

recovery decisions. In the event that the Board could not be convened in advance of such decisions, the Plan would require the President to convene the Board to ratify or modify the material recovery decision thereafter. By specifying the President's decision-making authority related to material recovery decisions and clarifying the process for the making of such material recovery decisions, the Commission believes that the Plan would enhance the overall transparency regarding material recovery decisions, which in turn would contribute to establishing, implementing, maintaining, and enforcing clear and transparent governance arrangements that support the public interest requirements in Section 17A of the Exchange Act applicable to clearing agencies, and the objectives of owners and participants.

Therefore, the Commission finds that the proposed rule change would establish clear and transparent governance arrangements for the Revised Recovery Plan, consistent with Rule 17Ad-22(e)(2).<sup>19</sup>

### C. Consistency With Rule 17Ad-22(e)(3)(ii)

Rule 17Ad-22(e)(3)(ii) requires that ICE Clear Europe establish, implement, maintain, and enforce written policies and procedures reasonably designed to maintain a sound risk management framework for comprehensively managing legal, credit, liquidity, operational, general business, investment, custody, and other risks that arise in or are borne by ICE Clear Europe, which includes plans for the recovery and orderly wind-down of ICE Clear Europe necessitated by credit losses, liquidity shortfalls, losses from general business risk, or any other losses.<sup>20</sup>

The Commission believes that the information the Revised Recovery Plan would provide about the steps that ICE Clear Europe would take, and the tools it would use, to effectuate a recovery of ICE Clear Europe would enhance ICE Clear Europe's ability to recover from credit losses, liquidity shortfalls, general business risk losses, or other losses, consistent with Rule 17Ad-22(e)(3)(ii).<sup>21</sup> Specifically, by clarifying the recovery tools that ICE Clear Europe may use to effectuate a recovery, the Revised Recovery Plan would enhance ICE Clear Europe's ability to prepare in advance for, and practice the use of, such tools, which the Commission believes would enhance ICE Clear

Europe's ability to use such tools effectively to carry-out a successful recovery. In addition, by continuing to utilize the Plan as the single source of information about, and steps needed to effectuate, a recovery of ICE Clear Europe, the Revised Recovery Plan continues to help ensure that ICE Clear Europe's personnel would have the information and guidance necessary to effectuate a recovery in a consistent and coordinated fashion, which could thereby increase the likelihood of a successful recovery. Moreover, the Commission believes that by identifying and assessing available recovery tools, the Revised Recovery Plan would enhance ICE Clear Europe's ability to identify in advance which tools may be most effective for different situations or needs, which in turn would enhance ICE Clear Europe's ability to use such tools effectively to bring about a recovery, consistent with Rule 17Ad-22(e)(3)(ii).<sup>22</sup>

Therefore, the Commission finds that the proposed rule change would be a plan for the orderly recovery of ICE Clear Europe, consistent with Rule 17Ad-22(e)(3)(ii).<sup>23</sup>

### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Exchange Act, and in particular, Section 17A(b)(3)(F) of the Exchange Act<sup>24</sup> and Rules 17Ad-22(e)(2), and 17Ad-22(e)(3)(ii) thereunder.<sup>25</sup>

*It is therefore ordered* pursuant to Section 19(b)(2) of the Exchange Act that the proposed rule change (SR-ICEEU-2019-013) be, and hereby is, approved.<sup>26</sup>

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2019-15252 Filed 7-17-19; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>19</sup> 17 CFR 240.17Ad-22(e)(3)(ii).

<sup>20</sup> 17 CFR 240.17Ad-22(e)(3)(ii).

<sup>21</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>22</sup> 17 CFR 240.17Ad-22(e)(2); (e)(3)(ii).

<sup>23</sup> In approving the proposed rule change, the Commission considered the proposal's impacts on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>24</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86362; File No. SR-NYSEArca-2019-36]

### 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 Shares of JPMorgan Income Builder Blend ETF under NYSE Arca Rule 8.600-E

July 12, 2019.

#### I. Introduction

On May 10, 2019, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares of the JPMorgan Income Builder Blend ETF under NYSE Arca Rule 8.600-E. The proposed rule change was published for comment in the **Federal Register** on May 28, 2019.<sup>3</sup> On June 7, 2019, the Exchange filed Amendment No. 1 to the proposed rule change, and on June 21, 2019, the Exchange filed Amendment No. 2 to the proposed rule change. On July 2, 2019, the Exchange filed Amendment No. 3 to the proposed rule change, which replaced and superseded the proposed rule change, as modified by Amendment Nos. 1 and 2.<sup>4</sup> The

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 85899 (May 21, 2019), 84 FR 24563 (May 28, 2019).

<sup>4</sup> In Amendment No. 3, the Exchange: (1) Clarified the permitted investments of the Fund; (2) represented that the Fund's portfolio (including investments in Fixed Income Instruments (as defined below), equities, and Private ABS/MBS (as defined below)) will meet all of the generic listing requirements of Commentary .01 to NYSE Arca Rule 8.600-E applicable to the listing of Managed Fund Shares, except for those set forth in (a) Commentary .01(a)(1)(E) and .01(a)(2)(E) regarding over-the-counter ("OTC") equity-linked notes, OTC rights, OTC warrants, and OTC CVRs; (b) Commentary .01(a)(1) regarding non-exchange-traded investment company securities; and (c) Commentary .01(b)(4) regarding Private ABS/MBS; (3) provided additional information regarding the availability of pricing information for the permitted investments of the Fund; (4) represented that the Exchange may communicate as needed regarding trading in the Shares and certain exchange-listed securities and financial instruments held by the Fund from markets and other entities with which the Exchange has in place a comprehensive surveillance sharing agreement; and (5) made other clarifications, corrections, and technical changes. Amendment No. 3 is available at: <https://www.sec.gov/comments/sr-nysearca-2019-36/srnysearca201936-5756090-186867.pdf>.

<sup>19</sup> 17 CFR 240.17Ad-22(e)(2).

<sup>20</sup> 17 CFR 240.17Ad-22(e)(3)(ii).

<sup>21</sup> 17 CFR 240.17Ad-22(e)(3)(ii).

Commission has received no comments on the proposed rule change.

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

## II. The Exchange's Description of the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization 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 those 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 parts of such statements.

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

#### 1. Purpose

The Exchange proposes to list and trade shares ("Shares") of the following under NYSE Arca Rule 8.600–E, which governs the listing and trading of Managed Fund Shares<sup>5</sup> on the Exchange: JPMorgan Income Builder Blend ETF (the "Fund").<sup>6</sup>

The Fund is a series of J.P. Morgan Exchange-Traded Fund Trust ("Trust"), a Delaware statutory trust. J.P. Morgan Investment Management Inc. ("Adviser" or "Administrator") will be the

<sup>5</sup> A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a–1) ("1940 Act") organized as an open-end investment company or similar entity that invests in a portfolio of securities selected by its investment adviser consistent with its investment objectives and policies. In contrast, an open-end investment company that issues Investment Company Units, listed and traded on the Exchange under NYSE Arca Rule 5.2–E(j)(3), seeks to provide investment results that correspond generally to the price and yield performance of a specific foreign or domestic stock index, fixed income securities index or combination thereof.

