

declaring that it has ceased to be an investment company. Applicant has never made a public offering of its securities and does not propose to make a public offering or engage in business of any kind.

**Filing Dates:** The application was filed on June 5, 2014, and amended on August 11, 2014.

**Applicant's Address:** PHL Variable Insurance Company, One American Row, P.O. Box 5056, Hartford, CT 06102-5056.

**KKR Alternative Corporate Opportunities Fund [File No. 811-22721]; KKR Alternative Corporate Opportunities Fund P [File No. 811-22722]**

**Summary:** Each applicant, a closed-end investment company, seeks an order declaring that it has ceased to be an investment company. On March 31, 2014, applicants made liquidating distributions to their shareholders, based on net asset value. KKR Asset Management LLC, investment adviser to both applicants, agreed to bear all expenses incurred in connection with the liquidations.

**Filing Dates:** The applications were filed on June 27, 2014, and amended on August 12, 2014.

**Applicants' Address:** 555 California St., 50th Floor, San Francisco, CA 94104.

**Cohen & Steers Emerging Markets Real Estate Fund, Inc. [File No. 811-21894]**

**Summary:** Applicant seeks an order declaring that it has ceased to be an investment company. On April 28, 2014, applicant made a liquidating distribution to its shareholders, based on net asset value. Expenses of \$17,316 incurred in connection with the liquidation were paid by applicant.

**Filing Date:** The application was filed on July 29, 2014.

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

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2014-21252 Filed 9-5-14; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**Sunshine Act Meeting**

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission will hold a Closed Meeting

on Thursday, September 11, 2014 at 2:00 p.m.

Commissioners, Counsel to the Commission, the Secretary to the Commission, and recording secretaries will attend the Closed Meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matter at the Closed Meeting.

Commissioner Piwowar, as duty officer, voted to consider the items listed for the Closed Meeting in closed session.

The subject matter of the Closed Meeting will be:

Settlement of injunctive actions;  
Institution settlement of administrative proceedings;  
Consideration of amicus participation other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.

Dated: September 4, 2014.

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2014-21454 Filed 9-4-14; 4:15 pm]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-72954; File No. SR-NYSEArca-2014-91]**

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Listing and Trading Shares of ProShares Managed Futures Strategy; ProShares Commodity Managed Futures Strategy; and ProShares Financial Managed Futures Strategy Under NYSE Arca Equities Rule 8.200**

September 2, 2014.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on August

18, 2014, NYSE Arca, Inc. ("Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("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 publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to list and trade shares of the following under NYSE Arca Equities Rule 8.200 ("Trust Issued Receipts"): ProShares Managed Futures Strategy; ProShares Commodity Managed Futures Strategy; and ProShares Financial Managed Futures Strategy. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://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 the Statutory Basis for, the Proposed Rule Change**

**1. Purpose**

The Exchange proposes to list and trade shares ("Shares") of the following under Commentary .02 to NYSE Arca Equities Rule 8.200, which governs the listing and trading of Trust Issued Receipts that invest in "Investment Shares" or "Financial Instruments", as defined therein: ProShares Managed Futures Strategy; ProShares Commodity Managed Futures Strategy; and ProShares Financial Managed Futures Strategy (each a "Fund" and, collectively, the "Funds").<sup>4</sup>

<sup>4</sup> For a description of ProShares Managed Futures Strategy, see the Trust's registration statement on Form S-1, dated June 18, 2014 (File No. 333-196884). For a description of ProShares Commodity

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

Each Fund is a series of the ProShares Trust II ("Trust"), a Delaware statutory trust. ProShare Capital Management LLC ("Sponsor") is the Trust's Sponsor and Wilmington Trust Company is the Trust's trustee. Brown Brothers Harriman & Co. serves as the administrator ("Administrator"), custodian, and transfer agent of the Funds. SEI Investments Distribution Co. serves as distributor of the Shares ("Distributor").

The Commission originally approved listing and trading of the Shares of the Funds on NYSE Arca.<sup>5</sup> The Commission subsequently approved listing and trading of Shares of the Funds on the BATS Exchange, Inc. ("BATS Exchange" or "BATS").<sup>6</sup> Shares of the Funds have not commenced listing and trading on any national securities exchange. The Trust now wishes to list and trade Shares of the Funds on NYSE Arca.

