Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), and Rule 19b-4 thereunder, notice is hereby given that on April 15, 2020, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act and Rule 19b-4(f)(6) thereunder. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes a rule change to list and trade shares of the Agility Shares Managed Risk Equity ETF (the “Fund”), a series of the Northern Lights Fund Trust (the “Trust”), under Rule 14.11(i) (“Managed Fund Shares”). The shares of the Fund are referred to herein as the “Shares.”

The text of the proposed rule change is also available on the Exchange’s website (http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/), at the Exchange’s Office of the Secretary, and at the Commission’s Public Reference Room.

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II. **Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

**A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

1. **Purpose**

The Exchange proposes to list and trade the Shares under Rule 14.11(i), which governs the listing and trading of Managed Fund Shares on the Exchange. The Fund will be an actively managed exchange-traded fund that seeks to provide income and long-term growth of capital. A secondary objective of the Fund is to limit risk during unfavorable market conditions. The Exchange submits this proposal in order to allow the Fund to hold listed derivatives, in particular options and futures on the S&P 500 Index, in a manner that does not comply with Rule 14.11(i)(4)(C)(iv)(b). The Exchange notes that this proposal is very similar to a previously approved proposal to list and trade a series of Managed Fund Shares on the Exchange with

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6 Rule 14.11(i)(4)(C)(iv)(b) provides that “the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures).” The Exchange is proposing that the Fund be exempt from both the 30% and 65% requirements of Rule 14.11(i)(4)(C)(iv)(b).
similar exposures to a single underlying reference asset and U.S. exchange-listed equity securities.\(^7\) Otherwise, the Fund will comply with all other listing requirements on an initial and continued listing basis under Rule 14.11(i).

The Shares will be offered by the Trust, which was established as a Delaware statutory trust on January 19, 2005. The Trust is registered with the Commission as an open-end investment company and has filed a registration statement on behalf of the Fund on Form N-1A ("Registration Statement") with the Commission.\(^8\) The Fund’s adviser, Toews Corporation (the “Adviser”), is not registered as a broker-dealer and is not affiliated with a broker-dealer. Adviser personnel who make decisions regarding the Fund’s portfolio are subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the Fund’s portfolio. In the event that (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 registered broker-dealer or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or such broker-dealer affiliate, as applicable, regarding access to

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\(^7\) The Exchange notes that this proposal is very similar to several previously submitted proposals to list and trade a series of Index Fund Shares and Managed Fund Shares with similar exposures to a single underlying reference asset, especially S&P 500 Index derivatives, and U.S. exchange-listed equity securities that were either approved by the Commission or effective upon filing. See Securities Exchange Act Release Nos. 83146 (May 1, 2018), 83 FR 20103 (May 7, 2018) (SR-CboeBZX-2018-029); 83679 (July 20, 2018), 83 FR 35505 (July 26, 2018); 82906 (March 20, 2018), 83 FR 12992 (March 26, 2018) (SR-CboeBZX-2017-012); 77045 (February 3, 2016), 81 FR 6916 (February 9, 2016) (SR-NYSEArca-2015-113) (the “Amendment”); and 74675 (April 8, 2015), 80 FR 20038 (April 14, 2015) (SR-NYSEArca-2015-05) (collectively, with the Amendment, the “Arca Filing”).

\(^8\) The Trust filed a post-effective amendment to the Registration Statement on December 18, 2017. See Registration Statement on Form N-1A for the Trust (File Nos. 333-179562 and 811-22668). The descriptions of the Fund and the Shares contained herein are based, in part, on information included in the Registration Statement. The Commission has issued an order granting exemptive relief to the Trust under the Investment Company Act of 1940 (15 U.S.C. 80a-1) applicable to the activities of the Fund. See Investment Company Act Release No. 32777 (August 8, 2017) (File No. 812-14787).
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.

The Fund intends to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

**Agility Shares Managed Risk Equity ETF**

In order to achieve its investment objective of seeking to provide income and long-term growth of capital, while limiting risk, under Normal Market Conditions, the Fund will generally invest at least 80% of its net assets in S&P 500 Derivatives (as defined below), options on ETFs, U.S. Component Stocks, and U.S. exchange-listed ETFs that principally invest in U.S. Component Stocks (“U.S. ETFs” and, collectively, with U.S. Component Stocks “U.S. Equities”). The Fund generally will invest in U.S. Component Stocks in order to gain exposure to large cap U.S. equity securities. The Exchange notes that each of S&P 500 Index futures and options, options on S&P 500 Index futures, and options on ETFs are U.S. exchange-listed. Under Normal Market Conditions, the Fund may also invest its remaining assets in fixed income

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9 As defined in Rule 14.11(i)(3)(E), the term “Normal Market Conditions” includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues causing dissemination of inaccurate market information or system failures; or force majeure type events such as natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption, or any similar intervening circumstance.