<sup>6</sup> The Trust is registered under the 1940 Act. On July 31, 2018, the Trust filed with the Commission an amendment to its 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. 333–191837 and 811–22903) (the "Registration Statement"). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement. The Trust will file an amendment to the Registration Statement as necessary to conform to representations in this filing. In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 31990 (February 9, 2016) ("Exemptive Order"). Investments made by the Fund will comply with the conditions set forth in the Exemptive Order.

investment adviser to the Fund and also provide administrative services for and oversee the other service providers for the Fund. The Adviser is a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc., which is an indirect, wholly-owned subsidiary of JPMorgan Chase & Co., a bank holding company. JPMorgan Distribution Services, Inc. ("Distributor") will be the distributor of the Fund's Shares.

Commentary .06 to Rule 8.600–E provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect and maintain a "fire wall" between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment company portfolio.<sup>7</sup> In addition, Commentary .06 further requires that personnel who make decisions on the open-end fund's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the open-end fund's portfolio. 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. In the event (a) the Adviser becomes registered as a broker-dealer or newly affiliated with one or more broker-dealers, 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

<sup>7</sup> An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the "Advisers Act"). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A–1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A–1 under the Advisers Act. In addition, Rule 206(4)–7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

personnel or its 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 such portfolio.

JPMorgan Income Builder Blend ETF

According to the Registration Statement, the Fund seeks to maximize income on a risk-adjusted basis as the primary objective, while maintaining prospects for capital appreciation as a secondary objective. The Adviser will buy and sell securities and other investments for the Fund based on the Adviser's view of strategies, sectors, and overall portfolio construction taking into account income generation, risk/return analyses, and relative value considerations.

Under normal market conditions,<sup>8</sup> the Fund may invest in the fixed income securities, equity securities, derivative instruments and other financial instruments described below.

The Fund may invest in the following "Fixed Income Instruments":<sup>9</sup>

- U.S. Government obligations;<sup>10</sup>
- U.S. Government Agency Securities (including agency asset-backed securities ("ABS") and agency mortgage-backed securities ("MBS"));<sup>11</sup>
- Treasury Receipts;<sup>12</sup>

<sup>8</sup> The term "normal market conditions" is defined in NYSE Arca Rule 8.600–E(c)(5).

<sup>9</sup> Other than "Private ABS/MBS, which will not meet the criteria of Commentary .01(b)(4) to NYSE Arca Rule 8.600–E, as discussed below, all Fixed Income Instruments would meet the generic criteria of Rule 8.600–E, Comm. .01(b).

<sup>10</sup> Examples of U.S. Government obligations 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 Principal of Securities ("STRIPS") and Coupons Under Book Entry Safekeeping ("CUBES").

<sup>11</sup> Examples of U.S. Government Agency Securities include 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 ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), including funding notes, subordinated benchmark notes, collateralized mortgage obligations ("CMOs") and Real Estate Mortgage Investment Conduits ("REMICs").

<sup>12</sup> Treasury Receipts are interests in separately traded interest and principal component parts of U.S. Treasury obligations that are issued by banks or brokerage firms and that are created by depositing U.S. Treasury notes and U.S. Treasury bonds into a special account at a custodian bank. Receipts include Treasury Receipts ("TRs"), Treasury Investment Growth Receipts ("TIGRs"),

- Trust preferred securities;
- Zero-coupon, pay-in-kind and deferred payment securities;<sup>13</sup>
- Variable and floating rate instruments;
- Inverse floating rate securities;
- Synthetic variable rate instruments;<sup>14</sup>
- Municipal securities (other than auction rate municipal securities);
- Auction rate municipal securities and auction rate preferred securities;
- Brady bonds;
- Non-agency ABS;<sup>15</sup>
- Non-agency MBS;<sup>16</sup>
- Stripped MBS;<sup>17</sup>
- Custodial receipts;<sup>18</sup>
- Inflation-linked securities, including Treasury Inflation Protected Securities (“TIPS”);
- Loan assignments and participations, and commitments to purchase loan assignments;
- Adjustable rate mortgage loans (“ARMs”);
- Mortgages (directly held);<sup>19</sup>
- Mortgage dollar rolls;
- Short-term funding agreements;<sup>20</sup>

and Certificates of Accrual on Treasury Securities (“CATS”).

<sup>13</sup> Zero-coupon securities are securities that are sold at a discount to par value and on which interest payments are not made during the life of the security. Pay-in-kind securities are securities that have interest payable by delivery of additional securities. Deferred payment securities are zero-coupon debt securities which convert on a specified date to interest bearing debt securities.

<sup>14</sup> Synthetic variable rate instruments are instruments that generally involve the deposit of a long-term tax exempt bond in a custody or trust arrangement and the creation of a mechanism to adjust the long-term interest rate on the bond to a variable short-term rate and a right (subject to certain conditions) on the part of the purchaser to tender it periodically to a third party at par.

<sup>15</sup> For purposes of this filing, non-agency ABS are collateralized bond obligations (“CBOs”), collateralized loan obligations (“CLOs”), and other collateralized debt obligations (“CDOs”).

<sup>16</sup> For purposes of this filing, non-agency MBS are collateralized mortgage obligations (“CMOs”); commercial mortgage-backed securities (“CMBS”); residential mortgage-backed securities (“RMBS”); and principal-only (PO) and interest-only (IO) stripped MBS. Non-agency ABS and non-agency MBS are referred to herein as “Private ABS/MBS.”

<sup>17</sup> Stripped MBS are derivative multi-class mortgage securities which are usually structured with two classes of shares that receive different proportions of the interest and principal from a pool of mortgage assets. These include IO and PO securities issued outside a Real Estate Mortgage Investment Conduit (“REMIC”) or CMO structure.

<sup>18</sup> The Fund may acquire securities in the form of custodial receipts that evidence ownership of future interest payments, principal payments or both on certain U.S. Treasury notes or bonds in connection with programs sponsored by banks and brokerage firms.

<sup>19</sup> Directly held mortgages are debt instruments secured by real property.

<sup>20</sup> Short-term funding agreements are agreements issued by banks and highly rated U.S. insurance companies such as Guaranteed Investment Contracts (“GICs”) and Bank Investment Contracts (“BICs”).

- Sovereign obligations and obligations of supranational agencies;
- Corporate debt securities of U.S. and foreign issuers; and
- Convertible securities.

The Fund may hold cash and cash equivalents.<sup>21</sup>

The Fund may purchase and sell securities on a when-issued, delayed delivery, or forward commitment basis.

The Fund may invest in private placements, restricted securities and Rule 144A securities.

The Fund may invest in the following exchange-listed equity securities: U.S. and foreign exchange-listed common stocks of U.S. and foreign corporations, U.S. and foreign exchange-listed preferred stocks of U.S. and foreign corporations, U.S. and foreign exchange-listed warrants of U.S. and foreign corporations, U.S. and foreign exchange-listed rights of U.S. and foreign corporations, U.S. and foreign exchange-listed master limited partnerships (“MLPs”), U.S. and foreign exchange-listed real estate investment trusts (“REITs”), U.S. and foreign exchange-listed convertible securities.

