to measure the implied volatility, or the realized variance or volatility, of specified stock indexes or specified securities. In January 2014, the Commission approved a proposed rule change by the ISE to list options on the Nations VolDex Index.[6] The April 2015 Supplement amends disclosures in the ODD regarding implied volatility index options to accommodate the listing of options on the Nations VolDex Index and similarly structured implied volatility indexes.[7] Specifically, the April 2015 Supplement amends the discussion of implied volatility index options by including disclosure regarding exercise settlement value calculations that use the mid-point of the bid and offer of the index components and the risks of the different calculation methodologies. The supplement also provides disclosure regarding the types of options that can be used to calculate implied volatility indexes (*i.e.,* out-of-the-money option series and hypothetical at-the-money option series; options with certain expiration months or weeks; number of days the options have until expiration).

The April 2015 Supplement is intended to be read in conjunction with the more general ODD, which discusses the characteristics and risks of options generally.[8]

Rule 9b–1(b)(2)(i) under the Act[9] provides that an options market must file five copies of an amendment or supplement to the ODD with the Commission at least 30 days prior to the date definitive copies are furnished to customers, unless the Commission determines otherwise, having due regard to the adequacy of the information disclosed and the public interest and protection of investors.[10] In addition, five copies of the definitive ODD, as amended or supplemented, must be filed with the Commission not later than the date the amendment or supplement, or the amended ODD, is furnished to customers. The Commission has reviewed the April 2015 Supplement, and the amendments to the ODD contained therein, and finds that, having due regard to the adequacy of the information disclosed and the public interest and protection of investors, the supplement may be furnished to customers as of the date of this order.

It is therefore ordered, pursuant to Rule 9b–1 under the Act,[11] that definitive copies of the April 2015 Supplement to the ODD (SR–ODD–2015–01), reflecting the inclusion of disclosure regarding foreign currency index options and changes to disclosure regarding implied volatility index options, may be furnished to customers as of the date of this order.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Brent J. Fields,

Secretary.

[FR Doc. 2015–10136 Filed 4–30–15; 8:45 am]

BILLING CODE 8011–01–P

[6] *See* Securities Exchange Act Release No. 71365 (January 22, 2014), 79 FR 4512 (January 28, 2014) (SR–ISE–2013–42).

[7] The exercise settlement value for the Nations VolDex Index is calculated using the mid-point of the NBBO for the component options of the index, whereas most other index settlement values are calculated using transaction prices of the index components.

[8] The Commission notes that the options markets must continue to ensure that the ODD is in compliance with the requirements of Rule 9b–1(b)(2)(i) under the Act, 17 CFR 240.9b–1(b)(2)(i), including when changes regarding foreign currency index options and implied volatility index options are made in the future. Any future changes to the rules of the options markets concerning foreign currency index options and implied volatility index options would need to be submitted to the Commission under Section 19(b) of the Act. 15 U.S.C. 78s(b).

[9] 17 CFR 240.9b–1(b)(2)(i).

[10] This provision permits the Commission to shorten or lengthen the period of time which must elapse before definitive copies may be furnished to customers.

[11] 17 CFR 240.9b–1.

[12] 17 CFR 200.30–3(a)(39).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–74814; File No. SR–NYSEArca–2014–107]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment Nos. 2 and 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1, 2, and 3, To Reflect Changes to the Means of Achieving the Investment Objective Applicable to the Guggenheim Enhanced Short Duration ETF

April 27, 2015.

I. Introduction

On October 21, 2014, NYSE Arca, Inc. (''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 reflect certain changes to the description of the Guggenheim Enhanced Short Duration ETF (''Fund''), a series of Claymore Exchange-Traded Fund Trust (''Trust'').[3] On October 29, 2014, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as modified by Amendment No. 1 thereto, was published for comment in the **Federal Register** on November 7, 2014.[4] The Commission received one comment on the proposal.[5] On December 10, 2014, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.[6] On February 3, 2015, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.[7] On March 16, 2015, the Exchange filed Amendment No. 2 to the proposed rule change,[8] and on March 24, 2015, the Exchange filed Amendment No. 3 to the

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

[2] 17 CFR 240.19b–4.

[3] The Commission previously approved the listing and trading of the shares (''Shares'') of the Fund. *See* Securities Exchange Act Release No. 64550 (May 26, 2011), 76 FR 32005 (Jun. 2, 2011) (SR–NYSEArca–2011–11) (''Prior Order''). *See also* Securities Exchange Act Release No. 64224 (Apr. 7, 2011), 76 FR 20401 (Apr. 12, 2011) (SR–NYSEArca–2011–11) (''Prior Notice,'' and together with the Prior Order, collectively ''Prior Release''). The Exchange represents that the Shares are currently listed and trading on the Exchange under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares.