10 For purposes of this proposal, the term ETF means Portfolio Depositary Receipts, Index Fund Shares, and Managed Fund Shares as defined in Rule 14.11(b), 14.11(c), and 14.11(i), respectively, and their equivalents on other national securities exchanges as well as ETFs operating in reliance on Rule 6c-11 of the Investment Company Act of 1940.

11 Pursuant to BZX Rule 14.11(c)(1)(D), the term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depositary Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.
securities (including ETFs that primarily invest in fixed income securities), cash, and Cash Equivalents\textsuperscript{12} and such holdings will meet the requirements applicable under Rules 14.11(i)(4)(C)(ii) and (iii).

As noted above, Rule 14.11(i)(4)(C)(iv)(b) does not allow the aggregate gross notional value of the Fund’s holdings in listed derivatives based on any five or fewer underlying reference assets to exceed 65\% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset to exceed 30\% of the weight of its portfolio (including gross notional exposures).\textsuperscript{13} The Exchange is proposing to allow the Fund to hold up to 100\% of the weight of its portfolio (including gross notional exposures) in listed derivatives based on the S&P 500 Index, specifically futures traded on the Chicago Mercantile Exchange (“S&P 500 Futures”) and options traded on Cboe Exchange, Inc. (“S&P 500 Options”), as well as options on S&P 500 Futures (“Options on S&P 500 Futures” and, collectively with S&P 500 Futures and S&P 500 Options, “S&P 500 Derivatives”).\textsuperscript{14} The Fund primarily expects to utilize S&P 500 Derivatives

\textsuperscript{12} As defined in Rule 14.11(i)(4)(C)(iii), Cash Equivalents are short-term instruments with maturities of less than three months that are: (i) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities; (ii) certificates of deposit issued against funds deposited in a bank or savings and loan association; (iii) bankers acceptances, which are short-term credit instruments used to finance commercial transactions; (iv) repurchase agreements and reverse repurchase agreements; (v) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest; (vi) commercial paper, which are short-term unsecured promissory notes; and (vii) money market funds.

\textsuperscript{13} The Exchange notes that the 80\% and 20\% investment numbers above are based on the Fund’s net assets, while Rule 14.11(i)(4)(C)(iv)(b) is calculated on the basis of aggregate gross notional value.

\textsuperscript{14} While the Adviser does not anticipate the gross notional exposure of its holdings in S&P 500 Derivatives to approach 100\% of the weight of the Fund’s portfolio, the Adviser would like to have the flexibility to do so in the event that the Adviser determines that it
to implement its strategy. The Fund will utilize short or long S&P 500 Derivatives to the extent needed to reduce or augment, respectively, the Fund’s exposure relative to the exposure resulting from investments in the U.S. Equities described above in order to achieve the desired net exposure. S&P 500 Derivatives are an efficient means for reducing or augmenting exposure to U.S. Equities, as described above. Allowing the Fund to hold a greater portion of its portfolio in S&P 500 Derivatives would mitigate the Fund’s dependency on holding over-the-counter ("OTC") instruments, which would reduce the Fund’s operational burden by allowing the Fund to use listed futures and options contracts to achieve its investment objective and would further reduce counter-party risk associated with holding OTC instruments. The Exchange notes that the Fund may also hold certain fixed income securities, cash and Cash Equivalents, and ETFs that primarily invest in fixed income securities in compliance with Rules 14.11(i)(4)(C)(ii), (iii), and (i), respectively, as part of its strategy and in order to collateralize its S&P 500 Derivatives positions.