The Fund may invest in U.S. and foreign exchange-listed and non-exchange-traded Depository Receipts.<sup>22</sup>

The Fund may hold exchange-traded funds (“ETFs”),<sup>23</sup> and U.S. exchange-traded closed-end funds.

The Fund may invest in securities of non-exchange-traded investment company securities, subject to

<sup>21</sup> For purposes of this filing, cash equivalents include the securities included in Commentary .01(c) to NYSE Arca Rule 8.600–E.

<sup>22</sup> Depository Receipts include American Depository Receipts (“ADRs”), Global Depository Receipts (“GDRs”) and European Depository Receipts (“EDRs”). ADRs are receipts typically issued by an American bank or trust company that evidence ownership of underlying securities issued by a foreign corporation. EDRs are receipts issued by a European bank or trust company evidencing ownership of securities issued by a foreign corporation. GDRs are receipts issued throughout the world that evidence a similar arrangement. ADRs, EDRs and GDRs may trade in foreign currencies that differ from the currency the underlying security for each ADR, EDR or GDR principally trades in. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets. EDRs, in registered form, are used to access European markets. GDRs, in registered form, are tradable both in the United States and in Europe and are designed for use throughout the world. No more than 10% of the equity weight of the Fund’s portfolio will be invested in non-exchange-traded ADRs.

<sup>23</sup> For purposes of this filing, “ETFs” are Investment Company Units (as described in NYSE Arca Rule 5.2–E(j)(3)); Portfolio Depository Receipts (as described in NYSE Arca Rule 8.100–E); and Managed Fund Shares (as described in NYSE Arca Rule 8.600–E). All ETFs will be listed and traded in the U.S. on a national securities exchange. While the Fund may invest in inverse ETFs, the Fund will not invest in leveraged (e.g., 2X, –2X, 3X or –3X) ETFs.

applicable limitations under Section 12(d)(1) of the 1940 Act.

The Fund may hold over-the-counter (“OTC”) equity-related structured investments.<sup>24</sup>

The Fund may hold the following U.S. and foreign exchange-listed and OTC derivative instruments: OTC foreign currency forwards; U.S. and foreign exchange-listed futures and options on stocks, Fixed Income Instruments, interest rates, credit, currencies, commodities or related indices; and OTC options on stocks, Fixed Income Instruments, interest rates, credit, currencies, commodities or related indices.

The Fund may invest in exchange-traded or OTC total return swaps on U.S. and foreign equities, U.S. and foreign equity indices, currencies, interest rates, inflation, commodities, Fixed Income Instruments and Fixed Income Instruments indexes.

The Fund may engage in foreign currency transactions which involve strategies used to hedge against currency risks, for other risk management purposes or to increase income or gain to the Fund. These strategies may consist of use of any of the following: Options on currencies, currency futures, options on such futures, forward foreign currency transactions (including non-deliverable forwards (“NDFs”)), forward rate agreements, spot currency transactions, and currency swaps, caps and floors.

The Fund may hold exchange-traded or non-exchange-traded contingent value rights (“CVRs”).<sup>25</sup>

<sup>24</sup> An equity-related structured investment is a security having a return tied to an underlying index or other security or asset class. Equity-related structured investments generally are individually negotiated agreements and may be traded OTC. Structured investments are organized and operated to restructure the investment characteristics of the underlying index, currency, commodity or financial instrument. OTC equity-related structured investments are OTC rights, OTC warrants and OTC equity-linked notes. As discussed below, OTC equity-related structured investments will not meet generic criteria of 8.600–E, Comm. .01(a).

<sup>25</sup> For purposes of this filing, CVRs are rights provided to shareholders of a company in connection with a corporate restructuring or acquisition. These rights relate to additional benefits to shareholders if a certain event occurs. CVRs frequently have an expiration date relating to the times that contingent events must occur. CVRs related to a company’s stock are generally related to the price performance of such stock. The Adviser represents that the Fund will not actively invest in such securities but may, at times, receive a distribution of such securities in connection with the Fund’s holdings in other securities. Therefore, the Fund’s holdings in non-exchange-traded CVRs, if any, would not be utilized to further the Fund’s investment objective and would not be acquired as the result of the Fund’s voluntary investment decisions.

The Fund may engage in short sales of any financial instruments in which it may invest.

The Fund will not invest in securities or other financial instruments that have not been described in this proposed rule change.

#### Other Restrictions

The Fund may invest up to 20% of the Fund's assets in non-exchange-traded investment company securities.

The Fund may invest up to 15% of the Fund's assets in the aggregate in OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs.

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 and other investments may result in leverage). That is, while the Fund will be permitted to borrow as permitted under the 1940 Act, the Fund's investments will not be used to seek performance that is the multiple or inverse multiple (e.g., 2Xs and 3Xs) of the Fund's primary broad-based securities benchmark index (as defined in Form N-1A).<sup>26</sup>

#### The Fund's Use of Derivatives

Investments in derivative instruments will be made in accordance with the Fund's investment objective and policies.

To limit the potential risk associated with such transactions, the Fund will enter into offsetting transactions or segregate or " earmark " assets determined to be liquid by the Adviser in accordance with procedures established by the Trust's Board of Trustees (the " Board "). In addition, the Fund has included appropriate risk disclosure in its offering documents, including leveraging risk. Leveraging risk is the risk that certain transactions of the Fund, including the Fund's use of derivatives, may give rise to leverage, causing the Fund to be more volatile than if it had not been leveraged.

#### Creation and Redemption of Shares

The consideration for a purchase of Creation Units will generally be cash, but may consist of an in-kind deposit of a designated portfolio of equity securities and other investments (the " Deposit Instruments ") and an amount of cash computed as described below (the " Cash Amount ") under some circumstances. The Cash Amount together with the Deposit Instruments,

as applicable, are referred to as the " Portfolio Deposit, " which represents the minimum initial and subsequent investment amount for a Creation Unit of the Fund. The size of a Creation Unit will be 50,000 Shares and will be subject to change.

In the event the Fund requires Deposit Instruments and a Cash Amount in consideration for purchasing a Creation Unit, the function of the Cash Amount is to compensate for any differences between the net asset value ( " NAV ") per Creation Unit and the Deposit Amount (as defined below). The Cash Amount would be an amount equal to the difference between the NAV of the Shares (per Creation Unit) and the " Deposit Amount, " which is an amount equal to the aggregate market value of the Deposit Instruments. If the Cash Amount is a positive number (the NAV per Creation Unit exceeds the Deposit Amount), the Authorized Participant will deliver the Cash Amount. If the Cash Amount is a negative number (the NAV per Creation Unit is less than the Deposit Amount), the Authorized Participant will receive the Cash Amount. The Administrator, through the National Securities Clearing Corporation ( " NSCC "), will make available on each business day, immediately prior to the opening of business on the Exchange (currently 9:30 a.m. Eastern time ( " E.T. ")), 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 identity and number of the Deposit Instruments and Cash Amount required for the Portfolio Deposit for the Fund changes as rebalancing adjustments and corporate action events are reflected from time to time by the Adviser with a view to the investment objective of the Fund. In addition, the Trust reserves the right to accept a basket of securities or cash that differs from Deposit Instruments or to permit the substitution of an amount of cash (i.e., a " cash in lieu " amount) to be added to the Cash Amount to replace any Deposit Instrument which may, among other reasons, not be available in sufficient quantity for delivery, not be permitted to be re-registered in the name of the Trust as a result of an in-kind creation order pursuant to local law or market convention or for other reasons as described in the Registration Statement, or which may not be eligible for trading by a Participating Party (defined below).