#### Description of the Shares and the Funds

According to the Registration Statement, ProShares Managed Futures Strategy will seek to provide investment results (before fees and expenses) that

correspond to the performance of the S&P Strategic Futures Index ("SFI" or "Index"). ProShares Commodity Managed Futures Strategy and ProShares Financial Managed Futures Strategy will seek to provide investment results (before fees and expenses) that correspond to the performance of a sub-index of the Index ("Sub-Index").<sup>7</sup> ProShares Commodity Managed Futures Strategy will seek to provide investment results (before fees and expenses) that correspond to the performance of the S&P Strategic Commodities Futures Index ("SCFI"), a Sub-Index of the SFI. ProShares Financial Managed Futures Strategy will seek to provide investment results (before fees and expenses) that correspond to the performance of the S&P Strategic Financial Futures Index ("SFFI"), another Sub-Index of the SFI.<sup>8</sup> The description of the Index and Sub-Indexes to be utilized by the Funds (i.e., SFI, SCFI and SFFI) has been modified in the following respects from the DFI and their sub-indexes as described in the BATS Release:

The SFI, SCFI and SFFI weight each component based on an equal risk contribution methodology, rather than the current methodology for the DFI and its sub-indexes, which utilize production levels (for weightings of the

Commodity Futures Contracts) and gross domestic product ("GDP") (for weightings of the Financial Futures Contracts). The Index Components are rebalanced each month based on the historical volatility of each Index Component, as well as the correlation of each Index Component to the other contracts included in the SFI. The objective of this methodology is that no single Index Component exposes the SFI, SCFI and SFFI to greater risk than any other Index Component.

Due to this change, there is no longer an annual weighting process; weights are determined (and the Index is correspondingly repositioned) on a monthly basis.

Index Component weights are determined monthly (based on an equal risk contribution methodology, as referenced above). These weights are implemented as of each monthly rebalance.

Index Component weights are fixed each year and rebalanced back to their annual base weight monthly. During this monthly rebalancing, the Index will also "roll" certain of its positions from the current contract to a contract further from settlement.

With the exception of the changes described above and in information included in "The Index and the Sub-Indexes" below, all representations made in the BATS Release, including those pertaining to the methodology for the Index and the Sub-Indexes, remain as described therein. The components of the SFI, SCFI and SFFI are identical to the components of the DFI and the corresponding sub-indexes of the DFI, except that weightings of components of the SFI and the Sub-Indexes differ from the weightings of components of the DFI and its corresponding sub-indexes.

#### The Index and the Sub-Indexes

The following charts reflect the weighting schemes for the Index and each Sub-Index as of May 31, 2014. The weights will be determined each month and implemented as of the next monthly rebalancing. For the Index, the initial Index weights, together with information about the exchange and trading hours for each Index Component, are as follows (rounded to the nearest one-hundredth):

Managed Futures Strategy, see the Trust's registration statement on Form S-1/A, dated January 16, 2013 (File No. 333-185288). For a description of ProShares Financial Managed Futures Strategy, see the Trust's registration statement on Form S-1/A, dated February 14, 2012 (File No. 333-178212). Each of the above-referenced registration statements is referred to herein as a "Registration Statement" and, collectively, the Trust's registration statements are referred to herein as the "Registration Statements". The description of the Funds and the Shares contained herein is based, in part, on the Registration Statements.

<sup>5</sup> See Securities Exchange Act Release Nos. 66002 (December 19, 2011), 76 FR 80433 (December 23, 2011) (SR-NYSEArca-2011-94) ("NYSE Arca Notice"); 66334 (February 6, 2012), 77 FR 7219 (February 10, 2012) (SR-NYSEArca-2011-94) (order approving listing and trading on NYSE Arca of Shares of ProShares Managed Futures Strategy; ProShares Commodity Managed Futures Strategy; and ProShares Financial Managed Futures Strategy) ("NYSE Arca Order", and, together with the NYSE Arca Notice, the "NYSE Arca Release").

