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

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72811; File No. SR–NASDAQ–2014–079]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify NASDAQ Rule 7051 Fees Relating to Pricing for Direct Circuit Connections

August 11, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on August 1, 2014, The NASDAQ Stock Market LLC (''NASDAQ'' or the ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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

NASDAQ is proposing to modify NASDAQ Rule 7051 to establish direct connectivity and installation fees for a 1Gb Ultra connection option.

The text of the proposed rule change is available at *nasdaq.cchwallstreet.com* at NASDAQ's principal office, 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, NASDAQ 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.

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

[2] 17 CFR 240.19b–4.

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

1. Purpose

NASDAQ is proposing to amend NASDAQ Rule 7051 entitled ''Direct Connectivity to Nasdaq'' to clarify the Exchange's direct connectivity services. Currently, the Exchange offers two direct connectivity options for customers who are not co-located at the Exchange's datacenter, a 10Gb circuit connection and a 1Gb circuit connection.[3] Separate installation and ongoing monthly fees apply to each option. For 1Gb connectivity, the Exchange assesses an installation fee of $1,000 and ongoing monthly fees of $1,000. For 10Gb connectivity, the Exchange charges an installation fee of $1,000 and ongoing monthly fees of $5,000.

In order to keep pace with changes in technology, the Exchange now proposes to provide a 1Gb ''Ultra'' fiber connection offering, which uses new lower latency switches.[4] A switch is a type of network hardware that acts as the ''gatekeeper'' for all clients' orders sent to the system (''System'')[5] at the NASDAQ facility and orders them in sequence for entry into the System for execution. Each of NASDAQ's current connection offerings use different switches, but the switches are of uniform type within each offering (*i.e.,* all 1G connectivity options currently use the same switches). As a consequence, all client subscribers to a particular connectivity option receive the same latency in terms of the capabilities of their switches.

The 1Gb Ultra offering will use a low latency switch, which provides faster processing of orders sent to it in comparison to the current 1G switch in use for Exchange connectivity. As a consequence, direct connect clients needing only 1Gb of bandwidth, but that seek faster processing of those orders as they enter NASDAQ's exchange facility now have the option to subscribe to a faster and more efficient connection to the Exchange.

The Exchange proposes an ongoing monthly subscription fee of $1,500 for a 1Gb Ultra connection plus a one-time installation fee of $1,500. NASDAQ believes that the pricing reflects the hardware and other infrastructure and maintenance costs to NASDAQ associated with offering technology that is at the forefront of the industry. The $1,500 installation fee for the 1Gb Ultra product exceeds the $1,000 installation fee for the existing 1Gb product due to the added complexity of installing the Ultra product. In order to achieve lower latency, the Ultra product requires not only the installation of a fiber telecommunications line but it also requires the additional installation of sophisticated switching equipment.

The new low latency service will be completely optional. Potential customers will make a determination based on whether they perceive a sufficient value in adopting the new service. This new low latency service decreases the time individual orders are processed and market data is transmitted by these new switches. The Exchange's proposal provides the client the option for faster switch processing, which is highly valued among some market participants. NASDAQ notes that other markets have adopted low-latency connectivity options for their users. For example, the International Securities Exchange LLC (''ISE'') offers a 10Gb low latency Ethernet connectivity option to its users, which provides a ''higher speed network to access [ISE's] Optimise trading system.''[6]

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[7] in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,[8] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that this proposal is consistent with Section 6(b)(4) of the Act in that it is an equitable allocation of fees and is consistent with Section 6(b)(5) of the Act because the proposal is not unfairly discriminatory because it offers a completely optional new direct connectivity choice to customers who are not co-located at the Exchange's datacenter and all client subscribers that opt for this particular connectivity

[3] *See* Securities Exchange Act Release No. 62663 (August 9, 2010), 75 FR 49543 (August 13, 2010) (SR–NASDAQ–2010–077).

[4] The term ''latency'' for the purposes of this rule filing means a measure of the time it takes for an order to enter into a switch and then exit for entry into the System.

[5] As defined in NASDAQ Rule 4751(a).

[6] *See* Securities Exchange Act Release No. 66525 (March 7, 2012), 77 FR 14847 (March 13, 2012) (SR–ISE–2012–09).

[7] 15 U.S.C. 78f.