[4] *See* Securities Exchange Act Release No. 73512 (Nov. 3, 2014), 79 FR 66442 (''Notice''). In Amendment No. 1 to the proposed rule change, the Exchange clarified that asset-backed securities in which the Fund may invest include collateralized debt obligations, as described in the Prior Release.

[5] Comments on the proposed rule change, including Amendment Nos. 2 and 3, can be found on the Commission's Web site, *available at http://www.sec.gov/comments/sr-nysearca-2014-107/nysearca2014107.shtml.*

[6] *See* Securities Exchange Act Release No. 73810, 79 FR 74783 (Dec. 16, 2014). The Commission determined that it was appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission designated February 5, 2015 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

[7] *See* Securities Exchange Act Release No. 74199, 80 FR 7050 (Feb. 9, 2015) (''Order Instituting Proceedings''). In the Order Instituting Proceedings, the Commission noted, among other things, that questions remain as to whether the Exchange's proposal is consistent with the requirements of Section (6)(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest and asked questions regarding the liquidity and transparency of the Fund's proposed holdings in asset-backed securities.

[8] In Amendment No. 2, the Exchange: (1) Modified the proposal to permit the Fund to invest up to 20% of its assets in MBS and ABS that are privately issued, non-agency, and non-government sponsored entity, collectively defined as ''Private MBS/ABS'' and (2) made conforming changes in the proposal to reflect the defined term ''Private MBS/ABS.''

proposed rule change.[9] The Commission is publishing this notice to solicit comments on Amendments Nos. 2 and 3 from interested persons, and is approving the proposed rule change, as modified by Amendment Nos. 1, 2, and 3, on an accelerated basis.

II. The Exchange's Description of the Proposal

The Exchange proposes to reflect certain changes to the measures that Guggenheim Funds Investment Advisors, LLC (''Adviser'') may use to implement the Fund's investment objective, which is to seek maximum current income, consistent with preservation of capital and daily liquidity.[10]

First, the Prior Release stated that the Fund may invest up to 10% of its assets in mortgage-backed securities (''MBS'') or in other asset-backed securities (''ABS'').[11] The Exchange proposes to modify this limitation to permit the Fund to invest up to 20% of its assets in MBS and ABS that are privately-issued, non-agency, and non-government sponsored entity (''Private MBS/ABS''). The Exchange notes that the holdings in Private MBS/ABS would be subject to the respective limitations on the Fund's investments in illiquid assets and high yield securities, as described below. According to the Exchange, this change to the Fund's investment limitations would allow the Adviser to better achieve the Fund's investment objective to seek maximum current income, consistent with preservation of capital and daily liquidity. In addition, the Exchange represents that the Fund's increased investment in Private MBS/ABS will continue to adhere to the Fund's investment strategy of investing in short duration, fixed income securities. The Exchange further notes that, because the Fund may invest no more than 10% of its net assets in high yield securities, the preponderance of the Fund's investments in Private MBS/ABS will be in investment grade instruments. Due to the quality of Private MBS/ABS in which the Fund will invest, the Exchange states that the Fund's additional investments in Private MBS/ABS should not expose the Fund to additional liquidity risk.

Second, the Prior Release stated that the Fund may invest up to an aggregate amount of 15% of its net assets in: (1) Illiquid securities; and (2) Rule 144A securities. The Exchange proposes to modify this limitation and permit the Fund to hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment),[12] including Rule 144A securities deemed illiquid by the Adviser, consistent with Commission guidance. According to the Exchange, the Adviser and the Trust's Board of Trustees will continue to evaluate each Rule 144A security based on the Fund's valuation procedures to oversee liquidity and valuation concerns. With respect to investment in illiquid assets, if changes in the values of the Fund's assets cause the Fund's holdings of illiquid assets to exceed the 15% limitation (as if liquid assets have become illiquid), the Fund will take such actions as it deems appropriate and practicable to attempt to reduce its holdings of illiquid assets.