<sup>6</sup> See Securities Exchange Act Release Nos. 68257 (November 19, 2012), 77 FR 70500 (November 26, 2012) (SR-BATS-2012-044) (notice of proposed rule change to list and trade on BATS of ProShares Managed Futures Strategy; ProShares Commodity Managed Futures Strategy; and ProShares Financial Managed Futures Strategy) ("BATS Notice"); 68619 (January 10, 2013), 78 FR 3489 (January 16, 2013) (SR-BATS-2012-044) (order approving listing and trading on BATS Exchange of ProShares Managed Futures Strategy; ProShares Commodity Managed Futures Strategy; and ProShares Financial Managed Futures Strategy) ("BATS Order", and together with the BATS Notice, the "BATS Release").

<sup>7</sup> Previously, as described in the BATS Release and the NYSE Arca Release, ProShares Managed Futures Strategy sought to provide investment results (before fees and expenses) that corresponded to the performance of the S&P Dynamic Futures Index (the "DFI"), and ProShares Commodity Managed Futures Strategy and ProShares Financial Managed Futures sought to provide investment results (before fees and expenses) that corresponded to the performance of a sub-index of the DFI. The SFI is a new index that is based on and is substantially similar to the DFI and each of the Sub-Indexes is substantially similar to its corresponding sub-index of the DFI (i.e., the S&P Dynamic Commodities Futures Index and the S&P Dynamic Financial Futures Index, respectively) except as further described below.

<sup>8</sup> The Index (like the DFI) is composed of unleveraged positions in U.S. exchange-traded futures contracts on sixteen different tangible commodities ("Commodity Futures Contracts"), as well as U.S. exchange-traded futures contracts on eight different financials, such as major currencies and U.S. Treasury securities ("Financial Futures Contracts" and together with the Commodity Futures Contracts, "Index Components"). The Index Components are traded on the Chicago Mercantile Exchange, Inc. ("CME"), COMEX (a division of CME), Chicago Board of Trade ("CBOT," a division of CME), NYMEX (a division of CME), and ICE Futures US ("ICE") (collectively, "Futures Exchanges"). The Index Components in which the Funds will invest are referred to herein as "Futures Contracts".

## INDEX WEIGHTS

| Sub-index  | Weight (%) | Sector                             | Weight (%) | Component               | Weight (%) | Exchange          | Trading hours <sup>9</sup>                                    |
|------------|------------|------------------------------------|------------|-------------------------|------------|-------------------|---------------------------------------------------------------|
| SCFI ..... | 52.36      | Energy .....                       | 11.72      | Light Crude .....       | 3.02       | NYMEX (CME) ..... | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            |                                    |            | Heating Oil .....       | 3.21       | NYMEX (CME) ..... | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            |                                    |            | RBOB Gasoline .....     | 3.22       | NYMEX (CME) ..... | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            |                                    |            | Natural Gas .....       | 2.27       | NYMEX (CME) ..... | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | Industrial Metals .....            | 3.207      | Copper .....            | 3.32       | COMEX (CME) ..... | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | Precious Metals .....              | 5.09       | Gold .....              | 1.99       | COMEX (CME) ..... | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            |                                    |            | Silver .....            | 1.37       | COMEX (CME) ..... | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | Livestock .....                    | 14.23      | Lean Hogs .....         | 4.59       | CME .....         | 10:05 a.m.–2:55 p.m.; Daily trading halts: 5:00 p.m.–6:00p.m. |
|            |            |                                    |            | Live Cattle .....       | 9.64       | CME .....         | 10:05 a.m.–2:55 p.m.; Daily trading halts 5:00 p.m.–6:00 p.m. |
|            |            | Grains .....                       | 8.08       | Corn .....              | 2.24       | CBOT (CME) .....  | 8:00 p.m.–2:15 p.m. next day.                                 |
|            |            |                                    |            | Soybeans .....          | 2.89       | CBOT (CME) .....  | 8:00 p.m.–2:15 p.m. next day.                                 |
|            |            |                                    |            | Wheat .....             | 2.96       | CBOT (CME) .....  | 8:00 p.m.–2:15 p.m. next day.                                 |
|            |            | Softs .....                        | 11.65      | Coffee .....            | 1.58       | ICE .....         | 4:15 a.m.–1:30 p.m.                                           |
|            |            |                                    |            | Cocoa .....             | 3.70       | ICE .....         | 4:45 a.m.–1:30 p.m.                                           |
|            |            |                                    |            | Sugar .....             | 3.24       | ICE .....         | 3:30 a.m.–1:00 p.m.                                           |
|            |            |                                    |            | Cotton .....            | 3.13       | ICE .....         | 9:00 p.m.–2:20 p.m. next day.                                 |
| SFFI ..... | 47.64      | Australian Dollar .....            | 4.78       | Australian Dollar ..... | .....      | CME .....         | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | British Pound .....                | 6.35       | British Pound .....     | .....      | CME .....         | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | Canadian Dollar .....              | 6.67       | Canadian Dollar .....   | .....      | CME .....         | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | Euro .....                         | 5.72       | Euro .....              | .....      | CME .....         | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | Japanese Yen .....                 | 4.96       | Japanese Yen .....      | .....      | CME .....         | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | Swiss Franc .....                  | 5.07       | Swiss Franc .....       | .....      | CME .....         | 6:00 p.m.–5:15 p.m. next day.                                 |
|            |            | U.S. Treasury Notes. <sup>10</sup> | 8.39       | U.S. Treasury Notes     | .....      | CBOT (CME) .....  | 6:00 p.m.–5:00 p.m. next day.                                 |
|            |            | U.S. Treasury Bonds. <sup>11</sup> | 5.71       | U.S. Treasury Bonds     | .....      | CBOT (CME) .....  | 6:00 p.m.–5:00 p.m. next day.                                 |
| Totals ... | 100        |                                    | 100        |                         | 100        |                   |                                                               |

