3. Shares will be purchased and redeemed in Creation Units and generally on an in-kind basis. Except where the purchase or redemption will include cash under the limited circumstances specified in the application, purchasers will be required to purchase Creation Units by depositing specified instruments (''Deposit Instruments''), and shareholders redeeming their shares will receive specified instruments (''Redemption Instruments''). The Deposit Instruments and the Redemption Instruments will each correspond pro rata to the positions in the Fund's portfolio (including cash positions) except as specified in the application.

4. Because shares will not be individually redeemable, applicants request an exemption from section 5(a)(1) and section 2(a)(32) of the Act that would permit the Funds to register as open-end management investment companies and issue shares that are redeemable in Creation Units only.

5. Applicants also request an exemption from section 22(d) of the Act and rule 22c–1 under the Act as secondary market trading in shares will take place at negotiated prices, not at a current offering price described in a Fund's prospectus, and not at a price based on NAV. Applicants state that (a) secondary market trading in shares does not involve a Fund as a party and will not result in dilution of an investment in shares, and (b) to the extent different prices exist during a given trading day, or from day to day, such variances occur as a result of third-party market forces, such as supply and demand. Therefore, applicants assert that secondary market transactions in shares will not lead to discrimination or preferential treatment among purchasers. Finally, applicants represent that share market prices will be disciplined by arbitrage opportunities, which should prevent shares from trading at a material discount or premium from NAV.

6. With respect to Funds that hold non-U.S. Portfolio Positions and that effect creations and redemptions of Creation Units in kind, applicants request relief from the requirement imposed by section 22(e) in order to allow such Funds to pay redemption proceeds within fifteen calendar days following the tender of Creation Units for redemption. Applicants assert that the requested relief would not be inconsistent with the spirit and intent of section 22(e) to prevent unreasonable, undisclosed or unforeseen delays in the actual payment of redemption proceeds.

7. Applicants request an exemption to permit Funds of Funds to acquire Fund shares beyond the limits of section 12(d)(1)(A) of the Act; and the Funds, and any principal underwriter for the Funds, and/or any broker or dealer registered under the Exchange Act, to sell shares to Funds of Funds beyond the limits of section 12(d)(1)(B) of the Act. The application's terms and conditions are designed to, among other things, help prevent any potential (i) undue influence over a Fund through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits in sections 12(d)(1)(A) and (B) of the Act.

8. Applicants request an exemption from sections 17(a)(1) and 17(a)(2) of the Act to permit persons that are Affiliated Persons, or Second-Tier Affiliates, of the Funds, solely by virtue of certain ownership interests, to effectuate purchases and redemptions in-kind. The deposit procedures for in-kind purchases of Creation Units and the redemption procedures for in-kind redemptions of Creation Units will be the same for all purchases and redemptions and Deposit Instruments and Redemption Instruments will be valued in the same manner as those Portfolio Positions currently held by the Funds. Applicants also seek relief from the prohibitions on affiliated transactions in section 17(a) to permit a Fund to sell its shares to and redeem its shares from a Fund of Funds, and to engage in the accompanying in-kind transactions with the Fund of Funds.[2] The purchase of Creation Units by a Fund of Funds directly from a Fund will be accomplished in accordance with the policies of the Fund of Funds and will be based on the NAVs of the Funds.

9. Applicants also request relief to permit a Feeder Fund to acquire shares of another registered investment company managed by the Adviser having substantially the same investment objectives as the Feeder Fund (''Master Fund'') beyond the limitations in section 12(d)(1)(A) and permit the Master Fund, and any principal underwriter for the Master Fund, to sell shares of the Master Fund to the Feeder Fund beyond the limitations in section 12(d)(1)(B).

10. Section 6(c) of the Act permits the Commission to exempt any persons or transactions from any provision of the Act if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

For the Commission, by the Division of Investment Management, under delegated authority.

Robert W. Errett,

Deputy Secretary.