Third, the Prior Release stated that the Fund primarily will invest in U.S. dollar-denominated, investment grade debt securities rated Baa or higher by Moody's Investors Service, Inc. (''Moody's''), or equivalently rated by Standard & Poor's Rating Group (''S&P'') or Fitch Investor Services (''Fitch''), or, if unrated, determined by the Adviser to be of comparable quality. The Exchange proposes to modify this representation, as described above, to a representation that the Fund primarily will invest in U.S. dollar-denominated, investment grade debt securities rated Baa3 or higher by Moody's,[13] or equivalently rated by S&P, Fitch, or by any other nationally recognized statistical rating organizations, or, if unrated, determined by the Adviser to be of comparable quality.

Fourth, the Prior Release stated that the Fund will invest at least 80% of its net assets in fixed income securities. The Fund proposes to modify this statement to permit the Fund to invest at least 80% of its net assets in fixed income securities and in exchange-traded funds (''ETFs'') and closed-end funds that invest substantially all of their assets in fixed income securities.[14] The Exchange represents that the shares of these ETFs and closed-end funds will be listed on a U.S. national securities exchange.

The Exchange represents that there is no change to the Fund's investment objective, and that the Fund will continue to comply with all initial and continued listing requirements under NYSE Arca Equities Rule 8.600. In addition, the Exchange represents that, except for the changes noted above, all other facts presented and representations made in the Prior Release remain unchanged.[15]

Additional information regarding the Trust, Fund, and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, trading halts, dissemination and availability of information, distributions, and taxes can be found in the Prior Release, Notice, as modified by Amendment Nos. 1, 2, and 3, and the registration statement, as applicable.[16]

III. Discussion and Commission's Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act[17] and the rules and

[9] In Amendment No. 3, the Exchange made additional conforming changes in the proposal to reflect the defined term ''Private MBS/ABS,'' the preponderance of which will be investment grade.

[10] According to the Prior Release, the Fund uses a low duration strategy to seek to outperform the 1–3 month Treasury Bill Index, in addition to providing returns in excess of those available in U.S. Treasury bills, government repurchase agreements, and money market funds, while providing preservation of capital and daily liquidity. The Prior Release also stated that the Fund would hold, under normal circumstances, a diversified portfolio of fixed income instruments of varying maturities, but that have an average duration of less than one year.

[11] As stated in the Prior Release, this 10% limitation does not apply to securities issued or guaranteed by federal agencies or U.S. government sponsored instrumentalities, such as the Government National Mortgage Administration, the Federal Housing Administration, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

[12] In reaching liquidity decisions, the Adviser may consider the following factors: The frequency of trades and quotes for the security; the number of dealers wishing to purchase or sell the security and the number of other potential purchasers; dealer undertakings to make a market in the security; and the nature of the security and the nature of the marketplace trades (*e.g.,* the time needed to dispose of the security, the method of soliciting offers, and the mechanics of transfer).

[13] According to the Exchange, ''Baa3'' is the lowest tier within the ''Baa'' rating.

[14] According to the Exchange, ETFs include Investment Company Units (as described in NYSE Arca Equities Rule 5.2(j)(3)); Portfolio Depositary Receipts (as described in NYSE Arca Equities Rule 8.100); and Managed Fund Shares (as described in NYSE Arca Equities Rule 8.600). The Fund will invest in the securities of ETFs registered under the Investment Company Act of 1940 (''1940 Act'') consistent with the requirements of Section 12(d)(1) of the 1940 Act, or any rule, regulation or order of the Commission or interpretation thereof.

[15] The Prior Release also stated that the Fund is considered non-diversified under the 1940 Act and can invest a greater portion of assets in securities of individual issuers than a diversified fund. According to the Exchange, Trust changed this representation in an amendment to the Trust's registration statement to state that the Fund is considered a diversified fund. To reflect this change in the registration statement, the Exchange's current proposed rule change states that the Fund is considered a diversified fund.

[16] *See supra* notes 3 and 4; *see also* Notice, *supra* note 4, at 66443 n.6 (referring to the registration statement on Form N–1A relating to the Fund (File Nos. 333–134551 and 811–21906)).

[17] 15 U.S.C. 78f.

regulations thereunder applicable to a national securities exchange.[18] In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,[19] which requires, among other things, that the Exchange's rules be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission believes that the changes proposed by the Exchange with respect to the Fund are consistent with the listing standards applicable to other existing ETFs. Specifically, the Commission notes that, with respect to proposals to list and trade other Managed Fund Shares on the Exchange, it has previously approved similar limitations on MBS and ABS holdings and on illiquid assets.[20] The Commission also notes that it has previously approved the listing and trading of other series of Managed Fund Shares based on portfolios comprising fixed income securities of any credit rating, including investment grade securities rated Baa3 or higher,[21] and shares of other ETFs and exchange-traded closed-end funds.[22]

In support of its proposal, the Exchange has made the following representations:

(1) The Fund and the Shares are currently in compliance with the listing standards and other rules of the Exchange and the requirements set forth in the Prior Release.