For the SCFI, the initial Sub-Index weightings are as follows:

## SCFI WEIGHTS

| Sector                  | Weight (%) | Component           | Weight (%) |
|-------------------------|------------|---------------------|------------|
| Energy .....            | 22.41      | Light Crude .....   | 5.78       |
|                         |            | Heating Oil .....   | 6.16       |
|                         |            | RBOB Gasoline ..... | 6.15       |
|                         |            | Natural Gas .....   | 4.32       |
| Industrial Metals ..... | 6.34       | Copper .....        | 6.34       |

<sup>9</sup> All times are Eastern Time ("E.T."), inclusive of electronic and open outcry trading sessions, as applicable.

<sup>10</sup> "U.S. Treasury Notes" refers to 10 year U.S. Treasury Note futures.

<sup>11</sup> "U.S. Treasury Bonds" refers to those futures with underlying bonds of a remaining term to call or maturity of 15–25 years.

## SCFI WEIGHTS—Continued

| Sector                | Weight (%) | Component         | Weight (%) |
|-----------------------|------------|-------------------|------------|
| Precious Metals ..... | 6.42       | Gold .....        | 3.81       |
|                       |            | Silver .....      | 2.61       |
| Livestock .....       | 27.72      | Lean Hogs .....   | 8.74       |
|                       |            | Live Cattle ..... | 18.48      |
| Grains .....          | 15.43      | Corn .....        | 4.27       |
|                       |            | Soybeans .....    | 5.51       |
|                       |            | Wheat .....       | 5.65       |
| Softs .....           | 22.18      | Coffee .....      | 3.02       |
|                       |            | Cocoa .....       | 7.01       |
|                       |            | Sugar .....       | 6.19       |
|                       |            | Cotton .....      | 5.96       |
| Total .....           | 100        |                   | 100        |

Finally, for the SFFI, the initial Sub-Index weightings are as follows:

## SFFI WEIGHTS

| Sector                    | Weight (%) | Component                 | Weight (%) |
|---------------------------|------------|---------------------------|------------|
| Australian Dollar .....   | 10.03      | Australian Dollar .....   | 10.03      |
| British Pound .....       | 13.30      | British Pound .....       | 13.30      |
| Canadian Dollar .....     | 14.02      | Canadian Dollar .....     | 14.02      |
| Euro .....                | 11.97      | Euro .....                | 11.97      |
| Japanese Yen .....        | 10.41      | Japanese Yen .....        | 10.41      |
| Swiss Franc .....         | 10.61      | Swiss Franc .....         | 10.61      |
| U.S. Treasury Notes ..... | 17.64      | U.S. Treasury Notes ..... | 17.64      |
| U.S. Treasury Bonds ..... | 12.01      | U.S. Treasury Bonds ..... | 12.01      |
| Total .....               | 100        |                           | .....      |

The Exchange does not believe the changes to the SFI methodology will adversely impact investors. The Sponsor represents that an equal risk contribution methodology and monthly rebalancing (rather than an annual weighting process) of SFI components may reduce volatility of the Index and Sub-Indexes and the price of the Funds' Shares, and may reduce the likelihood that comparatively greater volatility in one or more Index Components will contribute to increased volatility in the price of the Funds' Shares.

## Net Asset Value

The Exchange will obtain a representation (prior to listing of a Fund's Shares) from the Trust that the net asset value ("NAV") per Share will be calculated daily and made available to all market participants at the same time.

## Intraday Indicative Value

An estimated value (the "Intraday Indicative Value" or "IIV") that reflects a current estimated intraday value of Futures Contracts and other applicable holdings, cash and receivables, less liabilities of each Fund, will be disseminated.

For each Fund, the IIV will be widely disseminated on a per Share basis by

one or more major market data vendors every 15 seconds during the Exchange's Core Trading Session (9:30 a.m. to 4:00 p.m. E.T.)<sup>12</sup> The value of a Share may be influenced by non-concurrent trading hours between the Exchange and the applicable Futures Exchanges trading Futures Contracts when the Shares are traded on the Exchange after normal trading hours of such Futures Exchanges.

The IIV will be updated during the Core Trading Session when applicable Futures Exchanges are trading any Futures Contracts held by a Fund.

However, the IIV that will be disseminated between 11:50 a.m. E.T. and the end of the Core Trading Session will be impacted by static values for certain Futures Contracts.<sup>13</sup>

For the Funds, the IIV will be calculated throughout the Core Trading Session using the prior day's closing

<sup>12</sup> Currently, it is the Exchange's understanding that several major market data vendors display and/or make widely available IIVs taken from Consolidated Tape Association ("CTA") or other data feeds.

<sup>13</sup> The value of the IIV will be based on the underlying Futures Contracts. Once a particular Futures Contract settles, a static closing value for that Futures Contract will be used to calculate the IIV, which will continue to update based on any other Futures Contracts that have not reached their settlement time.

NAV of a Fund as a base and updating throughout the trading day changes in the value of a Fund's Futures Contracts, cash equivalents, swap agreements, if applicable, and other applicable holdings. The IIV should not be viewed as an actual real-time update of the NAV because NAV is calculated only once each trading day at 3:00 p.m. E.T. The IIV also should not be viewed as a precise value of the Shares.

Dissemination of the IIV provides additional information that is not otherwise available to the public in such form and may be useful to investors and market professionals in connection with the trading of Shares.

## Availability of Information Regarding the Shares

The Web site for the Funds ([www.ProShares.com](http://www.ProShares.com)) and/or the Exchange, which are publicly accessible at no charge, will contain the following information: (a) The current NAV per Share daily and the prior business day's NAV per Share; (b) calculation of the premium or discount between the NAV per Share and the price or mid-point of the Bid/Ask Price of the Funds as of the

time the NAV is calculated or as of the official market close; (c) the prospectus; and (d) other applicable quantitative information.

The Exchange also will disseminate on a daily basis via the CTA information with respect to the recent NAV and Shares outstanding. The Exchange will also make available on its Web site daily trading volume of the Shares. Daily trading volume information will also be available in the financial section of newspapers, their related Web sites or other financial Web sites, through subscription services, which can be accessed by authorized participants and other investors, as well as through other electronic services, including major public Web sites. The intra-day, closing, and settlement prices of the Futures Contracts are also readily available, as applicable, from the respective Futures Exchanges. Quotation and last-sale information for the Shares will be available via the CTA high-speed line.