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[2] The requested relief would apply to direct sales of shares in Creation Units by a Fund to a Fund of Funds and redemptions of those shares. Applicants, moreover, are not seeking relief from section 17(a) for, and the requested relief will not apply to, transactions where a Fund could be deemed an Affiliated Person, or a Second-Tier Affiliate, of a Fund of Funds because an Adviser or an entity controlling, controlled by or under common control with an Adviser provides investment advisory services to that Fund of Funds.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–78721; File No. SR–NYSEMKT–2016–75]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Rule 9217 To Add a Provision and Related Fines Addressing Trade-Through Violations

August 30, 2016.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the ''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that on August 17, 2016, NYSE MKT LLC (the ''Exchange'' or ''NYSE MKT'') 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 self-regulatory organization. The Commission is

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend Rule 9217 to add a provision and related fines addressing trade-through violations. The proposed rule change is available on the Exchange's Web site at *www.nyse.com,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

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 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the filing is to amend Rule 9217 (Violations Appropriate for Disposition Under Rule 9216(b)) to add a provision and related fines addressing trade-throughs. The proposed amendment would correct an oversight in not including trade-throughs when the Exchange adopted Rule 9217 in connection with the Options Order Protection and Locked/Crossed Market Plan (the ''Linkage Plan'').

When the Linkage Plan was adopted in 2009, the Exchange filed and received approval for conforming rules,[4] including modifications to Rule 476A (Imposition of Fines for Minor Violation(s) of Rules) to provide for certain violations of Rule 990NY, Rule 991NY, and Rule 992NY to be enforced under the Minor Rule Plan (''MRP'').[5] However, the Exchange did not adopt a provision as part of the MRP regarding the avoidance of trade-throughs as required by Rule 991NY(a). Thus, when the Exchange adopted Rule 9217, it did not include violations of trade-throughs, which was likely an oversight because the Exchange simply ''retain[ed] its currently applicable list of minor rule violations and accompanying fine levels.'' [6] The Exchange notes that the rules of other options exchanges, including the BOX Options Exchange LLC (''BOX'') and Chicago Board Options Exchange (''CBOE''), include as part of their minor rule plans provisions and related fines for trade-through violations.[7]

To address this oversight, and to align with the rules of other options exchanges, the Exchange proposes to amend Rule 9217 to adopt ''[f]ailure to comply with the requirements for avoidance of trade-throughs set forth in Rule 991NY(a)'' as MRP Violation 35 and to add provision 35 to the Recommended Fine Schedule. As proposed, when an ATP Holder engages in a pattern or practice of trading through better prices available on other exchanges, the Exchange would recommend a 1st Level Fine of $500; a 2nd Level Fine of $1,000; and a 3rd Level Fine of $2,500. The Exchange notes that these fines are consistent with those adopted by competing options exchanges.[8]

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) [9] of the Securities Exchange Act of 1934 (the ''Act''), in general, and furthers the objectives of Section 6(b)(5),[10] 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 cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system. The proposed rule change is also consistent with Sections 6(b)(6) and 6(b)(7) of the Act because it would promote the Exchange's ability to appropriately discipline its market participants and provide fair procedures when addressing violations of Exchange rules that are deemed by the Exchange to be minor in nature.[11]

The proposed change would foster cooperation and coordination with persons engaged in facilitating transactions in securities because addressing violations of trade-throughs in Rule 9217 would align Exchange rules with rules of other options exchanges that likewise have trade-throughs as part of their minor rule plans.[12] In addition, the Exchange believes that the proposed rule change would promote the efficient use and reasonable allocation of Exchange resources such that trade-through violations could be dealt with via the MRP allowing the Exchange to devote more time and effort to more serious violations. The proposed change would also strengthen the Exchange's ability to carry out its oversight responsibilities as a self-regulatory organization and reinforce its enforcement functions. Further, the Exchange believes the proposal would provide notice to, and fair procedures for the disciplining of, ATP Holders and persons associated with ATP Holders for violations of trade-throughs and would, in turn, protect investors and the investing public. The proposed changes are non-discriminatory in that they would be applied equally to all ATP Holders in a similar situation. The proposed changes also permit the Exchange to levy progressively larger fines against a repeat offender, in a manner and an amount consistent with those applied for violations on other markets.[13]

In addition, the proposed changes would promote consistency in minor rule violations and respective SRO reporting obligations, resulting in less burdensome and more efficient regulatory compliance for common permit holders.