[8] 15 U.S.C. 78f(b)(4) and (5).

option and associated fee will receive the same latency in terms of the capabilities of their switches. Also, the proposal is consistent with an equitable allocation of fees and is not unfairly discriminatory because the Exchange operates in a highly competitive market in which exchanges offer various connectivity services as a means to facilitate the trading activities of customers. Accordingly, fees charged for direct connectivity services are constrained by the fees charged for the various alternative connectivity options, including co-location, direct connectivity, and connecting via a third party vendor (extranet or ISV), as well as fees charged by other exchanges, taking into consideration the different costs associated with these service types. It should be noted, however, that the costs associated with direct connect clients are primarily fixed costs that include the costs of installing and maintaining the network and direct connections (including the switch and cabling). Accordingly, the Exchange establishes a range of direct connect fees with the goal of covering these same fixed costs and covering marginal costs, such as the cost of electricity and data center space for the equipment, labor costs associated with the installation and of the equipment and cabling, as well as for entitling the clients to the various services and feeds carried by these connections. The proposed optional new low latency direct connectivity choice simply provides one more way in which a customer can choose to connect.

If a particular exchange charges excessive fees for direct connectivity services, affected members will opt to terminate their direct connectivity arrangements with that exchange, and pursue a range of alternative trading strategies not dependent upon the exchange's direct connectivity services. Accordingly, the exchange charging excessive fees would stand to lose not only direct connectivity revenues and any other revenues associated with the customer's operations. Moreover, all of the Exchange's fees for these services are equitably allocated consistent with Section 6(b)(4) of the Act and consistent with Section 6(b)(5) of the Act are non-discriminatory in that all direct connect clients are offered the same service and there is no differentiation among them with regard to the fees charged for such services.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.[9] As discussed above, the Exchange believes that the proposed fees for direct connectivity services are comparable to the fees charged for the same service provided to co-locations customers. Additionally, such costs are constrained by the robust competition for order flow among exchanges and non-exchange markets, because direct connectivity exists to advance that competition, and excessive fees for direct connectivity services would serve to impair an exchange's ability to compete for order flow rather than burdening competition. Therefore, the Exchange believes that the proposed rule change enhances, rather than burdens, competition.

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

Written comments were neither solicited nor received.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act[10] and Rule 19b–4(f)(6) thereunder.[11] Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 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[12] and Rule 19b–4(f)(6) thereunder.[13]

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 should be approved or disapproved.

[9] 15 U.S.C. 78f(b)(8).

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b–4(f)(6).

[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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–NASDAQ–2014–079 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–NASDAQ–2014–079. 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 NW., 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 offices 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–NASDAQ–2014–079, and should be submitted on or before September 5, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72809; File No. SR–NASDAQ–2014–063]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the Listing and Trading of the Shares of the Arrow DWA Balanced ETF, Arrow DWA Tactical ETF and Arrow DWA Tactical Yield ETF of Arrow Investments Trust

August 11, 2014.

I. Introduction

On June 23, 2014, The NASDAQ Stock Market LLC (''Nasdaq'' or the ''Exchange'') 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 list and trade shares (''Shares'') of the Arrow DWA Balanced ETF, Arrow DWA Tactical ETF and Arrow DWA Tactical Yield ETF (each a ''Fund'' and, collectively, ''Funds'') under Nasdaq Rule 5735. On June 26, 2014, the Exchange filed Amendment No. 1 to the proposed rule change.[3] The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on July 3, 2014.[4] The Commission received no comments on the proposed rule change. This order approves the proposed rule change, as modified by Amendment No. 1.

II. Description of the Proposal

The Exchange has made the following representations and statements in describing the Funds and their respective investment strategies, including other portfolio holdings and investment restrictions.[5]

The Exchange proposes to list and trade the Shares under Nasdaq Rule 5735 (''Managed Fund Shares''), which governs the listing and trading of Managed Fund Shares. Each Fund is a series of the Arrow Investments Trust (''Trust'').[6] Arrow Investment Advisors, LLC is the investment adviser (''Adviser'') to the Funds.[7] Gemini Fund Services, LLC will act as the administrator and transfer agent to the Funds. Brown Brothers Harriman & Co. (''Custodian'') will act as the custodian and transfer agent to the Funds. Northern Lights Distributors, LLC is the principal underwriter and distributor of each Fund's Shares.