(2) The Fund will continue to comply with all initial and continued listing requirements under NYSE Arca Equities Rule 8.600, which sets forth the initial and continued listing criteria applicable to Managed Fund Shares.

(3) There is no change to the Fund's investment objective.

(4) Except for the changes noted above, all other facts presented and representations made in the Prior Release remain unchanged.

This approval order is based on all of the Exchange's representations, including those set forth above; in the Notice, as modified by Amendment No. 1 thereto; in Amendment Nos. 2 and 3 to the proposed rule change; and in the Prior Release.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment Nos. 1, 2, and 3, is consistent with Section 6(b)(5) of the Act[23] and the rules and regulations thereunder applicable to a national securities exchange.

IV. Solicitation of Comments on Amendment Nos. 2 and 3 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment Nos. 2 and 3 to the proposed rule change are 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–NYSEArca–2014–107 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–2014–107. 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 the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; 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–2014–107 and should be submitted on or before May 22, 2015.

V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment Nos. 1, 2, and 3

The Commission finds good cause to approve the proposed rule change, as modified by Amendment Nos. 1, 2, and 3, prior to the thirtieth day after the date of publication of notice of the amendments in the **Federal Register**. Amendment Nos. 2 and 3 modify the proposed rule change by permitting the Fund to invest up to 20% of its assets in Private MBS/ABS. The Commission believes that the proposed rule change is consistent with the permitted allocation of such MBS and ABS holdings with respect to other issues of Managed Fund Shares previously approved by the Commission for Exchange listing and trading.[24] Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,[25] to approve the proposed rule change, as modified by Amendment Nos. 1, 2, and 3, on an accelerated basis.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[26] that the proposed rule change (SR–NYSEArca–2014–107), as modified by Amendment Nos. 1, 2, and 3, be, and it hereby is, approved on an accelerated basis.

[18] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[19] 15 U.S.C. 78f(b)(5).

[20] *See, e.g.,* Securities Exchange Act Release Nos. 74109 (Jan. 21, 2015), 80 FR 4327 (Jan. 27, 2015) (SR–NYSEArca–2014–134) (providing for similar limitations on MBS and ABS with respect to the IQ Wilshire Alternative Strategies ETF); and 70282 (Aug. 29, 2013), 78 FR 54700 (Sept. 5, 2013) (providing for similar limitations on illiquid assets with respect to the First Trust Inflation Managed Fund).

[21] *See, e.g.,* Securities Exchange Act Release Nos. 74093 (Jan. 20, 2015), 80 FR 4015 (Jan. 26, 2015) (SR–NYSEArca–2014–126) (approving the listing and trading of shares of the AdvisorShares Pacific Asset Enhanced Floating Rate ETF based on a portfolio of non-investment grade fixed income securities defined as being rated below ''Baa3,'' among other investments); and 71617 (Feb. 26, 2014), 79 FR 12257 (Mar. 4, 2014) (SR–NYSEArca–2013–135) (approving the listing and trading of shares of the db-X Ultra-Short Duration Fund based on a portfolio of investment grade fixed income securities defined as being rated ''Baa3'' or higher, among other investments).

[22] *See, e.g.,* Securities Exchange Act Release No. 67277 (Jun. 27, 2012), 80 FR 4327 (July 3, 2012) (SR–NYSEArca–2012–39) (approving the listing and trading of shares of the Global Alpha & Beta ETF based on a portfolio of other exchange-traded products that include other ETFs and closed-end funds, among other investments).

[23] 17 CFR 240.10A–3.

[24] *See supra* note 20 and accompanying text.

[25] 15 U.S.C. 78s(b)(2).

[26] 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[27]

Brent J. Fields,

Secretary.

[FR Doc. 2015–10160 Filed 4–30–15; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 31579; File No. 812–14443]

Highland Funds I, et al.; Notice of Application

April 27, 2015.

AGENCY: Securities and Exchange Commission (''Commission'').

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the ''Act'') for an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 22(e) of the Act and rule 22c–1 under the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act, and under section 12(d)(1)(J) for an exemption from sections 12(d)(1)(A) and 12(d)(1)(B) of the Act.