#### Procedures for Creation of Creation Units

To be eligible to place orders with the Distributor to create Creation Units of the Fund, an entity or person either must be (1) a " Participating Party, " i.e., a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the NSCC; or (2) a Depository Trust Company ( " DTC ") Participant, which, in either case, must have executed an agreement with the Distributor ( " Participant Agreement "). Such Participating Party and DTC Participant are collectively referred to as an " Authorized Participant. " All orders to create Creation Units must be received by the Distributor no later than the closing time of the regular trading session on the Exchange ( " Closing Time ") (ordinarily 4:00 p.m. E.T.), in each case on the date such order is placed in order for creation of Creation Units to be effected based on the NAV of the Fund as determined on such date.

#### Redemption of Creation Units

Shares may be redeemed only in Creation Units at their NAV next determined after receipt of a redemption request in proper form by the Distributor, only on a business day and only through a Participating Party or DTC Participant who has executed a Participant Agreement. All orders to redeem Creation Units must be received by the Distributor no later than the Exchange Closing Time (ordinarily 4:00 p.m. E.T.).

Although the Fund will generally pay redemption proceeds in cash, there may be instances when it will make redemptions in-kind.<sup>27</sup> In these instances, the Administrator, through NSCC, makes available immediately prior to the opening of business on the Exchange (currently 9:30 a.m. E.T.) on each day that the Exchange is open for business, the identity of the Fund's assets and/or an amount of cash that will be applicable (subject to possible amendment or correction) to redemption requests received in proper form on that day. With respect to redemptions in-kind, the redemption proceeds for a Creation Unit generally consist of " Redemption Instruments " (which are securities received on redemption) as announced by the Administrator on the business day of the request for redemption, plus cash in an amount equal to the difference between the NAV of the Shares being

<sup>26</sup> The Fund's broad-based securities benchmark index will be identified in a future amendment to the Registration Statement following the Fund's first full calendar year of performance.

<sup>27</sup> The Adviser represents that, to the extent the Trust effects the creation or redemption of Shares in cash, such transactions will be effected in the same manner for all Authorized Participants.

redeemed, as next determined after a receipt of a request in proper form, and the value of the Redemption Instruments.

#### Disclosed Portfolio

The Fund's disclosure of derivative positions in the applicable Disclosed Portfolio includes information that market participants can use to value these positions intraday. On a daily basis, the Fund will disclose the information regarding the Disclosed Portfolio required under NYSE Arca Rule 8.600–E(c)(2) to the extent applicable. The Fund's website information will be publicly available at no charge.

#### Impact on Arbitrage Mechanism

The Adviser believes there will be minimal impact to the arbitrage mechanism as a result of the use of derivatives. Market makers and participants should be able to value derivatives as long as the positions are disclosed with relevant information. The Adviser believes that the price at which Shares trade will continue to be disciplined by arbitrage opportunities created by the ability to purchase or redeem Shares at their NAV, which should ensure that Shares will not trade at a material discount or premium in relation to their NAV.

The Adviser does not believe there will be any significant impacts to the settlement or operational aspects of the Fund's arbitrage mechanism due to the use of derivatives. Because derivatives generally are not eligible for in-kind transfer, they will typically be substituted with a "cash in lieu" amount when the Fund processes purchases or redemptions of creation units in-kind.

#### Application of Generic Listing Requirements

The Exchange is submitting this proposed rule change because the portfolio for the Fund will not meet all of the "generic" listing requirements of Commentary .01 to NYSE Arca Rule 8.600–E applicable to the listing of Managed Fund Shares. The Fund's portfolio would meet all such requirements except for those set forth in NYSE Arca Rule 8.600–E, Commentary .01(a)(1)(E) and .01(a)(2)(E) regarding OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs; Commentary .01(a)(1) regarding non-exchange-traded investment company securities; and Commentary .01(b)(4)<sup>28</sup> regarding Private ABS/MBS.

<sup>28</sup> Commentary .01(b)(4) provides that component securities that in the aggregate account for at least

With respect to Commentary .01(a)(1)(E) and .01(a)(2)(E) to NYSE Arca Rule 8.600–E, as noted above, the Fund may hold OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs, which are deemed non-exchange-traded equity securities for purposes of this filing.<sup>29</sup> Because such securities are not listed on a national securities exchange or an exchange that has last-sale reporting, such securities would not meet the criteria of Commentary .01(a)(1)(E) and (a)(2)(E) to NYSE Arca Rule 8.600–E applicable to U.S. Component Stocks and Non-U.S. Component Stocks. As noted above, the Fund may invest up to 15% of the Fund's assets in the aggregate in OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs. The Exchange believes that this limitation is appropriate in that OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs are providing debt or equity-oriented exposures or are received in connection with the Fund's previous investment in fixed income securities or equities. With respect to OTC CVRs, the Adviser represents that the Fund will not actively invest in such securities but may, at times, receive a distribution of such securities in connection with the Fund's holdings in other securities. Therefore, the Fund's holdings in OTC CVRs, if any, would not be utilized to further the Fund's investment objective and would not be acquired as the result of the Fund's voluntary investment decisions.<sup>30</sup> All of the other equity

90% of the fixed income weight of the portfolio must be either: (a) From issuers that are required to file reports pursuant to Sections 13 and 15(d) of the Act; (b) from issuers that have a worldwide market value of its outstanding common equity held by non-affiliates of \$700 million or more; (c) from issuers that have outstanding securities that are notes, bonds debentures, or evidence of indebtedness having a total remaining principal amount of at least \$1 billion; (d) exempted securities as defined in Section 3(a)(12) of the Act; or (e) from issuers that are a government of a foreign country or a political subdivision of a foreign country.

<sup>29</sup> Commentary .01(a) to NYSE Arca Rule 8.600–E provides criteria applicable to exchange-traded equity securities held by a series of Managed Fund Shares. Among such criteria, equity securities that are U.S. Component Stocks as described in NYSE Arca Rule 5–2–E(j)(3) shall be listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act (with a limited exception for certain ADRs). Equity securities that are Non-U.S. Component Stocks as described in NYSE Arca Rule 5–2–E(j)(3) shall be listed and traded on an exchange that has last-sale reporting.

<sup>30</sup> The Commission has previously approved listing and trading of series of Managed Fund Shares that hold OTC equity securities such as common stocks, rights, warrants and CVRs. See, e.g., Securities Exchange Act Release Nos. 77904 (May 25, 2016) (SR–NYSEArca–2016–17) (Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of a Proposed Rule Change,

securities held by the Fund (with the exception of non-exchange-traded investment company securities, as discussed below) will comply with the generic requirements Commentary .01(a)(1) and (a)(2) to NYSE Arca Rule 8.600–E.