Arrow DWA Balanced ETF

The Exchange represents that the Fund's primary investment objective is to seek to achieve an appropriate balance between long-term capital appreciation and capital preservation. In pursuing its investment objective, the Fund will invest in other ETFs[8] that each invests primarily in domestic and foreign (including emerging markets) (i) equity securities[9] of any market capitalization, (ii) fixed income securities[10] of any credit quality, or (iii) alternative assets.[11] In addition, the Fund will invest in commodity futures through a wholly-owned and controlled Cayman subsidiary (''Balanced Subsidiary''). The Fund's fixed income securities may be rated below investment grade (rated BB+ or lower by Standard & Poor's Ratings Services (''S&P'') or comparably rated by another nationally recognized statistical rating organization (''NRSRO''), also known as ''high yield'' or ''junk'' bonds, and in unrated debt securities determined by the Adviser to be of comparable quality.

The Exchange states that the Fund is a ''fund of funds,'' which means that it primarily invests in ETFs; however, the Adviser may elect to invest directly in the types of securities described above. The Adviser may elect to make these direct investments when it is cost effective for the Fund to do so (such as when the Fund reaches a size sufficient to effectively purchase the underlying securities held by the ETFs in which it invests, allowing the Fund to avoid the costs associated with indirect investments). The Adviser uses technical analysis[12] to allocate the Fund's portfolio among the asset classes described above.

The Exchange states that under normal market conditions,[13] the Fund will invest:

- From 25% to 65% in ETFs that invest in equity securities;
- from 25% to 65% in ETFs that invest in fixed income securities; and
- from 10% to 40% in ETFs that invest in alternative assets.

The Fund will have the ability to invest up to 25% of its total assets in the Balanced Subsidiary. The Balanced Subsidiary will invest primarily in commodity futures, as well as fixed income securities and cash equivalents, which are intended to serve as margin

[14] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] In Amendment No. 1, the Exchange clarified that the Arrow Investments Trust will issue and sell shares of the Arrow DWA Balanced ETF, Arrow DWA Tactical ETF and Arrow DWA Tactical Yield ETF only in aggregations of 100,000 shares.

[4] *See* Securities Exchange Act Release No. 72493 (June 27, 2014), 79 FR 38088 (''Notice'').

[5] The Commission notes that additional information regarding the Trust, the Funds, and the Shares, including investment strategies, risks, net asset value (''NAV'') calculation, creation and redemption procedures, fees, portfolio holdings disclosure policies, distributions, and taxes, among other information, is included in the Notice and the Registration Statement, as applicable. *See* Notice and Registration Statement, *supra* note 4 and *infra* note 6, respectively.

[6] *See* Post-Effective Amendment No. 7 to Registration Statement on Form N–1A for the Trust (File Nos. 333–178164 and 811–22638) (''Registration Statement'').

[7] The Exchange states that the Adviser is not a broker-dealer, but it is affiliated with a broker-dealer. The Exchange states that the Adviser has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition of or changes to the portfolio. The Exchange further states that, in the event (a) the Adviser becomes newly affiliated with a broker-dealer or registers as a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, the adviser or sub-adviser, as applicable, will implement a fire wall with respect to its relevant personnel or its broker-dealer affiliate, as applicable, regarding access to information concerning the composition of or changes to the portfolio and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding the portfolio.

[8] The ETFs in which the Fund may invest include Index Fund Shares and Portfolio Depositary Receipts (as described in Nasdaq Rule 5705(a) and (b)) and Managed Fund Shares (as described in Nasdaq Rule 5735).

[9] The Fund defines ''equity securities'' to be exchange-traded common and preferred stocks.

[10] The Fund defines ''fixed income securities'' to be bonds, notes or debentures.

[11] The Fund defines ''alternative assets'' to be investments that are historically uncorrelated to either equity or fixed income investments, which are commodity futures, exchange-traded master limited partnerships (''MLPs'') and real estate-related securities, which include foreign and domestic exchange-traded real estate investment trusts (''REITs'') or exchange-traded real estate operating companies (''REOCs'').

[12] Technical analysis is the method of evaluating securities by analyzing statistics generated by market activity, such as past prices and trading volume, in an effort to determine probable future prices.

[13] The term ''under normal market conditions'' as used herein includes, but is not limited to, the absence of adverse market, economic, political or other conditions, including extreme volatility or trading halts in the securities markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or *force majeure* type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance. In periods of extreme market disturbance, the Fund may take temporary defensive positions, by overweighting its portfolio in cash/cash-like instruments; however, to the extent possible, the Adviser would continue to seek to achieve the Fund's investment objective.