SUMMARY OF APPLICATION: Applicants request an order that would permit (a) series of certain open-end management investment companies to issue shares (''Shares'') redeemable in large aggregations only (''Creation Units''); (b) secondary market transactions in Shares to occur at negotiated market prices rather than at net asset value (''NAV''); (c) certain series to pay redemption proceeds, under certain circumstances, more than seven days after the tender of Shares for redemption; (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of Creation Units; (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the series to acquire Shares; and (f) certain series to perform creations and redemptions of Creation Units in-kind in a master-feeder structure.

APPLICANTS: Highland Funds I (the ''Trust''), Highland Capital Management Fund Advisors, L.P. (the ''Initial Adviser''), and SEI Investments Distribution Co. (the ''Distributor'').

FILING DATES: The application was filed on April 17, 2015, and amended on April 23, 2015 and April 27, 2015.

HEARING OR NOTIFICATION OF HEARING: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on May 22, 2015, and should be accompanied by proof of service on applicants, in the form of an affidavit, or for lawyers, a certificate of service. Pursuant to Rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: The Commission: Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090; Applicants: The Trust and the Initial Adviser, 200 Crescent Court, Suite 700, Dallas, TX 75201; the Distributor, One Freedom Valley Drive, Oaks, PA 19456.

FOR FURTHER INFORMATION CONTACT: Mark N. Zaruba, Senior Counsel at (202) 551–6878, or David P. Bartels, Branch Chief, at (202) 551–6821 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission's Web site by searching for the file number, or for an applicant using the Company name box, at *http://www.sec.gov/search/search.htm* or by calling (202) 551–8090.

Applicants' Representations

1. The Trust is organized as a Delaware statutory trust and is registered under the Act as an open-end management investment company with multiple series.

2. The Initial Adviser is registered as investment adviser under the Investment Advisers Act of 1940 (the ''Advisers Act'') and will be the investment adviser to the Funds (defined below). Any other Adviser (defined below) will also be registered as an investment adviser under the Advisers Act. The Adviser may enter into sub-advisory agreements with one or more investment advisers to act as sub-advisers to particular Funds (each, a ''Sub-Adviser''). Any Sub-Adviser will either be registered under the Advisers Act or will not be required to register thereunder.

3. Each Trust will enter into a distribution agreement with the Distributor. The distributor for the Initial Funds (defined below) will be SEI Investments Distribution Co. The Distributor is a broker-dealer (''Broker'') registered under the Securities Exchange Act of 1934 (the ''Exchange Act'') and will act as distributor and principal underwriter of one or more of the Funds. The distributor of any Fund may be an affiliated person, as defined in section 2(a)(3) of the Act (''Affiliated Person''), or an affiliated person of an Affiliated Person (''Second-Tier Affiliate''), of that Fund's Adviser and/or Sub-Advisers. No distributor will be affiliated with any Exchange (defined below).

4. Applicants request that the order apply to the initial series of the Trust described in the application that will rely on the requested order (''Initial Funds''), as well as any additional series of the Trust and other open-end management investment companies, or series thereof, that may be created in the future (''Future Funds''), each of which will operate as an exchanged-traded fund (''ETF'') and will track a specified index that includes both long and short positions or uses a 130/30 investment strategy and is comprised of domestic or foreign equity and/or fixed income securities (each, an ''Underlying Index'').[1] Any Future Fund will (a) be advised by the Initial Advisers or an entity controlling, controlled by, or under common control with the Initial Advisers (each, an ''Adviser'') and (b) comply with the terms and conditions of the application. The Initial Funds and Future Funds, together, are the ''Funds.''[2]

5. Applicants state that a Fund may operate as a feeder fund in a master-feeder structure (''Feeder Fund''). Applicants request that the order permit a Feeder Fund to acquire shares of another registered investment company in the same group of investment companies having substantially the

[27] 17 CFR 200.30–3(a)(12).

[1] Certain of the applicants received a prior order with respect to the offering of index-based exchange-traded funds. In the Matter of Highland Capital Management, L.P., et al., Investment Company Act Release Nos. 29890 (Dec. 19, 2011) (notice) and 29918 (Jan. 17, 2012) (order) (the ''Prior Order''). The Prior Order does not apply to Long/Short Funds and 130/30 Funds (each as defined herein), and the order requested herein by applicants will only cover Long/Short Funds and 130/30 Funds.

[2] All existing entities that intend to rely on the requested order have been named as applicants. Any other existing or future entity that subsequently relies on the order will comply with the terms and conditions of the order. A Fund of Funds (as defined below) may rely on the order only to invest in Funds and not in any other registered investment company.