#### Portfolio Disclosure

Each Fund's total portfolio composition will be disclosed on such Fund's Web site or another relevant Web site as determined by the Trust and/or the Exchange. The Trust will provide Web site disclosure of portfolio holdings daily and will include, as applicable, the names, exposure value (in U.S. dollars) and number of Futures Contracts or units of swaps held by a Fund, if any, and the amount of cash or cash equivalents and other assets held in the portfolio of each Fund. This public Web site disclosure of the portfolio composition of the Funds will occur at the same time as the disclosure by the Sponsor of the portfolio composition to authorized participants, so that all market participants are provided portfolio composition information at the same time. Therefore, the same portfolio information will be provided on the public Web site as well as in electronic files provided to authorized participants. Accordingly, each investor will have access to the current portfolio composition of the Funds through the Funds' Web site, and/or at the Exchange's Web site.

#### Availability of Information About the Index and Sub-Indexes

The daily closing Index level and the percentage change in the daily closing Index level for the Index and each Sub-Index will be publicly available from one or more major market data vendors. Data regarding the Index and each Sub-Index, updated every 15 seconds, is also available from Standard & Poor's on a subscription basis.

Several independent data vendors also package and disseminate Index and Sub-Index data in various formats (including vendors displaying both Index constituents and Index levels and vendors displaying Index levels only). Data regarding the Index Components is also available from the Web sites of the Futures Exchanges. Data regarding the commodities, currencies, and Treasury securities underlying the Index Components is publicly available from various financial information service providers. Information relating to the weighting of Index constituents and the rules-based Index methodology is also available on the Web site for S&P Dow Jones Indices at [www.us.spindices.com](http://www.us.spindices.com).

#### 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 Equities Rule 7.34 (Opening, 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 Equities Rule 7.6, Commentary .03, 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.

The Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.200. The Exchange represents that, for initial and/or continued listing, each Fund will be in compliance with Rule 10A-3<sup>14</sup> under the Act, as provided by NYSE Arca Equities Rule 5.3. A minimum of 100,000 Shares for each Fund will be outstanding at the commencement of trading on the Exchange.

The trading of the Shares will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in TIRs to facilitate surveillance. See "Surveillance" below for more information.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading may be halted because of market conditions or for reasons that, in

the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which trading is not occurring in the underlying Futures Contracts, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule<sup>15</sup> or by the halt or suspension of trading of the underlying Index Components.

The Exchange represents that the Exchange may halt trading during the day in which an interruption to the dissemination of the IIV, the level of the Index (or Sub-Index) or the value of the underlying Index Components occurs. If an interruption to the dissemination of the IIV, the level of the Index (or Sub-Index) or the value of the underlying Index Components persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, 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>16</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 federal securities laws applicable to trading on the Exchange.

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.

<sup>15</sup> See NYSE Arca Equities Rule 7.12.

<sup>16</sup> FINRA surveils trading on the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

<sup>14</sup> 17 CFR 240.10A-3.

FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares and underlying futures with other markets and other entities that are members of the Intermarket Surveillance Group ("ISG"), and FINRA, on behalf of the Exchange, may obtain trading information regarding trading in the Shares and underlying futures from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and underlying futures from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>17</sup> The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions occurring on the Futures Exchanges, all of which are members of the ISG. FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities held by the Funds reported to FINRA's Trade Reporting and Compliance Engine ("TRACE").

For components traded on exchanges, not more than 10% of the weight of a Fund's portfolio in the aggregate shall consist of components whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement.

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

#### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin ("Bulletin") of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in "Creation Unit" aggregations (and that Shares are not individually redeemable); (2) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated IIV will not be calculated or publicly disseminated; (4)

how information regarding the IIV, each Fund's portfolio and the Index and Sub-Indexes 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 Funds are subject to various fees and expenses described in the Registration Statements. 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 will be calculated after 4:00 p.m. E.T. each trading day.

The Information Circular will disclose that information about the Shares of the Funds will be publicly available on the Funds' Web site.