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

The Exchange does not believe that the proposed rule change would impose

[4] *See* Securities Exchange Act Release No. 60520 (August 18, 2009), 74 FR 43176 (August 26, 2009) (SR–NYSEAmex–2009–19).

[5] The Exchange's MRP fosters compliance with applicable rules and also helps to reduce the number and extent of rule violations committed by ATP Holders and associated persons. The prompt imposition of a financial penalty helps to quickly educate and improve the conduct of ATP Holders and associated persons that have engaged in inadvertent or otherwise minor violations of the Exchange's rules. By promptly imposing a meaningful financial penalty for such violations, the MRP focuses on correcting conduct before it gives rise to more serious enforcement action.

[6] *See* Securities Exchange Act Release No. 77241 (February 26, 2016), 81 FR 11311 (March 3, 2016) (SR–NYSEMKT–2016–30). The Exchange is not proposing to amend Rule 476A, which is part of Section 9A, Legacy Disciplinary Rules, because that rule applies ''only to a proceeding for which a Charge Memorandum has been filed with the hearing board under Rule 476(d) *prior to April 15, 2016,* until such proceeding is final; otherwise, the Rule 9000 Series shall apply.'' *See* Rule 476A (emphasis added).

[7] *See, e.g.,* Securities Exchange Act Release Nos. 69259 (March 29, 2013), 78 FR 20706 (April 5, 2013) (SR–BOX–2013–17); 62602 (July 29, 2010) (regarding BOX Rule 12140(13); [sic] 75 FR 47672 (August 6, 2010) (SR–CBOE–2010–69) (regarding [sic] and CBOE Rule 17.50(g)(12)).

[8] *See supra* note 7.

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(5).

[11] 15 U.S.C. 78f(b)(6) and (7).

[12] *See supra* note 7.

[13] *See supra* note 7.

any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change would align Exchange rules with rules of other options exchanges and would therefore promote consistency in minor rule violations and respective SRO reporting obligations, resulting in less burdensome and more efficient regulatory compliance and facilitating performance of regulatory functions.[14] The proposed rule change is not intended to address competitive issues, but rather it is designed to provide notice to, and fair procedures for the disciplining of, ATP Holders and persons associated with ATP Holders for violations of trade-throughs.

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

Because the foregoing 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)(iii) of the Act[15] and subparagraph (f)(6) of Rule 19b–4 thereunder.[16]

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)[17] permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposed rule change will become operative on filing. The Exchange stated that the proposed rule change would allow the Exchange to align its rules with those of competing options exchanges, without delay, and would also strengthen the Exchange's ability to carry out its oversight responsibilities as a self-regulatory organization and reinforce its enforcement functions. The Exchange also stated that waiver of the operative delay would promote regulatory clarity and consistency, thereby reducing burdens on the marketplace and facilitating investor protection. For these reasons, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission designates the proposed rule change to be operative upon filing.[18]

At any time within 60 days of the filing of such 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 shall 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 email to *rule-comments@sec.gov.* Please include File Number SR–NYSEMKT–2016–75 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–NYSEMKT–2016–75. 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 Web site (*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 Web site 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 such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSEMKT–2016–75, and should be submitted on or before September 27, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Robert W. Errett,

Deputy Secretary.

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[14] *See supra* note 7.

[15] 15 U.S.C. 78s(b)(3)(A)(iii).

[16] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

[17] 17 CFR 240.19b–4(f)(6)(iii).

[18] 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. *See* 15 U.S.C. 78c(f).

[19] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–78727; File No. SR–NYSEArca–2016–96]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To Amend NYSE Arca Equities Rule 8.700 and To List and Trade Shares of the Managed Emerging Markets Trust Under Proposed Amended NYSE Arca Equities Rule 8.700

August 30, 2016.

On July 1, 2016, NYSE Arca, Inc. filed with the Securities and Exchange Commission (''Commission''), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend NYSE Arca Equities Rule 8.700 to permit the use of swaps on equity indices, fixed income indices, commodity indices, commodities or interest rates, and to list and trade

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.