The Fund may invest in non-exchange-traded investment company securities, which are equity securities. Because such securities must satisfy applicable 1940 Act diversification requirements, and have a net asset value based on the value of securities and financial assets the investment company holds, it is both unnecessary and inappropriate to apply to such investment company securities the criteria in Commentary .01(a)(1). As noted above, the Fund may invest up to 20% of the Fund's assets in non-exchange-traded investment company securities. The Fund's investment in shares of non-exchange-traded open-end management investment company securities will be utilized in order to obtain income on short-term cash balances while awaiting attractive investment opportunities, to provide liquidity in preparation for anticipated redemptions or for defensive purposes, which will allow the Fund to obtain the benefits of a more diversified portfolio available in the shares of non-exchange-traded open-end management investment company securities than might otherwise be available. Moreover, such investments, which may include mutual funds that invest, for example, principally in fixed income securities, would be utilized to help the Fund meet its investment objective and to equitize cash in the short term. The Fund will invest in such securities only to the extent that those investments would be consistent with the requirements of Section 12(d)(1) of the 1940 Act and the rules thereunder.

The Exchange notes that Commentary .01(a)(1)(A) through (D) to Rule 8.600–E exclude application of those provisions to certain "Derivative Securities Products" that are exchange-traded investment company securities, including Investment Company Units (as described in NYSE Arca Rule 5.2–E(j)(3)), Portfolio Depositary Receipts (as

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); 79683 (December 23, 2016) (SR–NYSEArca–2016–82) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1, 2, and 3 Thereto, to List and Trade Shares of the JPMorgan Diversified Event Driven ETF under NYSE Arca Equities Rule 8.600 82492 (January 12, 2018) (SR–NYSEArca–2017–87) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 6, to List and Trade Shares of the JPMorgan Long/Short ETF under NYSE Arca Rule 8.600–E).

described in NYSE Arca Rule 8.100–E) and Managed Fund Shares (as described in NYSE Arca Rule 8.600–E).<sup>31</sup> In its 2008 Approval Order approving amendments to Commentary .01(a) to Rule 5.2(j)(3) that exclude Derivative Securities Products from certain provisions of Commentary .01(a) (which exclusions are similar to those in Commentary .01(a)(1) to Rule 8.600–E), the Commission stated that “based on the trading characteristics of Derivative Securities Products, it may be difficult for component Derivative Securities Products to satisfy certain quantitative index criteria, such as the minimum market value and trading volume limitations.” The Exchange notes that it would be difficult or impossible to apply to non-exchange-traded investment company securities the generic quantitative criteria (e.g., market capitalization, trading volume, or portfolio criteria) in Commentary .01(a) through (d) applicable to U.S. Component Stocks. For example, the requirement for U.S. Component Stocks in Commentary .01(a)(1)(B) that there be minimum monthly trading volume of 250,000 shares, or minimum notional volume traded per month of \$25,000,000, averaged over the last six months is tailored to exchange-traded securities (e.g., U.S. Component Stocks) and not to mutual fund shares, which do not trade in the secondary market. Moreover, application of such criteria would not serve its purpose with respect to U.S. Component Stocks, namely, to establish minimum liquidity

<sup>31</sup> The Commission initially approved the Exchange’s proposed rule change to exclude “Derivative Securities Products” (i.e., Investment Company Units and securities described in Section 2 of Rule 8) and “Index-Linked Securities (as described in Rule 5.2–E(j)(6)) from Commentary .01(a)(1) through (4) to Rule 5.2–E(j)(3) in Securities Exchange Act Release No. 57751 (May 1, 2008), 73 FR 25818 (May 7, 2008) (SR–NYSEArca–2008–29) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, to Amend the Eligibility Criteria for Components of an Index Underlying Investment Company Units) (“2008 Approval Order”). See also, Securities Exchange Act Release No. 57561 (March 26, 2008), 73 FR 17390 (April 1, 2008) (Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto to Amend the Eligibility Criteria for Components of an Index Underlying Investment Company Units). The Commission subsequently approved generic criteria applicable to listing and trading of Managed Fund Shares, including exclusions for Derivative Securities Products and Index-Linked Securities in Commentary .01(a)(1)(A) through (D), in Securities Exchange Act Release No. 78397 (July 22, 2016), 81 FR 49320 (July 27, 2016) (Order Granting Approval of Proposed Rule Change, as Modified by Amendment No. 7 Thereto, Amending NYSE Arca Equities Rule 8.600 To Adopt Generic Listing Standards for Managed Fund Shares). See also, Amendment No. 7 to SR–NYSEArca–2015–110, available at <https://www.sec.gov/comments/sr-nysearca-2015-110/nysearca2015110-9.pdf>.

and diversification criteria for U.S. Component Stocks held by series of Managed Fund Shares.

The Exchange notes that the Commission has previously approved listing and trading of an issue of Managed Fund Shares that may invest in equity securities that are non-exchange-traded securities of other open-end investment company securities notwithstanding that the fund would not meet the requirements of Commentary .01(a)(1)(A) through (E) to Rule 8.600–E with respect to such fund’s investments in such securities.<sup>32</sup> Thus, the Exchange believes that it is appropriate to permit the Fund to invest in non-exchange-traded open-end management investment company securities, as described above.

The Fund will not comply with the requirements in Commentary .01(b)(4) to Rule 8.600–E that component securities that in the aggregate account for at least 90% of the fixed income weight of the portfolio meet one of the criteria specified in Commentary .01(b)(4), because certain Private ABS/MBS by their nature cannot satisfy the criteria in Commentary .01(b)(4).<sup>33</sup> Instead, the Exchange proposes that the Fund’s investments in Fixed Income Instruments other than Private ABS/MBS will be required to comply with the requirements of Commentary .01(b)(4).<sup>34</sup> The Exchange believes that excluding Private ABS/MBS from the 90% calculation in Commentary .01(b)(4) is consistent with the Act because the Fund’s portfolio will minimize the risk to the overall Fund associated with any particular holding of the Fund as a result of the diversification provided by the investments and the Adviser’s selection process, which closely monitors investments to ensure maintenance of credit and liquidity standards. Further, the Exchange believes that this alternative limitation is appropriate

<sup>32</sup> See Securities Exchange Act Release No. 83319 (May 24, 2018), 83 FR 25097 (May 31, 2018) (SR–NYSEArca–2018–15) (Order Approving a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, to Continue Listing and Trading Shares of the PGIM Ultra Short Bond ETF Under NYSE Arca Rule 8.600–E).

<sup>33</sup> Private ABS/MBS are generally issued by special purpose vehicles, so the criteria in Commentary .01(b)(4) to Rule 8.600–E regarding an issuer’s market capitalization and the remaining principal amount of an issuer’s securities are typically unavailable with respect to Private ABS/MBS, even though such Private ABS/MBS may own significant assets.