The combination of U.S. Equities, fixed income securities, cash, Cash Equivalents, and the cash value of derivatives positions will constitute the entirety of the Fund’s holdings and the cash value of these holdings will be used to form the basis for any calculation that is based on net assets. The Exchange notes that this is different than the calculation used to measure the Fund’s holdings in S&P 500 Derivatives as it relates to the Fund holding up to 100% of the weight of its portfolio, which, as noted above, is calculated using gross notional exposures gained through the S&P 500 Derivatives in both the numerator and denominator, which is consistent with the derivatives exposure calculation under Rule 14.11(i)(4)(C)(iv). The Exchange represents that, is in the best interest of the Fund. The Exchange also notes that while the Fund may invest in options on ETFs, such holdings will be in compliance with Rule 14.11(i)(4)(C)(iv)(b).
except for the 30% and 65% limitations in Rule 14.11(i)(4)(C)(iv)(b) related to S&P 500 Derivatives, the Fund’s proposed investments will satisfy, on an initial and continued listing basis, all of the generic listing standards under BZX Rule 14.11(i)(4)(C) and all other applicable requirements for Managed Fund Shares under Rule 14.11(i).

The Trust is required to comply with Rule 10A-3 under the Act for the initial and continued listing of the Shares of the Fund. In addition, the Exchange represents that the Shares of the Fund will comply with all other requirements applicable to Managed Fund Shares, which includes the dissemination of key information such as the Disclosed Portfolio, Net Asset Value, and the Intraday Indicative Value, suspension of trading or removal, trading halts, surveillance, minimum price variation for quoting and order entry, the information circular, and firewalls as set forth in Exchange rules applicable to Managed Fund Shares and the orders approving such rules. Moreover, all of the exchange-listed instruments held by the Fund, including S&P 500 Futures, S&P 500 Options, Options on S&P 500 Futures, U.S. Equities, options on ETFs, and ETFs that primarily invest in fixed income instruments will trade on markets that are a member of Intermarket Surveillance Group (“ISG”) or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing

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20 See Rule 14.11(i)(2)(C).
21 See Rule 14.11(i)(2)(B).
22 See Rule 14.11(i)(6).
23 See Rule 14.11(i)(7).
agreement. All statements and representations made in this filing regarding the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of reference asset and intraday indicative values (as applicable), or the applicability of Exchange listing rules specified in this filing shall constitute continued listing requirements for the securities listed on the Exchange. The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund or Shares to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If the Fund or Shares are not in compliance with the applicable listing requirements, then, with respect to such Fund or Shares, the Exchange will commence delisting procedures under Exchange Rule 14.12. FINRA conducts certain 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. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures with respect to such Fund under Exchange Rule 14.12.

2. **Statutory Basis**

The Exchange believes that the proposal is consistent with Section 6(b) of the Act\textsuperscript{25} in general and Section 6(b)(5) of the Act\textsuperscript{26} in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster

\textsuperscript{24} For a list of the current members and affiliate members of ISG, see www.isgportal.com. The Exchange notes that not all components of the Disclosed Portfolio for the Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.


\textsuperscript{26} 15 U.S.C. 78f(b)(5).
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 in that the Shares will meet each of the initial and continued listing criteria in BZX Rule 14.11(i) with the exception Rule 14.11(i)(4)(C)(iv)(b), which requires that the aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets shall not exceed 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset shall not exceed 30% of the weight of the portfolio (including gross notional exposures). The Exchange believes that the liquidity in the S&P 500 Futures, S&P 500 Options, and Options on S&P 500 Futures markets mitigates the concerns that Rule 14.11(i)(4)(C)(iv)(b) is intended to address and that such liquidity would prevent the Shares from being susceptible to manipulation. Further, allowing the Fund to hold a greater portion of its portfolio in S&P 500 Derivatives would mitigate the Fund’s dependency on holding OTC instruments, which would reduce the Fund’s operational burden by allowing the Fund to primarily use listed futures and options contracts to achieve its investment objective and would further reduce counter-party risk associated with holding OTC instruments. The Exchange further believes that the diversity, liquidity, and market

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27 As noted above, the Exchange is proposing that the Fund be exempt from the requirement of Rule 14.11(i)(4)(C)(iv)(b) that prevents aggregate gross notional value of listed derivatives based on any five or fewer underlying reference assets from exceeding 65% of the weight of the portfolio (including gross notional exposures), and the aggregate gross notional value of listed derivatives based on any single underlying reference asset from exceeding 30% of the weight of the portfolio (including gross notional exposures). The Exchange is proposing to allow the Fund to hold up to 100% of the weight of its portfolio (including gross notional exposures) in S&P 500 Derivatives.

