obligations, sovereign obligations, corporate debt, inflation-linked debt securities, and reverse repurchase agreements may be obtained from brokers and dealers who make markets in such securities or through nationally recognized pricing services through subscription agreements. The U.S. dollar value of foreign securities, instruments and currencies can be derived by using foreign currency exchange rate quotations obtained from nationally recognized pricing services. Forwards and spot currency price information will be available from major market data vendors.

In addition, the Portfolio Indicative Value, as defined in NYSE Arca Equities Rule 8.600(c)(3), will be widely disseminated by one or more major market data vendors at least

every 15 seconds during the Core Trading Session. On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the 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 the Fund's calculation of NAV at the end of the business day.²¹

The NAV for the Shares will be calculated after 4:00 p.m. Eastern Time each trading day. The Administrator, through the National Securities Clearing Corporation, will make available on each business day, immediately prior to the opening of business on the Exchange (currently 9:30 a.m. Eastern time), the list of the names and the required number of shares of each deposit instrument to be included in the current portfolio deposit (based on information at the end of the previous business day), as well as information regarding the cash amount for the Fund. 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.

The Commission 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

²¹ On a daily basis, the Fund will disclose on its 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, such as type of swap); the identity of the security, commodity, index or other asset or instrument underlying the holding, if any; for options, the option strike price; 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 the percentage weighting of the holding in the Fund's portfolio. The website information will be publicly available at no charge. The Fund's disclosure of derivative positions in the Disclosed Portfolio will include information that market participants can use to value these positions intraday.

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.²² Trading in Shares of the Fund will be halted if the circuit-breaker parameters in NYSE Arca Equities Rule 7.12 have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.²³ Trading in the Shares also will be subject to NYSE Arca Equities Rule 8.600(d)(2)(D), which sets forth circumstances under which trading in the Shares may be halted. The Exchange represents that it has a general policy prohibiting the distribution of material, non-public information by its employees. The Adviser is not registered as a broker-dealer but is affiliated with a broker-dealer and has implemented and will maintain a fire wall with respect to such broker-dealer affiliate regarding access to information concerning the composition and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the portfolio.²⁴ Further, the Commission notes that the Reporting Authority that provides the Disclosed Portfolio of the 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.²⁵

Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders (“ETP Holders”) in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Shares. The Exchange represents that

²² See NYSE Arca Equities Rule 8.600(d)(1)(B).

²³ These may include: (1) the extent to which trading is not occurring in the securities 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.

²⁴ See supra note 8.

²⁵ See NYSE Arca Equities Rule 8.600(d)(2)(B)(ii).

trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.²⁶ The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.

The Exchange represents that it deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. The Fund and the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 to be initially and continuously listed and traded on the Exchange. In support of this proposal, the Exchange has also made the following representations:

- (1) The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.
- (2) The Exchange has represented that all statements and representations made in this filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules and surveillance procedures shall constitute continued listing requirements for listing the Shares on the Exchange. The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing

²⁶ FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement. See Amendment No. 3, supra note 5, at 24, n.38.

requirements.²⁷ If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Equities Rule 5.5(m).²⁸

- (3) The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, certain exchange-listed equity securities, certain futures, and certain exchange-traded options with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading such securities and financial instruments from such markets and other entities. In addition, the Exchange may obtain information regarding trading in such securities and financial instruments 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 held by the Fund reported to FINRA's Trade Reporting and Compliance Engine.²⁹
- (4) Prior to the commencement of trading of the Shares, the Exchange will inform its ETP Holders in a Bulletin of the special characteristics and risks associated with

²⁷ The Commission notes that certain other proposals for the listing and trading of managed fund shares include a representation that the exchange will “surveil” for compliance with the continued listing requirements. See, e.g., Securities Exchange Act Release No. 77499 (April 1, 2016), 81 FR 20428, 20432 (April 7, 2016). In the context of this representation, it is the Commission’s view that “monitor” and “surveil” both mean ongoing oversight of the Fund’s compliance with the continued listing requirements. Therefore, the Commission does not view “monitor” as a more or less stringent obligation than “surveil” with respect to the continued listing requirements.

²⁸ See Amendment No. 3, supra note 5, at 25.

²⁹ See id. at 24-25.

trading the Shares. The 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 ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (c) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated PIV will not be calculated or publicly disseminated; (d) how information regarding the PIV and the Disclosed Portfolio is disseminated; (e) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information.

- (5) For initial and continued listing, the Fund will be in compliance with Rule 10A-3 under the Exchange Act,³⁰ as provided by NYSE Arca Equities Rule 5.3.
- (6) A minimum of 100,000 Shares for the Fund will be outstanding at the commencement of trading on the Exchange.
- (7) The Fund will not invest in inverse, leveraged or inverse leveraged (e.g., -1X, 2X, -2X, 3X or -3X) ETFs.
- (8) No more than 10% of the net assets of the Fund will be invested in ADRs that are not exchange-listed
- (9) Not more than 10% of the net assets of the Fund in the aggregate invested in equity securities (other than non-exchange-traded investment company securities) shall consist of equity securities whose principal market is not a member of the

³⁰ 17 CFR 240.10A-3.

ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

- (10) Not more than 10% of the net assets of the Fund in the aggregate invested in futures contracts or exchange-traded options shall consist of futures contracts or exchange-traded options whose principal market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.
- (11) Under normal market conditions, the Fund will invest at least 75% of its corporate debt securities in issuances that have at least \$100,000,000 par amount outstanding in developed countries or at least \$200,000,000 par amount outstanding in emerging market countries.
- (12) The Fund may invest no more than 5% of its assets in equity and debt securities that are restricted securities (Rule 144A securities), excluding Rule 144A securities deemed illiquid by the Adviser. The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment), including Rule 144A securities deemed illiquid by the Adviser, consistent with Commission guidance.

This approval order is based on all of the Exchange's representations, including those set forth above and in Amendment No. 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 to the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEArca-2016-17 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-2016-17. 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 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-2016-17 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

V. Accelerated Approval of the Proposed Rule Change, as Modified by Amendment No. 3

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 3, prior to the thirtieth day after the date of publication of Amendment No. 3 in the Federal Register. Amendment No. 3 supplements the information provided in the original proposed rule change by, among other things, clarifying surveillances related to trading in the Shares and providing certain representations that should help make the fund's portfolio less susceptible to manipulation. This information assisted the Commission in evaluating the susceptibility of the Shares to manipulation and the Exchange's ability to detect and investigate possible manipulative activity. Accordingly, the Commission finds good cause for approving the proposed rule change, as modified by Amendment No. 3, on an accelerated basis, pursuant to Section 19(b)(2) of the Act.³¹

³¹ 15 U.S.C. 78s(b)(2).

VI. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,³² that the proposed rule change (SR-NYSEArca-2016-17), as modified by Amendment No. 3 thereto, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³³

Brent J. Fields,
Secretary

³² 15 U.S.C. 78s(b)(2).

³³ 17 CFR 200.30-3(a)(12).