<sup>34</sup> Private ABS/MBS will comply with Commentary .01(b)(5), which provides that non-agency, non-government-sponsored entity (“GSE”) and privately-issued mortgage-related and other asset-backed securities components of a portfolio shall not account, in the aggregate, for more than 20% of the weight of the portfolio.

because Commentary .01(b)(4) to Rule 8.600–E is not designed for structured finance vehicles such as Private ABS/MBS.<sup>35</sup>

The Exchange notes that the Commission has previously approved the listing of Managed Fund Shares with similar investment objectives and strategies without imposing requirements that a certain percentage of such funds’ securities meet one of the criteria set forth in Commentary .01(b)(4).<sup>36</sup>

Deviations from the generic requirements are necessary for the Fund to achieve its investment objective in a manner that is cost-effective and that maximizes investors’ returns. Further, the proposed alternative requirements are narrowly tailored to allow the Fund to achieve its investment objective in manner that is consistent with the principles of Section 6(b)(5) of the Act. As a result, it is in the public interest to approve listing and trading of Shares of the Fund on the Exchange pursuant to the requirements set forth herein.

The Exchange notes that, other than NYSE Arca Rule 8.600–E, Commentary .01(a)(1)(E) and .01(a)(2)(E) regarding OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs; Commentary .01(a)(1) regarding non-exchange-traded investment company securities; and Commentary .01(b)(4)

<sup>35</sup> The Commission has previously approved listing on a national securities exchange of a series of Managed Fund Shares that principally holds fixed income securities and whose holdings of securities similar to Private ABS/MBS (as described herein) do not comply with criteria comparable to those included in Commentary .01(b)(4) to Rule 8.600–E. See Securities Exchange Act Release No. 85701 (April 22, 2019), 84 FR 17902 (April 26, 2019) (SR–CboeBZX–2019–016) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to Allow the JPMorgan Core Plus Bond ETF to Hold Certain Instruments in a Manner that May Not Comply with Rule 14.11(i), Managed Fund Shares).

<sup>36</sup> See, e.g., Exchange Act Release Nos. 67894 (September 20, 2012) 77 FR 59227 (September 26, 2012) (SR–BATS–2012–033) (order approving the listing and trading of shares of the iShares Short Maturity Bond Fund); 70342 (September 6, 2013), 78 FR 56256 (September 12, 2013) (SR–NYSEArca–2013–71) (order approving the listing and trading of shares of the SPDR SSGA Ultra Short Term Bond ETF, SPDR SSGA Conservative Ultra Short Term Bond ETF and SPDR SSGA Aggressive Ultra Short Term Bond ETF). See also, Securities Exchange Act Release Nos. 84047 (September 6, 2018), 83 FR 46200 (September 12, 2018) (SR–NASDAQ–2017–128) (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 Shares of the Western Asset Total Return ETF); 85022 (January 31, 2019), 25 FR 2265 (February 6, 2019) (SR–NASDAQ–2018–080) (Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1, 2 and 3, To List and Trade Shares of the BrandywineGLOBAL—Global Total Return ETF).

regarding Private ABS/MBS, as described above, the Fund's portfolio will meet all other requirements of Rule 8.600–E, including the generic listing requirements in Commentary .01 to Rule 8.600–E.

#### Availability of Information

The Fund's website ([www.jpmorganfunds.com](http://www.jpmorganfunds.com)), which will be publicly available prior to the public offering of Shares, will include a form of the prospectus for the Fund that may be downloaded. The Fund's website will include additional quantitative information updated on a daily basis, including, for the Fund, (1) daily trading volume, the prior business day's reported closing price, NAV and mid-point of the bid/ask spread at the time of calculation of such NAV (the "Bid/Ask Price"),<sup>37</sup> and a calculation of the premium and discount of the Bid/Ask Price against the NAV, and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. On each business day, before commencement of trading in Shares in the Core Trading Session on the Exchange, the Adviser will disclose on the Fund's website the Disclosed Portfolio for the Fund as defined in NYSE Arca Rule 8.600–E(c)(2) that will form the basis for the Fund's calculation of NAV at the end of the business day.<sup>38</sup>

Investors can also obtain the Trust's Statement of Additional Information ("SAI"), the Fund's Shareholder Reports, and its Form N–CSR and Form N–SAR, filed twice a year. The Trust's SAI and Shareholder Reports are available free upon request from the Trust, and those documents and the Form N–CSR and Form N–SAR may be viewed on-screen or downloaded from the Commission's website at [www.sec.gov](http://www.sec.gov).

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, MLPs, REITs, convertible securities, ETFs,

closed-end funds, and U.S. exchange-listed Depository Receipts will be available via the CTA high speed line. Price information for the following U.S. and foreign exchange-traded securities and financial instruments will be available from the exchange on which they are listed: Futures; options on futures; options other than options on futures; swaps; CVRs, foreign exchange-traded Depository Receipts and equity-linked notes. 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 foreign exchange-listed equity securities will be available from the exchanges on which they trade and from major market data vendors, as applicable. Information regarding market price and trading volume for the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

Quotation information for OTC options, cash equivalents, swaps, and Fixed Income Instruments may be obtained from brokers and dealers who make markets in such securities or through nationally recognized pricing services through subscription agreements. Forwards and spot currency price information will be available from major market data vendors. Price information for non-exchange-traded investment company securities, OTC equity-linked notes, OTC warrants, OTC rights, OTC CVRs, OTC Depository Receipts, 144A securities, private placement securities and restricted securities is available from major market data vendors. Price information for certain municipal securities held by the Fund is available through Electronic Municipal Market Access ("EMMA") of the Municipal Securities Rulemaking Board ("MSRB").

In addition, the PIV, as defined in NYSE Arca Rule 8.600–E(c)(3), will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session.<sup>39</sup> The dissemination of the PIV, together with the Disclosed Portfolio, will allow investors to determine the approximate value of the underlying portfolio of the Fund on a daily basis

<sup>39</sup> Currently, it is the Exchange's understanding that several major market data vendors display and/or make widely available PIVs taken from the CTA or other data feeds.

and will provide a close estimate of that value throughout the trading day.

#### Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Fund.<sup>40</sup> Trading in Shares of the Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12–E 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 of the Fund inadvisable.

Trading in the Shares will be subject to NYSE Arca Rule 8.600–E(d)(2)(D), which sets forth circumstances under which Shares of the Fund may be halted.

#### Trading Rules

The Exchange 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. Shares will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. E.T. in accordance with NYSE Arca Rule 7.34–E (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6–E, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

Except as described herein, the Shares of the Fund will conform to the initial and continued listing criteria under NYSE Arca Rule 8.600–E. The Exchange represents that, for initial and/or continued listing, the Fund will be in compliance with Rule 10A–3<sup>41</sup> under the Act, as provided by NYSE Arca Rule 5.3–E. A minimum of 100,000 Shares of the Fund will be outstanding at the commencement of trading on the Exchange. The Exchange will obtain a representation from the issuer of the Shares of the Fund that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances

<sup>40</sup> See NYSE Arca Rule 7.12–E.

<sup>41</sup> 17 CFR 240 10A–3.

<sup>37</sup> The Bid/Ask Price of the Fund's Shares will be determined using the mid-point of the highest bid and the lowest offer on the Exchange as of the time of calculation of the Fund's NAV. The records relating to Bid/Ask Prices will be retained by the Fund and its service providers.

<sup>38</sup> 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"). 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.

administered by 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.<sup>42</sup> 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 surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

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 Intermarket Surveillance Group (“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 and communicate as needed regarding trading in such securities and financial instruments from markets and other entities with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>43</sup> 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 (“TRACE”).

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolio holdings or reference asset, (b) limitations on portfolio holdings or reference assets, or

(c) the applicability of Exchange listing rules specified in this rule filing 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 requirements. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m).

#### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit (“ETP”) Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Shares of the Fund. Specifically, the Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (2) NYSE Arca 9.2–E(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; (3) the risks involved in trading the Shares during the Early and Late Trading Sessions when an updated PIV will not be calculated or publicly disseminated; (4) how information regarding the PIV and the Disclosed Portfolio is disseminated; (5) 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 (6) trading information.

In addition, the Bulletin will reference that the Fund is subject to various fees and expenses described in the Registration Statement. The Bulletin will discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. The Bulletin will also disclose that the NAV for the Shares of the Fund will be calculated after 4:00 p.m. E.T. each trading day.

#### 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>44</sup> that an exchange have rules that are 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, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.600–E. 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. The Exchange represents that 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. 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 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 TRACE.

The PIV, as defined in NYSE Arca Rule 8.600–E (c)(3), will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session. The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment), deemed illiquid

<sup>42</sup> 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.

<sup>43</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). 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.

<sup>44</sup> 15 U.S.C. 78f(b)(5).

by the Adviser, consistent with Commission guidance.

Except as described herein, the Shares of the Fund will conform to the initial and continued listing criteria under NYSE Arca Rule 8.600–E. The Exchange represents that, for initial and/or continued listing, the Fund will be in compliance with Rule 10A–3 under the Act, as provided by NYSE Arca Rule 5.3–E. A minimum of 100,000 Shares of the Fund will be outstanding at the commencement of trading on the Exchange. The Exchange will obtain a representation from the issuer of the Shares of the Fund 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. In addition, a large amount of information is publicly available regarding the Fund and the Shares, thereby promoting market transparency. The Fund's portfolio holdings will be disclosed on its website daily after the close of trading on the Exchange and prior to the opening of trading on the Exchange the following day. On a daily basis, the Fund will disclose the information regarding the Disclosed Portfolio required under NYSE Arca Rule 8.600–E (c)(2) to the extent applicable. The Fund's website information will be publicly available at no charge.

Investors can also obtain the Trust's SAI, the Fund's Shareholder Reports, and its Form N–CSR and Form N–SAR, filed twice a year. The Trust's SAI and Shareholder Reports are available free upon request from the Trust, and those documents and the Form N–CSR and Form N–SAR may be viewed on-screen or downloaded from the Commission's website at [www.sec.gov](http://www.sec.gov).

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. Moreover, prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares of the Fund. Trading in Shares of the Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12–E have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable, and trading in the Shares will be subject to NYSE Arca Rule 8.600–E(d)(2)(D), which sets forth circumstances under which Shares of the Fund may be halted. In addition, as noted above, investors will have ready access to information regarding the Fund's holdings, the PIV, the Disclosed

Portfolio, and quotation and last sale information for the Shares. 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 and other investments may result in leverage). That is, while the Fund will be permitted to borrow as permitted under the 1940 Act, the Fund's investments will not be used to seek performance that is the multiple or inverse multiple (e.g., 2Xs and 3Xs) of the Fund's primary broad-based securities benchmark index (as defined in Form N–1A).

With respect to the Fund's investment in Private ABS/MBS, the proposed non-compliance with the requirements in Commentary .01(b)(4) to Rule 8.600–E that component securities that in the aggregate account for at least 90% of the fixed income weight of the portfolio meet one of the criteria specified in Commentary .01(b)(4) is appropriate because certain Private ABS/MBS by their nature cannot satisfy the criteria in Commentary .01(b)(4). Instead, the Exchange proposes that the Fund's investments in Fixed Income Instruments other than Private ABS/MBS will be required to comply with the requirements of Commentary .01(b)(4), and Private ABS/MBS will be limited to 20% of the Fund's portfolio. The Exchange believes that excluding Private ABS/MBS from the 90% calculation in Commentary .01(b)(4) is consistent with the Act because the Fund's portfolio will minimize the risk to the overall Fund associated with any particular holding of the Fund as a result of the diversification provided by the investments and the Adviser's selection process, which closely monitors investments to ensure maintenance of credit and liquidity standards. Further, the Exchange believes that this alternative limitation is appropriate because Commentary .01(b)(4) to Rule 8.600–E is not designed for structured finance vehicles such as Private ABS/MBS.

The Exchange notes that the Commission has previously approved the listing of Managed Fund Shares with similar investment objectives and strategies without imposing requirements that a certain percentage of such funds' securities meet one of the criteria set forth in Commentary .01(b)(4).<sup>45</sup>

The Fund may invest in shares of non-exchange-traded open-end management investment company securities, which are equity securities.

Therefore, the Fund will not comply with the requirements of Commentary .01(a)(1) to NYSE Arca Rule 8.600–E (U.S. Component Stocks) with respect to its holdings in such equity securities. It is appropriate and in the public interest to approve listing and trading of Shares of the Fund notwithstanding that the Fund's holdings in such securities would not meet the requirements of Commentary .01(a)(1)(A) through (E) to Rule 8.600–E. The Fund's investment in non-exchange-traded open-end management investment company securities will not exceed 20% of the Fund's assets. The Fund's investment in shares of non-exchange-traded open-end management investment company securities will be utilized in order to obtain income on short-term cash balances while awaiting attractive investment opportunities, to provide liquidity in preparation for anticipated redemptions or for defensive purposes, which will allow the Fund to obtain the benefits of a more diversified portfolio available in the shares of non-exchange-traded open-end management investment company securities than might otherwise be available. Moreover, such investments, which may include mutual funds that invest, for example, principally in fixed income securities, would be utilized to help the Fund meet its investment objective and to equitize cash in the short term. The Fund will invest in such securities only to the extent that those investments would be consistent with the requirements of Section 12(d)(1) of the 1940 Act and the rules thereunder. Because such securities must satisfy applicable 1940 Act diversification requirements, and have a net asset value based on the value of securities and financial assets the investment company holds, it is both unnecessary and inappropriate to apply to such investment company securities the criteria in Commentary .01(a)(1).

The Exchange notes that it would be difficult or impossible to apply to mutual fund shares certain of the generic quantitative criteria (e.g., market capitalization, trading volume, or portfolio criteria) in Commentary .01 (A) through (D) applicable to U.S. Component Stocks. For example, the requirements for U.S. Component Stocks in Commentary .01(a)(1)(B) that there be minimum monthly trading volume of 250,000 shares, or minimum notional volume traded per month of \$25,000,000, averaged over the last six months are tailored to exchange-traded securities (i.e., U.S. Component Stocks) and not to mutual fund shares, which do not trade in the secondary market

<sup>45</sup> See note 37 [sic], *supra*.

and for which no such volume information is reported. In addition, Commentary .01(a)(1)(A) relating to minimum market value of portfolio component stocks, Commentary .01(a)(1)(C) relating to weighting of portfolio component stocks, and Commentary .01(a)(1)(D) relating to minimum number of portfolio components are not appropriately applied to open-end management investment company securities; open-end investment companies hold multiple individual securities as disclosed publicly in accordance with the 1940 Act, and application of Commentary .01(a)(1)(A) through (D) would not serve the purposes served with respect to U.S. Component Stocks, namely, to establish minimum liquidity and diversification criteria for U.S. Component Stocks held by series of Managed Fund Shares.