#### 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>18</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 Equities Rule 8.200 and Commentary .02 thereto. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange 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. The Index Components are traded on the Futures Exchanges, each of which is an ISG member, and information regarding trading in the Index Components is available from the Web sites of the respective Futures Exchanges and from major market data vendors. The daily closing Index level and the percentage change in the daily closing Index level for the Index and each Sub-Index will be publicly available from one or more major market

data vendors. Data regarding the Index and each Sub-Index, updated every 15 seconds during the NYSE Arca Core Trading Session, is also available from Standard & Poor's on a subscription basis. Standard & Poor's has implemented procedures designed to prevent the use and dissemination of material, non-public information regarding the Index and Sub-Indexes. Data regarding the commodities, currencies and Treasury securities underlying the Index Components is publicly available from various financial information service providers. The Exchange may halt trading during the day in which an interruption to the dissemination of the IIV, the level of the Index (or Sub-Index) or the value of the underlying Index Components occurs. If an interruption to the dissemination of the IIV, the level of the Index (or Sub-Index) or the value of the underlying Index Components persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. Quotation and last sale information for the Shares will be available via CTA. Each Fund's total portfolio composition will be disclosed on the Funds' Web site.

The Exchange believes the proposed rule change is designed to protect investors and the public interest in that the Commission has previously approved listing an trading of Shares of the Funds on the Exchange and BATS,<sup>19</sup> and, with the exception of the changes described in "Description of the Shares and the Funds" and in information included in "The Index and the Sub-Indexes" above, all representations made in the BATS Release remain as described therein. The Exchange believes the changes described above help perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that the components of the SFI, SCFI and SFFI are identical to the components of the DFI and its sub-indexes except that individual Index and Sub-Index components are weighted differently. The SFI, SCFI and SFFI weight each component based on an equal risk contribution methodology, rather than the current methodology for the DFI and its sub-indexes, which utilize production levels (for weightings of the Commodity Futures Contracts) and GDP (for weightings of the Financial Futures Contracts). In addition, the Index Components are rebalanced each month based on the historical volatility of each Index Component, as well as the correlation of

<sup>17</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). The Exchange notes that not all Futures Contracts may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

<sup>18</sup> 15 U.S.C. 78f(b)(5).

<sup>19</sup> See notes 5–6, *supra*.

each Index Component to the other contracts included in the SFI. The objective of this methodology is that no single Index Component exposes the SFI, SCFI and SFFI to greater risk than any other Index Component. The Exchange does not believe the changes to the SFI methodology will adversely impact investors in that the Sponsor represents that a monthly equal risk contribution methodology (rather than an annual weighting process based on, as applicable, production and GDP factors) of SFI components may reduce volatility of the Index and Sub-Indexes, and by extension the price of the Funds' Shares, and may reduce the likelihood that comparatively greater volatility in one or more Index Components will contribute to increased volatility in the price of the Funds' Shares. Furthermore, such changes may benefit performance by granting an equal importance to beneficial trends in each market, rather than exaggerating the importance of one market over another based on outside factors such as the relative size of market.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that a large amount of information is publicly available regarding the Funds and the Shares, thereby promoting market transparency. The NAV per Share will be calculated daily and made available to all market participants at the same time. One or more major market data vendors will disseminate for the Funds on a daily basis information with respect to the recent NAV per Share and Shares outstanding. For each Fund, the IIV will be widely disseminated on a per Share basis by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session.

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 additional types of exchange-traded products 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 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 Funds' holdings, IIV, and quotation and last sale information for the Shares.

#### *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 exchange-traded products that are based on futures indexes 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. 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, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>20</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>21</sup>

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

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule

change is consistent with the Act. Comments may be submitted by any of the following methods:

#### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2014-91 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-2014-91. 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 Section, 100 F Street NE., Washington, DC 20549 on official business days between 10 a.m. and 3 p.m. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet Web site at [www.nyse.com](http://www.nyse.com). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEArca-2014-91 and should be submitted on or before September 29, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Kevin M. O'Neill,**  
Deputy Secretary.

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<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</sup> 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.

<sup>22</sup> 17 CFR 200.30-3(a)(12).