28 The Exchange notes that there was an average of more than $3 billion in notional volume traded on a daily basis in S&P 500 Options in 2019. S&P 500 Futures generally trade over one million contracts per day in the front month contract. More than 1,000,000 Options on S&P 500 Futures contracts traded per day in February 2020.
cap of the securities underlying the S&P 500 Index are sufficient to protect against market manipulation of both the Fund’s holdings and the Shares as it relates to the S&P 500 Derivatives holdings.

The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. All of the futures contracts, options, ETFs, and component stocks held by the Fund will trade on markets that are a member of ISG or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange may obtain information regarding trading in the Shares and the underlying futures contracts, options, component stocks, and other ETFs held by the Fund via the ISG from other exchanges who are members or affiliates of the ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement.29 The Exchange further notes that the Fund will meet and be subject to all other requirements of the generic listing rules and other applicable continued listing requirements for Managed Fund Shares under Rule 14.11(i), including those requirements regarding the dissemination of key information such as the Disclosed Portfolio, Net Asset Value, and the Intraday Indicative Value, suspension of trading or removal, trading halts, surveillance, minimum price variation for quoting and order entry, the information circular, and firewalls as set forth in Exchange rules applicable to Managed Fund Shares.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

B. Self-Regulatory Organization’s Statement on Burden on Competition

29 See note 21, supra [sic].
The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change, rather will facilitate the listing and trading of an additional actively-managed exchange-traded product that will enhance competition among both market participants and listing venues, to the benefit of investors and the marketplace.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.  

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the

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31 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.
protection of investors and the public interest. The Exchange has requested that the Commission to waive the 30-day operative delay so that the proposal may become operative upon filing.

The Exchange states that, while the proposal seeks to allow the Fund to hold listed derivatives, in particular options and futures on the S&P 500 Index, in a manner that does not comply with BZX Rule 14.11(i)(4)(C)(iv)(b), the proposal is similar to another previously approved proposal to list and trade a series of Managed Fund Shares with similar exposures to a single underlying reference asset and U.S. exchange-listed equity securities.\(^{34}\) The Exchange represents that, except for the 30% and 65% limitations in BZX Rule 14.11(i)(4)(C)(iv)(b) related to S&P 500 Derivatives, the Fund’s proposed investments will satisfy, on an initial and continued listing basis, all of the generic listing standards under BZX Rule 14.11(i)(4)(C) and all other applicable requirements for Managed Fund Shares under BZX Rule 14.11(i).\(^{35}\) In addition, the Exchange further represents that all of the exchange-listed instruments held by the Fund, including S&P 500 Futures, S&P 500 Options, Options on S&P 500 Futures, U.S. Equities, options on ETFs, and ETFs that primarily invest in fixed income instruments will trade on markets that are a member of ISG or affiliated with a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Commission believes that the proposal raises no novel or unique regulatory issues and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the

\(^{34}\) See supra note 7.

\(^{35}\) In addition, the Exchange represents that the Shares of the Fund will comply with all other requirements applicable to Managed Fund Shares, which includes the dissemination of key information such as the Disclosed Portfolio, Net Asset Value, and the Intraday Indicative Value, suspension of trading or removal, trading halts, surveillance, minimum price variation for quoting and order entry, the information circular, and firewalls, as set forth in Exchange rules applicable to Managed Fund Shares and the orders approving such rules. See supra notes 15-23 and accompanying text.
Commission hereby waives the operative delay and designates the proposed rule change
operative upon filing.  

At any time within 60 days of the filing of the proposed rule change, the Commission
summarily may temporarily suspend such rule change if it appears to the Commission that such
action is necessary or appropriate in the public interest, for the protection of investors, or
otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the
Commission will institute proceedings to determine whether the proposed rule change should be
approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning
the foregoing, including whether 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-CboeBZX-
  2020-021 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-CboeBZX-2020-021. This file number should
be included on the subject line if e-mail is used. To help the Commission process and review

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36 For purposes only of waiving the 30-day operative delay, the Commission also has
considered the proposed rule’s impact on efficiency, competition, and capital formation.
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, D.C. 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. Persons submitting comments
are cautioned that we do not redact or edit personal identifying information from comment
submissions. You should submit only information that you wish to make available publicly. All
submissions should refer to File Number SR-CboeBZX-2020-021 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

J. Matthew DeLesDernier,  
Assistant Secretary.

\[37\] 17 CFR 200.30-3(a)(12).