To the extent the Fund invests in OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs, the Fund will not comply with the requirements of Commentary .01(a)(1)(E) and .01(a)(2)(E) with respect to its holdings in such equity securities. As noted above, the Fund may invest up to 15% of the Fund's assets in the aggregate in OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs. The Exchange believes that this limitation is appropriate in that OTC warrants, OTC rights, OTC equity-linked notes, and OTC CVRs are providing debt or equity-oriented exposures or are received in connection with the Fund's previous investment in fixed income securities or equities. All of the other equity securities held by the Fund will comply with the requirements of Commentary .01(a)(1)(E) and (a)(2)(E) to NYSE Arca Rule 8.600–E. With respect to OTC CVRs, the Adviser represents that the Fund will not actively invest in such securities but may, at times, receive a distribution of such securities in connection with the Fund's holdings in other securities. Therefore, the Fund's holdings in OTC CVRs, if any, would not be utilized to further the Fund's investment objective and would not be acquired as the result of the Fund's voluntary investment decisions.

The Exchange accordingly believes that it is appropriate and in the public interest to approve listing and trading of Shares of the Fund on the Exchange notwithstanding that certain investments of the Fund would not meet the requirements of Commentary .01(a) and (b)(4) to Rule 8.600–E, as discussed above. The Exchange notes that, other than NYSE Arca Rule 8.600–E, Commentary .01(a)(1)(E) and .01(a)(2)(E) regarding OTC equity-linked notes, OTC

rights, OTC warrants, and OTC CVRs; Commentary .01(a)(1) regarding non-exchange-traded investment company securities; and Commentary .01(b)(4) regarding Private ABS/MBS, as described above, the Fund's portfolio will meet all other requirements of Rule 8.600–E, including the generic listing requirements in Commentary .01 to Rule 8.600–E.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of actively-managed exchange-traded product that holds fixed income securities, equity securities and derivatives and that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares of the Fund and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding the Fund's holdings, the PIV, the Disclosed Portfolio for the Fund, and quotation and last sale information for the Shares of the Fund.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

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 will facilitate the listing and trading of an additional type of actively-managed exchange-traded product that holds fixed income securities, equity securities and derivatives and that will enhance competition among market participants, 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*

No written comments were solicited or received with respect to the proposed rule change.

### **III. Discussion and Commission's Findings**

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 3, is consistent with the Act and the rules and regulations thereunder applicable to

a national securities exchange.<sup>46</sup> 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 Act,<sup>47</sup> 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.

According to the Exchange, other than Commentary .01(a)(1)(E) and .01(a)(2)(E) relating to OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs; Commentary .01(a)(1) relating to non-exchange-traded investment company securities; and Commentary .01(b)(4) relating to Private ABS/MBS, as described above, the Fund will meet all other requirements of Rule 8.600–E.

The Fund's investments in OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs will not comply with either Commentary .01(a)(1)(E) to Rule 8.600–E, which requires the U.S. Component Stocks in the portfolio to be listed on a national securities exchange and to be NMS Stocks, or Commentary .01(a)(2)(E) to Rule 8.600–E, which requires the Non-U.S. Component Stocks in the portfolio to be listed and traded on an exchange with last sale reporting. As proposed, the Fund may invest up to 15% of the Fund's assets in the aggregate in OTC equity-linked notes, OTC rights, OTC warrants, and OTC CVRs. The Exchange represents that the Fund will not actively invest in OTC CVRs but may, at times, receive a distribution of such securities in connection with the Fund's holdings in other securities. The Commission believes that the low level of investment by the Fund in such securities, *i.e.*, no more than 15% of the Fund's net assets, is not likely to make the Shares materially more susceptible to fraudulent or manipulative acts and practices.

With respect to the Fund's investments in shares of non-exchange-traded open-end management investment company securities, which will not comply with Commentary .01(a)(1) to Rule 8.600–E, the Commission notes that: (1) Such securities must satisfy applicable 1940 Act diversification requirements; and (2)

<sup>46</sup> 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).

<sup>47</sup> 15 U.S.C. 78f(b)(5).

the value of such securities is based on the value of securities and financial assets held by those investment companies.<sup>48</sup> The Commission therefore believes that the Fund's investments in non-exchange-traded open-end management investment company securities would not make the Shares susceptible to fraudulent or manipulative acts and practices.

In addition, while the Fund will not meet the requirement that component securities that in the aggregate account for at least 90% of the fixed income weight of the portfolio meet one of the criteria set forth in in Commentary .01(b)(4) to Rule 8.600–E, the Commission believes that the diversification of the Fund's portfolio, the limitation of Private ABS/MBS holdings to 20% of the weight of the portfolio, and the fact that the fixed income portion of the portfolio, excluding Private ABS/MBS, will comply with Commentary .01(b)(4), mitigate manipulation concerns relating to the Shares.

The Exchange represents that all statements and representations made in the filing regarding (a) the description of the portfolio holdings or reference assets, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in the rule filing constitute continued listing requirements for listing the Shares on the Exchange. In addition, 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<sup>49</sup> for compliance with the continued listing requirements. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m).

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 3, is consistent with Section 6(b)(5)

of the Act<sup>50</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Solicitation of Comments on Amendment No. 3 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 3 is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR–NYSEArca–2019–36 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–2019–36. This file number should be included on the subject line if email 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. 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–NYSEArca–2019–36, and

should be submitted on or before August 8, 2019.

#### V. Accelerated Approval of 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 notice of the filing of Amendment No. 3 in the **Federal Register**. The Commission notes that Amendment No. 3 clarified the permitted investments of the Fund and the application of NYSE Arca Rule 8.600–E, Commentary .01 to the Fund's investments. Amendment No. 3 also provided other clarifications and additional information to the proposed rule change. The changes and additional information in Amendment No. 3 assist the Commission in evaluating the Exchange's proposal and in determining that it is consistent with the Act. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>51</sup> to approve the proposed rule change, as modified by Amendment No. 3, on an accelerated basis.

#### VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>52</sup> that the proposed rule change (SR–NYSEArca–2019–36), as modified by Amendment No. 3 be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>53</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2019–15251 Filed 7–17–19; 8:45 am]

**BILLING CODE 8011–01–P**

## SMALL BUSINESS ADMINISTRATION

### Reporting and Recordkeeping Requirements Under OMB Review

**AGENCY:** Small Business Administration.

**ACTION:** 30-Day notice.

**SUMMARY:** The Small Business Administration (SBA) is publishing this notice to comply with requirements of the Paperwork Reduction Act (PRA) requires agencies to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a

<sup>48</sup> See *supra* Section I.L.C (Application of Generic Listing Standards).

<sup>49</sup> The Commission notes that certain proposals for the listing and trading of exchange-traded products 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) (SR–BATS–2016–04). In the context of this representation, it is the Commission's view that “monitor” and “surveil” both mean ongoing oversight of 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.

<sup>50</sup> 15 U.S.C. 78f(b)(5).

<sup>51</sup> 15 U.S.C. 78s(b)(2).

<sup>52</sup> *Id.*

<sup>53</sup> 17 CFR 200.30–3(a)(12).